



SANGHVI
FORGING & ENGINEERING LTD.

2nd October, 2018

To,
BSE Ltd.
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street,
Fort,
Mumbai 400 001

To,
The Manager
Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
C/1, Block G, Bandra-Kurla Complex,
Bandra (E),
Mumbai 400 051

Code No. 533411

(022) 2272 3121/1278/1557/3354/3577

Symbol "SANGHVIFOR"

(022) 2659 8237/8238

Dear Sir / Madam,

SUB: Submission of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In accordance with the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the financial year 2017-18.

We request you to take the same on records.

Thanking you,

Yours faithfully,

For Sanghvi Forging and Engineering Limited

Deepika Agrawal
Company Secretary
ICSI Membership No. :- A55217



Encl.:- As above



SANGHVI
FORGING & ENGINEERING LTD



**Annual Report
2017-18**

**MOVING TOWARDS
BETTER FUTURE**



CORPORATE INFORMATION

Board of Directors

Shri Babulal S. Sanghvi
(Chairman & Wholetime Director)
(Till 4/08/2018)

Shri Jayantilal B. Sanghvi
(Chairman & Managing Director)

Mrs. Aruna S. Khasgiwala
(Independent Director)

Shri Baba K. Pai
(Independent Director)

Shri Naresh B. Sanghvi
(Wholetime Director)

Shri Ram S. Kaushal
(Independent Director)

Shri Ram C Prasad
(Independent Director)

Shri Shantaram S Yarlagadda
(Independent Director)
(Till 30/05/2018)

Shri Vikram B. Sanghvi
(Wholetime Director & CFO)

Company Secretary

CS Deepika Agrawal
(From 30/05/2018)

CS Harish Punwani
(Till 30/05/2018)

Statutory Auditor

M/s. V. K. Shastri & Co.,
Chartered Accountants

Internal Auditor

M/s. Dhirubhai Shah & Co., LLP
Chartered Accountants

Secreterial Auditor

**M/s. Samdani Shah & Kabra
Associates,**
Company Secretaries

Registered Office

244/6-7, G.I.D.C Industrial Estate,
Waghodia- 391760, Dist : Vadodara
Gujarat, India
Tel: 91-2668-673100
Fax: 91-2668-673135
Email : ho@sanghiviforge.com
Web : www.sanghiviforge.com
CIN : L28910GJ1989PLC012015

Bankers

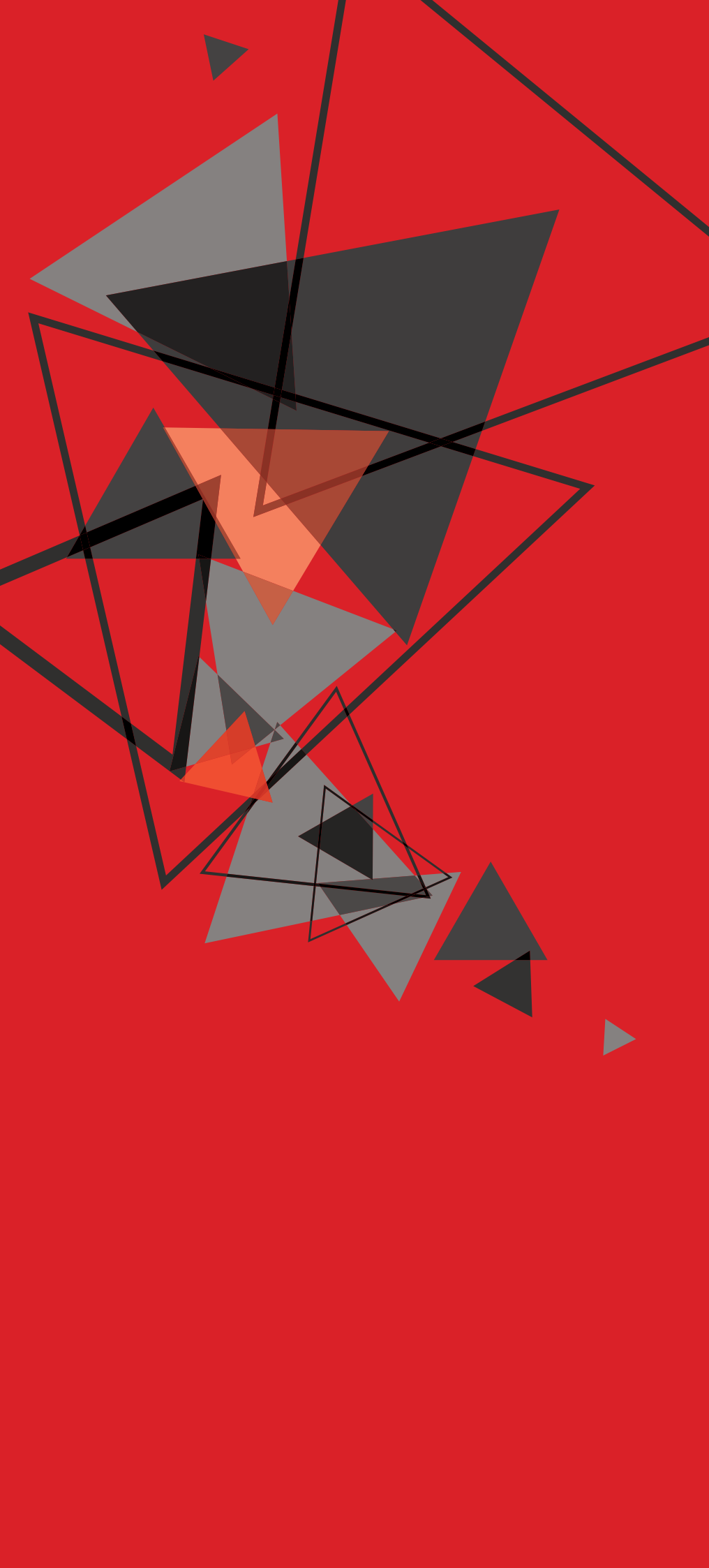
State Bank of India
Bank of Baroda

Works Office

Unit 1:
244/6-7, G.I.D.C. Industrial Estate,
Waghodia, Dist :
Vadodara -391760, Gujarat, India
Unit 2:
1401, 1402, 1403, G.I.D.C. Industrial
Estate, Waghodia, Dist :
Vadodara -391760, Gujarat, India

Company's R&T Agent

Bigshare Services Private Ltd.
1st Floor, Bharat Tin Works Building, Opp.
Vasant Oasis
Apartments (next to Keys hotel), Marol
Maroshi Road,
Andheri (East), Mumbai 400059
Contact NO: 022 - 62638200



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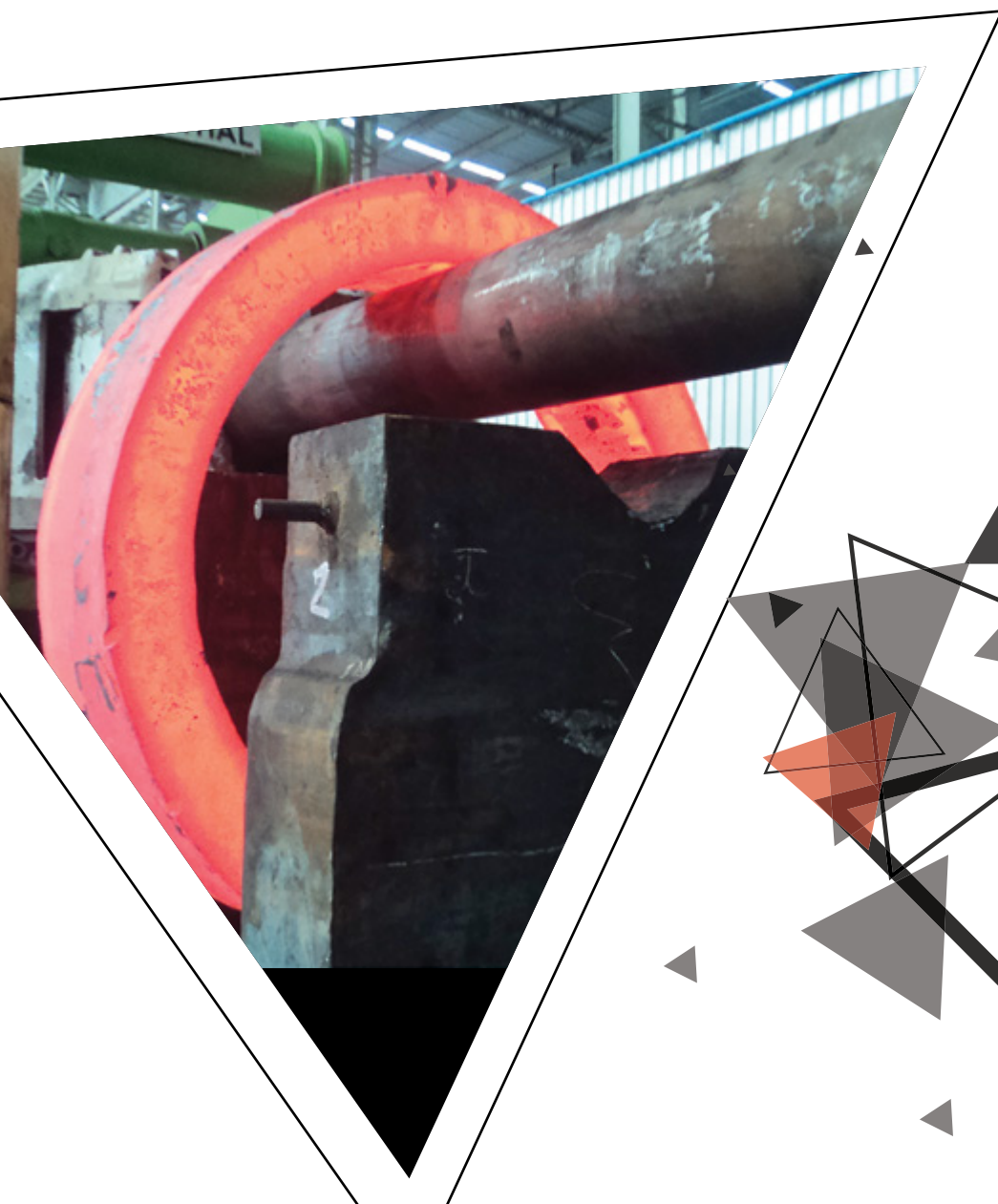
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SFEL AT A GLANCE

Sanghvi Forging and Engineering Limited (hereinafter referred as 'SFEL') is one of the fastest growing forging Company of India with the focus on meeting the challenges faced for forged products.

Since our incorporation in 1989, we have recorded various achievements and expanded ourselves to become one of the leading forging suppliers across the globe. Our state-of-the-art technology along with quality products helps us to cater our products to some of the reputed customers and get recognized by Inspection Agencies for quality of our products. We manufacture open die and closed die forgings and flanges which are supplied proof machined or finished on request, from all grades of steels under both National and International standards for our customers. We are one of the largest manufacturers of high quality open and closed die forging from 1 Kg to 40 ton weight in all grades of steel, for core sector industries.





Vision



We envision being a pioneer and leading supplier in Forging industry by providing end to end solutions for forged product where we can be preferred product development partner with our customer. We also aim to focus on high quality through perfection and innovative approach which shall help us in maintaining leadership position in business.

Values

- ▶ We must constantly strive to achieve the highest possible standards in day-to-day work and in the quality of goods we provide.
- ▶ We must work cohesively with our colleagues across the company and are honest and straight forward to all stakeholders.
- ▶ We accept personal accountability to meet our business needs, improve our systems and help others improve their effectiveness.
- ▶ We believe that people work best when there is a foundation of trust.
- ▶ We have a compelling desire to lead the change and win in the marketplace.

OUR JOURNEY TOWARDS EXCELLENCE

1989

We were incorporated during the year

1992

We had set up a factory in Vadodra with an installed capacity of 300 MTPA for closed die forgings

1996

We obtained our first major approval from the Technical Development Committee of India

2002

We obtained Canadian Registration Number (CRN) for 13 provinces in Canada

2003

We expanded our capacity for closed die forging to 1200 MTPA

2006

We established a new open die forging plant with an installed capacity of 2400 MTPA

2008

We implemented SAP ECC 6.0 in our organization

2009

We obtained product approvals from GE, PDIL and EIL

2011

We signed a Memorandum of Understanding with Government of Gujarat under their Vibrant Gujarat Meet.

We successfully completed our Initial Public Offer

2013

We commenced production at the new heavy forging division with capacity of 15000 MT

2014

Successful Commissioning of Heavy Forging Plant & Achieve Quality Approval from renowned OEMs.

2015

Our R&D Centre developed Nickel Alloy forgings for strategic sectors application for indigenous products & started exporting to various countries like Malaysia, Italy, USA, Bahrain, etc.

2016

We developed forging in Special Grade such Inconel 617M, Inconel 625 and Inconel 825.

2018

We developed critical forging for Space Program.

BUSINESS REVIEW

Our Products

1. Heavy Forgings

- ▶ Rings
- ▶ Forged Bars
- ▶ Blocks and Plates
- ▶ Shafts and step shafts
- ▶ Tube Sheets / Gear Blanks
- ▶ Engineering Forging including Cylinders & RAM

2. Tool Steel

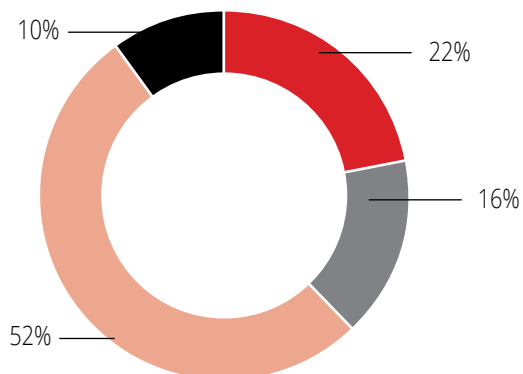
3. Forged Flanges

4. Machined Forgings

5. Valve Forging

Sector-wise revenue breakup

- Power
- Oil & Gas
- Defence
- General Engineering



MESSAGE TO THE SHAREHOLDERS



▶ **Mr. Jayantilal B. Sanghvi**
Chairman & Managing Director



Confidence... thrives on honesty, on honor, on the sacredness of obligations, on faithful protection and on unselfish performance. Without them it cannot live.

- **Franklin D. Roosevelt**

Dear Shareholders,

It gives me immense pleasure to present you the Annual Report 2017-18 of Sanghvi Forgings and Engineering Limited. We are one of the leading forging players in India serving to some of the reputed clients across the globe. In FY 2018, we continued to focus on increasing our capacity utilization as well as exports while aiming towards improving our margins.

'Continuous Improvement' is a corporate strategy that we have always followed diligently. Our challenge has been to adapt to the changing landscape as swiftly as possible, while continuing to accelerate the growth engine. It is encouraging for me to see every member of our family rising to the challenge and making SFEL stronger and more sustainable. Continuous learning and innovation has enabled us to think faster than the industry, evolve with smarter solutions for discerning customers and seek newer growth markets across geographies.

It was a transformative year with the introduction of the Goods and Services Tax (GST), an important development that has created a single national market that would benefit the industry. While trade conditions remained volatile during early implementation, it has since stabilized and there is a gradual improvement in overall industry.

During the year, the global economy strengthened owing to increase in economic activities, rise in the global demand and improvement in market sentiments. As a result, the economy grew at a rate of 3.8% in CY 2017 as against that of 3.2% in CY 2016. The growth of world economy was primarily driven by growth of emerging markets and developing economies including India and Brazil.

Emerging markets in Asia continue to be the primary growth driver globally. However, uncertainties surrounding the business environment preclude optimism, as monetary easing in some countries, protective policies in developed nations and sluggish growth of the Chinese economy require close monitoring.

The Indian forging industry experienced a growth of 12% during FY 2018 and the total production increased from 23.98 lakh tons in FY 2017 to 25.24 lakh tons in FY 2018. During the year, the growth of Indian forging industry was mainly driven by rise in sales of automobiles of different categories. The industry grew despite the rise in steel price that affected the export competitiveness in the global market of the players in



Never give up, & be Confident in What You Do. There may be Tough times, but the Difficulties which you face make you more determined to achieve your Objectives and to win against all the odds.

- **Marta**

forging industry. In FY 2019 the industry is expected to grow further at a rate of 10% with increase in demand by the automobile industry.

Performance

We received various order from different sector during quarter four of FY 2018. This will help us to increase our sales, improve our realizations and our efficiency. It will also help us to strengthen our position in domestic oil and gas sector while attaining the position of one of the leading players in the industry.

We believe with entry in new markets, we are now better placed to serve our Defence and Space Programme.

Strategic initiatives

As we embark upon another transformation year, I would like to take this opportunity to look back at what we accomplished so far; and address the key changes we are envisaging over the coming years. The preceding business transformations focused on technology up gradation, foraying into new sectors, widening of customer base, and more importantly, resulted in building a sound knowledge base about metallurgy and metal forming.

Expanding product portfolio:**▶ Opportunities in Space Program:**

This sector continues to be of importance, despite its slower than anticipated pace of progress. We are confident of growing this business through new product development and customer acquisitions. This business has a long gestation period and does take time before seeing any major momentum.

- ▶ Defence components:** The business primarily focuses on supplying critical components to various defence agencies. With the Government's enhanced focus on indigenization, we expect this business to grow at a healthy pace, driven by new products and systems development. We are making steady progress in the business, and we are encouraged by the response of the defence establishment.

Over the past few years, we have developed a host of products with a significant level of indigenization, with the capability to scale up very fast as soon as a major maiden order comes our way.

Value Added Process

We aim to deliver quality products to our customers and continued to focus in this direction. Over the years, we have received various approvals and certification from both national as well as international institutions for the quality of our product.

We have Presence in more than 20 Countries and Having Subsidiary in Netherland to help us to make strong Market Presence in Europe.

People

We believe that people work best when there is a foundation of trust.

For Sanghvi, our most valuable assets



Don't lower your expectations to meet your performance. Raise your level of performance to meet your expectations. Expect the best of yourself, and then do what is necessary to make it a reality.

- Ralph Marston

are our employees. Their commitment to excellence, innovation and making the world a better and safer place is a key reason for our success.

We are fortunate to have so many talented people with different backgrounds, interests and skills who come together to make Sanghvi a strong and thriving company. Together, we develop the technologies, products and offerings of the future. Sanghvi is a place where teamwork is essential. Yet our employees also maintain the freedom to work on their own, be creative and make their own decisions. And, most of all grow both personally and professionally.

The collective capabilities of our people have taken us far, and we will continue to invest in developing our team to sharpen their capabilities and introduce industry-leading practices. We are also working to instill a corporate culture that enables teams to take initiatives and explore new opportunities. It is only through consistent innovation and empowerment of our people that we will be able to sustain our leadership in our focus areas. Our people are passionate about thinking ahead of the curve and accelerating the pace of innovation in this period of dramatic change.

We value each other's individuality and system of beliefs and work together to

enhance their own capabilities. It is this environment that enables us to incubate new ideas that can change the future.

Sustainability

The need for truly sustainable business model for twenty first century life remains one of the most critical challenges facing the global community. As an Engineering company, Sanghvi has the experience and expertise to put our work in ways that can executed timely with care of safety and the environment. We believe this is a direct route to a successful, profitable business that adds value to our customers, their customers, consumers, and the planet.

Sanghvi Forging & Engineering Ltd. believes that the day-to-day actions taken by each Sanghvi's employee will ultimately demonstrate our commitment and progress towards sustainable growth. Our actions are driven by our partnerships and voluntary initiatives as well as by our policies, principles and positions. All are critical to integrating sustainability into our strategies and practices.

Our constant efforts to evolve from our present situation have enabled us to be creative and competent in every industry. We at SFEL have put in every effort to maintain a greener planet and leave as less carbon foot print as possible can.

In the coming years we will continuously work towards expanding our presence and improve our financial performance. On behalf of my colleagues on the Board of Directors, I would like to thank our employees for their hard work, our shareholders to put their trust and faith upon us, our customers to appreciate our products and our management for their coordination and support. We hope for a better year ahead.

Regards,

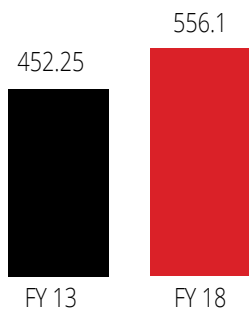
Mr. Jayantilal B. Sanghvi
Chairman & Managing Director

REVIEW OF OUR OPERATIONS

Revenue

(₹ in Million)

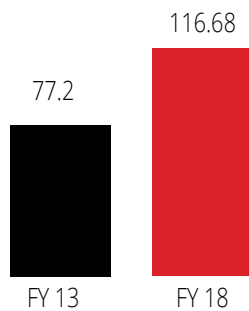
4.22% ▲
5-year CAGR



Exports

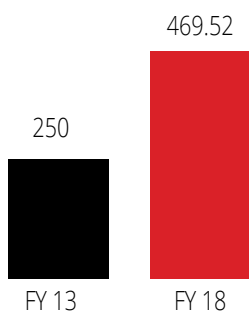
(₹ in Million)

8.61% ▲
5-year CAGR



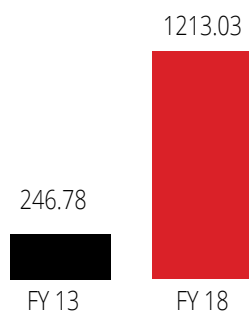
Order Book

(₹ in Million)



Debt

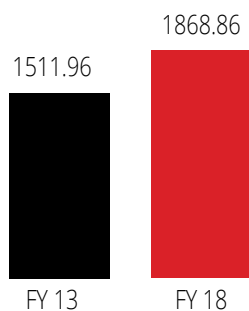
(₹ in Million)



Gross Block

(₹ in Million)

4.33% ▲
5-year CAGR



227 Employees

Team Size as on 31st March 2018

Two separate plant :
Heavy Forging Division (HFD) and Flange & Component Division(FCD)

Number of Manufacturing facilities

18600 MTPA

Manufacturing Capacity as on
31st March 2018

28 years (since 1989)

Years of industry experience

300+

Number of customers as on
31st March 2018

200+

Number of people benefited through CSR
activities in the past five years

PRESENT ACROSS THE GLOBE

At Sanghvi, over the years we have expanded our presence from Vadodra to more than 20 countries across the globe. Every year we participate in International exhibitions to establish new customers and expand our presence. We aim to deliver quality products to our customers, ensuring that our products are accepted both in India as well as other countries.

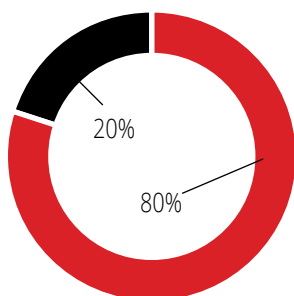


20+

Number of countries we export our products to

Geography-wise revenue breakup

- Domestic
- Export



Countries you are present in

- Australia
- Bahrain
- Brazil
- Canada
- Columbia
- France
- Germany
- Indonesia
- Italy
- Kuwait
- Malaysia
- Middle East
- Russia
- The Netherland
- UAE
- UK
- USA

Management Discussion and Analysis



Global Economic Overview

During CY 2017, the global economy strengthened and gained sight to improve long-term sustainability. There was a rebound in the economic activities in CY 2017 as the economy grew from 3.2% in 2016 to 3.8% in 2017. An unseen growth since 2011, it was primarily propelled by increase in economic activities, spike in global demand and positive financial markets. The inflation rate remained subdued in advanced economies while plummeted in the emerging economies and developing markets like Brazil and India. Most of the countries across the world experienced growth during the year except some countries like Libya, where growth was offset by socio-political instability.

The rise in the growth of global economy could be more accredited to modest growth in the advanced economies than to the robust growth in the developing economies. The global economy grew in the backdrop of uncertain political environment, increasing the possibility of dispersion in the expected growth. The economy is expected to grow at the rate of 3.9% in CY 2018 and remain consistent in CY 2019. Additionally, the growth is expected to remain negatively skewed in the medium and long term especially for advanced economies, where the rising age of population sets in thereby decreasing the overall inefficiency of the economy at large.

(Source: IMF)

Particulars	2016	2017	2018*	2019*
World	3.2	3.8	3.9	3.9
Advanced Economies	1.7	2.3	2.5	2.2
Emerging Markets and Developing Economies	4.4	4.8	4.9	5.1

(Source: IMF)

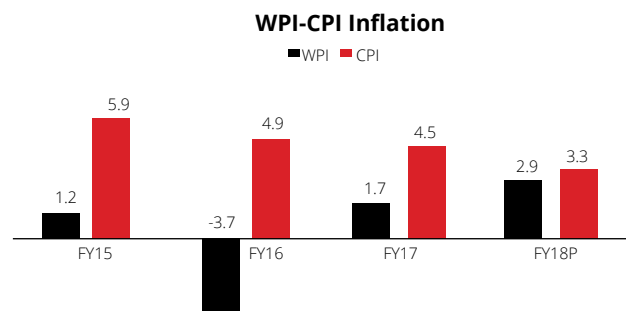
Indian Economy

Due to the fading effects of demonetisation and introduction of new tax regime, Goods and Services Tax, the economy experienced a cyclical growth during FY 2017-18. The growth started off at the rate of 5.7% in the first quarter and eventually increased to 7.7% in the last quarter thereby summing up at average of 6.7% listing India again among the fastest growing economies of the world.

During the year, the economy recorded a rise in per capita income to ₹ 1.3 lakh per annum from ₹ 1.1 lakh indicating a rise in the standard of living. Additionally, the retail inflation declined to 3.3% and rupee gained strength against dollar for the first time in last seven years.

Several governmental initiatives such as 'Make In India', 'Digital India', 'Skill India', and ease in FDI policy assisted the country in stepping up in World Bank's Ease of Doing Business Rank by 30 positions.

The economy is expected to grow at 7.4% in FY 2018-19, owing to the rebound in the economic activities and positive affects of the reformations like Goods and Services Tax. Continuing on the growth trajectory, the country's GDP is expected to touch the \$5 trillion mark soon. Initiatives by the government would help the country in gaining grounds in the global market. India is expected to overtake Japan and be the 3rd largest economy by 2028. (Source: The Economic Times)



India is expected to overtake Japan and be the **3rd** largest economy by 2028

7.6%

Expected Growth Rate of India in FY 2018-19

The country stepped up in World Bank's Ease of Doing Business Rank by

30 positions.

Global Forging Industry

The global forging market is expected to expand at an annualised rate of 4.4% from 2017-25 and reach a valuation of \$96,433.7 million by 2025.

Forged metals are majorly used in capital-intensive industries such as automotive, aerospace, factory automation and defence, owing to its high strength and reliability than any casting metal. The low cost factor of metal forging over other processes adds to its advantages.

There are three segments of global forging markets: closed die, open die and rolled rings. The excellent performance and finish of products obtained using closed die is resulting in a greater market share of the segment. Custom forging leads the market by capturing around 60% of the volume of the market in 2016. It relies mainly on closed die forging than on open die forging.

The automotive industry utilises more than 60% of the forged metals produced annually across the metal. Therefore, the development of automotive industry leads to development of forging industry.

In terms of geography, the global forging market is segmented into North America, Europe, Asia Pacific, Latin America, and the Middle East & Africa. As of 2016, the Asia Pacific led the market with more than 55% share. In the coming years, the region is expected to display the leading growth amongst other key

regions. The growth of the region is mainly propelled by the development of automotive and construction industries.

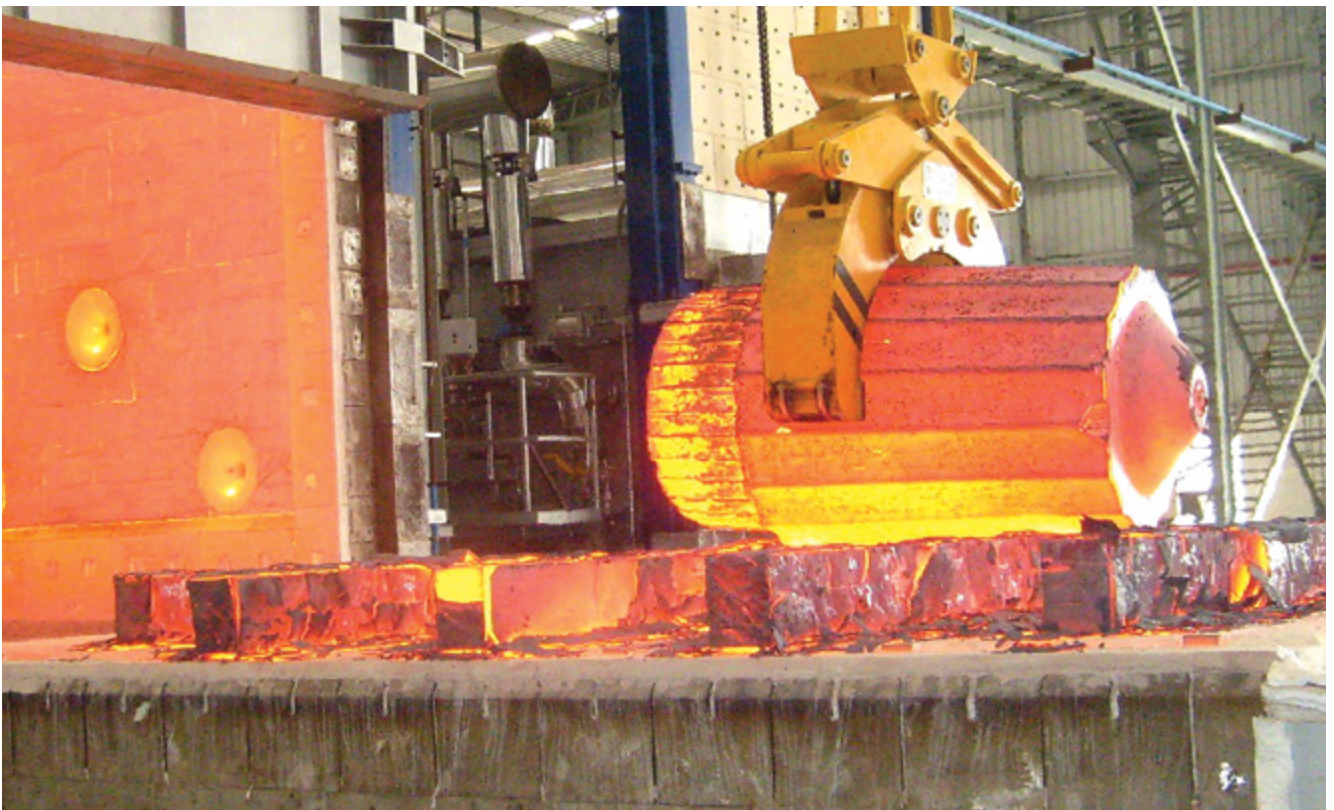
The emerging economies of Asia Pacific are the leading consumers of the forged metal owing to the rising urbanisation and industrialisation resulting in need of infrastructure and convenience. The international markets are dominated by well-entrenched players due to the capital intensive nature of the global forging markets. This poses a challenge for the small players who have to compete with large players in terms of quality, features and services.

Raw-material wise, the global forging market can be divided into the segments including aluminium, magnesium, copper/brass/bronze, low-carbon & low-alloy steels, microalloy/HSLA steel, special alloy steel, stainless steel, nickel-base superalloy titanium, refractory metal, beryllium, and zirconium.

The automotive industry utilises more than

60%

of the forged metals produced annually



Indian Forging Industry

India is the third-largest manufacturer of forging globally, after China and the European Union. During the year under review, the turnover of domestic forging industry has been estimated to grow by 12% at around ₹ 35000 crore as compared to ₹ 31200 crore in the previous year. The total production increased from 23.98 lakh tonnes in FY 2016-17 to 25.24 lakh tonnes in 2017-18.

During FY18, the industry opened on a robust growth. Opposite to the usual trend of low production during April-May, the industry experienced a higher demand in the first quarter, owing to rise in the sales of automobiles.

For a short term, the forging industry was facing issues pertaining to input tax credit and documentation, increasing working capital and vagueness in processing returns. The Association of Indian Forging Industry (AIFI) expects some action on the subject from the government. It stated that no action on the part of government could lead to challenges for the industry in the long run.

The inadequate supply of steel and its rising prices limit the growth of domestic players in the global markets. The price of steel is estimated to grow by 26% to ₹ 47740/ tonne within a period of one year. Although the prices of steel went up across the globe, the surge in India was steeper thereby weakening the export competitiveness of the domestic players in the global markets.

The industry faces the challenge of out dated technology especially in the small and medium enterprises. Such enterprises are need of government assistance for technological upgradation and interest subvention.

The domestic forging industry is expected to grow at the rate of 10% in FY 2018-19 and rise in due course of time. The rising demand for automobile would directly result in growth of the domestic forging industry.

India is the

3rd

largest manufacturer of forging globally, after China and the European Union.

Defence

India has a colossal defence industrial base with 41 Ordnance Factories (OFs), 9 Defence Public Sector Undertakings (DPSUs) and more than 100 private companies. India's premier defence research organisation, Defence Research and Development Organisation (DRDO) has over 50 laboratories under its authority. India's has the third largest armed forces in the world. The country is one of the major importers of weapons with around 14% share in total global imports of arms made until 2016.

The rise in the defence budget since past two decades has been astounding. During 2000-10, the defence budget allocation increased by three-fold from ₹ 58587 crores to ₹ 141781 crores while in 2015, the allocation rose to ₹ 222370 crores. In 2017, the country stood at 4th position among the largest defence spending countries across the globe.

For the coming year 2018-19, Out of a total outlay of ₹ 24,42,213 crore, around 12.10% has been allotted by the government as the defence budget. India's defence budget has been increased by 7.81% to ₹ 2.95 lakh crore as compared to the budget allocation of ₹ 2.74 lakh crore and revised estimates of ₹ 2.79 lakh crore in 2017-18. The budget allotted would unlikely meet the operational need and capability development programmes for the defence services.

Out of ₹ 2.95 lakh crore, ₹ 1,95,947.55 crore has been allocated for revenue expenditure and the rest, ₹ 99,563.86 crore for capital expenditure for defence services and other departments under Ministry of Defence. The CAPEX also includes the expenses to be incurred in upgradation of existing technology. An amount of ₹ 1,83,853.30 crore has been additionally provided for incurring expenses on defence pension.

(Source: Nishith Desai Associates, Economic Times)

India's has the

3rd

largest armed forces in the world.

During 2000-10, the defence budget allocation has tripled from

₹ **58587** crores to

₹ **141781** crores

Oil and Gas

India is the third largest consumer of petroleum products following US and China and the second largest refiner in Asia. Oil and Gas sector is one of the six core industries in India, playing a critical role in driving the growth of the economy. The country has also been inclined towards importing Oil and Natural Gas ("O&NG") to satisfy the existing demand.

Lately, the industry has been noticing cyclical growth in consumption owing to the rising economy and population of the country.

(Source: Oil and Gas financial journal, Make in India)

The total crude oil production stood at 35684.34 TMT, slumping by 0.9% as compared to the production in the previous year. However, during the same period, the production of natural gas rose by 2.36% to 32649.30 MMSCM. The demand for oil has plummeted to 0.6 barrels per day owing to the shifting trend towards consumption of natural gas than oil.

(Source: Ministry of petroleum & Natural Gas)

The demand for fuel and its products grew at the rate of 5.3% from 195 MT in FY 2016-17 to 205 MT in FY 2017-18 while the demand of petrol grew by 10.14% to 26.17 MT. There has also been rise in the diesel consumption by 6.63% to 81 MT as compared to the previous year.

(Source: Economic Times)

The demand of oil is expected to surge at the rate of 3.6% to 458 MTOE by 2040. The demand for energy is expected to double by 2040 and is expected to be five times its current position during the same period of time. The demand for petroleum products and natural gas is expected to reach 244,960 MT and 606 MMSCMD respectively by 2021-2022. (Source: IBEF)

India is the

3rd

largest consumer of petroleum products following US and China

India is the

2nd

largest refiner in Asia

The demand for energy is expected to double by

2040

General Engineering

Tool Steel

India is net Importer of Tool Steel used in Machine Building And Engineering Sector with our World class Polymer Quenching facilities. We have Focused and entered this market.

We have India's biggest Polymer Quenching Facility with capacity to handle single piece of 40 Metric Tonne.

Going Forward We focus to replace the market with Domestic Products in Segment.

Company Overview

About the Company

Sanghvi Forging & Engineering Limited is one of the fastest growing forging company in India. Starting from 1989, the company is working hard to meet all the challenges for forged products and has been successful in achieving several milestones. The company has established itself as a leader in supplying forged products for core sectors in various grades of steel. Recognised for its quality, the company has strived to deliver better products by using state of art technology over the years.

Strengths

- Market Focus
- Strong Management commitment to quality of products and services
- Wide range of product mix (Hollow Forging)
- Metallurgical Capabilities to handle challenging grades/ steels
- State of the Art equipment

Opportunities

- Current Focus of Government on localization, Indigenization & Make in India campaign especially for defense sector.
- Reliability, Sustainability of equipment.
- Strengthening system of Learning from failures.
- Market potential in varied sectors
- Convert technical capabilities into customer delight.



Financial Performance

Profit and Loss Statement Analysis

Particulars	₹ in Lacs)		
	31.03.2018	31.03.2017	Variation (%)
Revenue from Operations	5663.30	5985.01	(5.37)
Employee Benefit Expenses	666.01	640.01	4.06
Finance Costs	1689.93	1660.94	1.75
Other Expenses	1656.27	1583.92	4.57
PAT	(2310.08)	(2251.75)	-
EPS	(15.51)	(15.12)	-

The turnover of the company decreased by 5.37% to ₹ 5663.30 lacs in FY 2017-18 as compared to ₹ 6232.25 lacs in previous fiscal year. On the other hand, other income showed a significant increase to ₹ 102.08 lacs in FY 2017-18 from ₹ 13.50 lacs in FY 2016-17. Due to an increase in expenses including finance cost, employee benefit expenses and other expenses, the company suffered a Net loss of ₹ 2310.08 lacs during the year under review.

The Company faced liquidity constraints rendering its account as NPA in November 2016.

We are working closely with our Bankers for the Resolution for the same.

Human Resource Capital

The Company's innovative human resources management strategies supported business in a challenging economic environment. Strategic talent acquisition and performance management are key to ensure diverse and competency – driven workforce.

A working environment where performance is rewarded; employees are respected and opportunities are made available to release their potentials in creating a performance oriented culture. Several HR initiatives have been started to improve employee engagement and organisational performance.

To enhance employee engagement and to work towards employee satisfaction. In addition, stabilization and revision of

various policies and process improved operational excellence. The Company recruited talented professionals with an emphasis on training and development. Investments were made to upgrade the facilities available to employees. This has resulted in the maintenance of harmonious relations with its employees.

Risk and Concerns

The Company considers good Corporate Governance as pre-requisite for meeting the needs and aspiration of shareholders and other stakeholders in the Company. As part of the Company's efforts to strengthen Corporate Governance, the Board of Director has formulated Risk Management policy, which puts in place Risk Management structures with a clear definition of roles and responsibilities, as well as risk portfolio involving a continues process of Risk identification, risk assessment, control assessment and risk monitoring, review and communication. The Company aims to:

- Identify, assess and manage existing as well as new risks in a planned and coordinated manner.
- Increase the effectiveness of the Company's internal and external reporting structure.
- Develop and foster a "risk" culture within the organisation that encourages all staff to identify risk and associated opportunities and respond to them with appropriate actions

Internal Control Systems and their Adequacy

The Company has appropriate internal control systems and procedures in place with regard to effective utilisation of resources, efficiency in operation, financial reporting and compliance with various rules and regulations.

The implementation of the SAP ECC 6.00 system in 2008 for better control and reliability of the various business and processes was supplemented by extensive audits conducted by the Statutory Auditors.

Key processes including production, planning and accounting are done routinely through the globally benchmarked SAP initiatives. Regular audits are conducted to review the adequacy and effectiveness of the internal controls and suggest improvement, if any, to strengthen the existing system.



Board's Report

To,
The Members of
Sanghvi Forging & Engineering Limited

Your Directors take pleasure in presenting the 30th Annual Report of the Company along with the Audited financial statements for the year ended March 31, 2018, for your perusal, consideration and adoption.

Financial Highlights

The financial performance for the fiscal year 2018 is summarized in the following table

Particulars	(₹ In Lacs)	
	Standalone	
	2017-18	2016-17
Income from Operations	5433.09	5806.50
Other Operating Income	128.13	165.01
Other Income	102.08	13.50
Total Income	5663.30	5985.01
Operating & Administrative Expenses	5400.14	5678.18
Operating Profit before Interest, Depreciation and Tax	263.16	306.83
Interest and Financial Charges	1689.93	1660.94
Depreciation and Amortization	883.31	897.64
Profit Before Tax	(2310.08)	(2251.75)
Tax Expenses	NIL	NIL
Short Provisions for Taxes	NIL	NIL
Profit After Tax	(2310.08)	(2251.75)

Financial and Operational Performance

Your Company has achieved a turnover of ₹ 5663.30 lacs and net loss of ₹ 2310.08 lacs for the financial year ended March 31, 2018 as against a turnover ₹ 5985.01 lacs and net loss of ₹ 2251.75 lacs respectively during the previous year.

Depreciation and amortization charge was decreased from ₹ 897.64 lacs to ₹ 883.31 lacs during the financial year 2017-18.

Interest charges were increased from ₹ 1660.94 lacs to ₹ 1689.93 lacs during the financial year 2017-18.

Outlook

The Company has taken a number of steps to sustain its leadership position in the market and has been strengthening its relationships with its customers. In addition it is also making constant efforts to add new customers and widen its customer base.

The combination of additional capacity of our new plant i.e. 15000 MTPA and integration has had a positive impact on the Company's operating margins. Your Company believes to strengthen its topline and margins in the coming years. We have received all approvals from different customers that validate our product quality.

The Company continued its focus on strengthening local manufacturing capabilities. However, it also analyzed the

trends in the steel industry and adapted to rapid development occurring in the world of steel. The Company has adopted strategic measures to minimize the adverse macro-economic implications.

Share Capital

No new Share Capital has been issued by the Company in the Fiscal Year 2017 -18.

Investors' Relations and Grievances

All the shareholders'/investors' complaints/grievances received during the financial year have been resolved and there were no investor grievances pending, as on March 31, 2018. A confirmation to this effect has been obtained from the Company's Registrar and Share Transfer Agent and authentication of the same can be verified from the SCORES website at <http://scores.gov.in>. The details regarding investor complaints received and resolved during the year are mentioned in the report on Corporate Governance annexed to this report.

Management Discussion and Analysis Report

A detailed review of operations, performance and future outlook of the Company is covered under a separate Annexure to this report as Management's Discussion & Analysis.

Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Jayantilal Babulal Sanghvi, Director of the Company will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Necessary resolution is being proposed for his appointment as Director at the ensuing Annual General Meeting of the Company. A brief resume and particulars relating to him are given separately under the report on Corporate Governance.

Key Managerial Personnel

Shri Jayantilal Babulal Sanghvi, Managing Director, Shri Babulal Sagarmal Sanghvi, Whole Time Director (till 04/08/2018), Shri Naresh Babulal Sanghvi, Whole Time Director, Shri Vikram Babulal Sanghvi, Whole Time Director & CFO, Mr. Keval Thakkar (till 29/05/2017), Company Secretary, Mr. Harish Punwani (till 30/05/2018), Company Secretary & Ms. Deepika Agrawal w.e.f. (30/05/2018) Company Secretary are Key Managerial Personnel of the Company.

Meeting of The Board

During the year from April 2017 to March 2018, 4 Board Meetings were convened and held. The details of the Board Meeting with regards to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report that forms part of Annual Report. The intervening gap between the Two Meetings was within the period prescribed under the Companies Act, 2013.

Amount Transferred to Reserves

The Board of Directors have not recommended transfer of any amount of profit to reserve.

Declaration given by Independent Directors

The Independent Directors of the Company have given the declarations to the Company that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Audit, Nomination & Remuneration and Compliance Committees.

Evaluation Criteria:

- a. For Independent Directors :-
 - Professional conduct
 - Duties, Role, integrity and functions
 - Knowledge and Skills

b. For Executive Directors :-

- Professional Conduct and Integrity
- Sharing of Information with the Board
- Key Performance in achievement of Goals

The Directors expressed their satisfaction with the evaluation process.

Composition of Audit Committee

Pursuant to the provision of Section 177(8) of the Companies Act, 2013, Audit Committee consists of the Majority of Independent Directors as mentioned in the below table. The Committee inter alia reviews the Internal Control System, Reports of Internal Auditors and Compliance of various regulations. The Committee also reviews at length the financial statements before they are placed before the Board.

Composition of the Committee is as below:

Name	Designation	Category
Shri Ram Swaroop Kaushal	Chairman	Non-Executive and Independent
Shri Baba Karnire Pai	Member	Non-Executive and Independent
Shri Vikram Babulal Sanghvi	Member	Executive and Non-Independent
Shri Shantaram Surya Prakasrao Yarlagadda*	Member	Non-Executive and Independent

* Shri Shantaram Yarlagadda resigned from the Board of Directors with effect from 30/05/2018.

Vigil Mechanism / Whistle Blower

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism or 'Whistle Blower Policy' for directors, employees and other stakeholders to report genuine concerns has been established. The same is also uploaded on the website of the Company i.e. http://www.sanghviforge.com/pdf/whisler_blower_policy.pdf

Internal Financial Control

The Company's internal control procedure which includes internal financial controls, ensure compliance with various policies, practices and statutes and keeping in view the organization's pace of growth and increasing complexity of operations. The internal auditors team carries out extensive audits throughout the year across all locations and across all functional areas and submits its reports to the Audit Committee of the Board of Directors.

Corporate Social Responsibility

The Company, having regard to its size and scope, is generally compliant with relevant guidelines on Corporate Social Responsibility (CSR), even though not presently applicable to the Company. The Board has also constituted a committee at their Board Meeting held on May 26, 2014 in accordance with Section 135 of the Companies Act 2013 to mentor and monitor CSR activities.

The call of fulfilling our CSR activities has sincerely been taken by us and we accord as much significance to CSR as any business project and the results are there for everyone to see. Dedicated need-based interventions have been initiated in areas where we operate. Enabling local people by fostering self-reliance is the motive behind our community development efforts.

Therefore, our interventions are structured around promoting education as well as informal education of Tribal Children, generating livelihood, empowering women and overall, social mobility.

Your Company is also constantly making efforts to maintain a greener planet and reduce its carbon footprint as much as possible. Through financial contributions and active participation of employees, your Company provides support to non-profit organisation that addresses community sustainability. Your Company contributed through donations, rain water harvesting sponsorship and by participating in various activities.

Composition of the Committee is as below:

Name	Designation	Category
Shri Jayantilal B Sanghvi	Chairman	Executive and Non-Independent
Shri Baba Pai	Member	Non-Executive and Independent
Shri Ram S Kaushal	Member	Non-Executive and Independent

Policy on Nomination and Remuneration

The contents of Nomination and Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report.

Composition of the Committee is as below:

Name	Designation	Category
Shri Baba Karnire Pai	Chairman	Non-Executive and Independent
Shri Ram Chandra Prasad	Member	Non-Executive and Independent
Mrs. Aruna Khasgiwala*	Member	Non-Executive and Independent
Shri Shantaram Surya Prakashrao Yarlagaadda*	Member	Non-Executive and Independent

* Shri Shantaram Yarlagaadda resigned from the Board of Directors on 30/05/2018.

* Mrs. Aruna Khasgiwala is now member of this Committee w.e.f 30/05/2018.

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained during the year for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval. The Company has developed a Related Party Transactions policy for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website i.e. http://www.sanghiviforge.com/pdf/related_party_transaction.pdf

Report on Corporate Governance

A separate Section on Corporate Governance is forming part of the Annual Report and the Certificate from M/s. Samdani Shah and Kabra, Company Secretaries, Vadodara, the Company's Secretarial Auditors confirming the compliance of conditions on Corporate Governance as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the report on corporate governance.

Fixed Deposits

Your Directors report that the Company has not accepted any deposits during the current financial year.

Insurance

Your Directors confirm that all the properties and insurable interests of the Company, including buildings, plant and machinery and stocks have been adequately insured.

Loan, Guarantee or Investment

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Listing of Shares

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 533411 and on the National Stock Exchange of India Limited (NSE) with scrip code of SANGHVIFOR. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2017-18 has been paid.

Subsidiary Company

Company has its Wholly Owned Subsidiary Company in Netherlands in the name of "Sanghvi Europe BV".

Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures is attached in Form AOC-I in Separate Section of this Annual Report.

Familiarisation Programme for Independent Directors

The details of programmes for familiarization of Independent Directors and training with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company i.e. http://www.sanghviforging.com/pdf/familiarisation_program.pdf

Auditors

Statutory Auditor

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Company has appointed M/s. V. K. Shastri & Co., Practicing Chartered Accountants, as Statutory Auditors of the Company at the 29th Annual General Meeting held on September 28, 2017 to hold office till the conclusion of the 34th Annual General Meeting of the Company.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Samdani Shah & Kabra, Practicing Company Secretary, Vadodara, to undertake Secretarial Audit of the Company for the Financial Year 2018-19.

Explanation or Comments on disqualifications, reservations, adverse remarks or disclaimers in the auditor's reports:

With regard to the remarks of the Secretarial Auditors in their Audit report for delay in uploading the Statement of Investor Complaints for the Quarter ended December, 2017 as per Regulation 13(3) and the voting results of AGM as per Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We have to state that delay was inadvertence and due to technical reason.

There have been no other qualifications, reservations, adverse remarks or disclaimers in the auditor's reports, requiring explanation or comments by the Board.

Internal Auditor

M/s. Parikh Mehta & Associates, Chartered Accountants, the existing Internal Auditors of the Company for the F.Y. 2017-18. Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014. The Board of Directors has appointed M/s. Dhirubhai Shah & Co. LLP for the FY 2018-19.

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their report, by the Internal Auditors in their report or by the Secretarial Auditor in their Secretarial Audit Report and hence no explanation or comments of the Board is required in this matter.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) that in the preparation of the annual financial statement for the year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any
- (b) that the accounting policies to the financial statement have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the profit and loss of the company on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual financial statement on a going concern basis; and
- (e) that the proper internal financial controls were in place and that the internal financial controls were adequate and were operating effectively.
- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Human Resources

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

The Company's HR processes such as hiring and on-boarding, fair transparent online performance evaluation and talent management process, state-of-the-art workmen development process, and market aligned policies have been seen as benchmark practices in the Industry.

Pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 notified on December 9, 2013, the Company has set up a Committee to

look into complaints under the said Act. The Company has not received any complaints relating to sexual harassment at work place from any woman employee during the year.

Disclosure by Senior Management Personnel i.e. one level below the Board including all HODs

None of the senior management personnel have undertaken financial and commercial transactions with the Company, where they have personal interest that would have a potential conflict with the interest of the Company at large.

Disclosure

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

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

Material Changes and Commitments

Your Directors are of the opinion that there are no material changes and commitments affecting financial position of the Company which have occurred between end of financial year of the Company and the date of this report.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **"Annexure B"**.

Conservation of Energy

The Company has taken several steps towards conserving energy through its 'Sustainability' initiatives, disclosed separately in the Annual Report. The information on Conservation of Energy as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is provided in "Annexure D" of this Annual Report. Points of (i) affirmation to compliance of applicable of secretarial standards and (ii) a statement that the company has complied with provisions

related to constitution of Internal Complaints Committee under Sexual Harassment Act to be mentioned in the Boards' Report.

Safety, Health and Environment

The Company has continuously exercised effective safety, health and environment policies. Water and air pollution control measures are successfully operated and industrial trade effluents are used for gardening. The tree plantation at the factory site is maintained properly and the same shall be duly taken care of at our new plant.

Ratio of Remuneration of Director

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Risk Management

The Constitution of Risk Management Committee is not applicable the company however the company has voluntarily constituted Risk management Committee to monitor the risk and to take actions on deviations.

Acknowledgement

Your Directors express their sincere appreciation for the wholehearted and continued support assistance and cooperation extended by the shareholders banks, suppliers, customers, employees, and all concerned towards the Company during the year under review.

**On the behalf of the Board of
Directors**

Jayantilal Babulal Sanghvi

Managing Director

DIN:00291657

Place: Vadodara

Date: August 10, 2018

Annexure – A

Form MR-3 Secretarial Audit Report

for the Financial Year ended March 31, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sanghvi Forging and Engineering Limited
244/6, 7, GIDC Industrial Estate,
Waghodia,
Vadodara – 391 760,
Gujarat.

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

(hereinafter referred to as 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2018, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign

Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We report that, there were no actions / events in pursuance of the following regulations requiring compliance thereof by the company during the period of this report:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (i) The company has generally complied with the Secretarial Standards issued by The Institute of Company Secretaries of India; and

- (ii) The Listing Agreements entered into by the Company with BSE Ltd and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, there has been delay in uploading the Statement of Investor Complaints for the Quarter ended December, 2017 as per Regulation 13(3) and the voting results of AGM as per Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that;

- A. The Board of directors of the company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review, if any, were carried out in compliance with the provisions of the Act.
- B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting.
- C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

- D. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines.
- E. During the audit period there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Suresh Kumar Kabra

Partner

Samdani Shah & Kabra

Company Secretaries

ACS No. 9711

CP No. 9927

Vadodara

Date: August 10, 2018

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

Appendix A

To,

The Members

Sanghvi Forging and Engineering Limited

244/6, 7, GIDC Industrial Estate,

Waghodia,

Vadodara – 391 760,

Gujarat.

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

- Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records and we believe that the processes and practices we followed provide a reasonable basis for our opinion.
- Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Suresh Kumar Kabra

Partner

Samdani Shah & Kabra

Company Secretaries

ACS No. 9711

CP No. 9927

Vadodara

Date: August 10, 2018

Annexure – B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I Registration & other details:

i	CIN	L28910GJ1989PLC012015
ii	Registration Date	16.03.1989
iii	Name of the Company	SANGHVI FORGING AND ENGINEERING LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
v	Address of the Registered office & contact details	244/6 & 7 GIDC ESTATE, WAGHODIA, 391760, DIST: VADODARA. Contact No. :-02668-673100
vi	Whether listed company Yes /No	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PVT. LTD. E/2-3, ANSA INDUSTRIAL ESTATE, SAKIVIHAR ROAD, SAKI NAKA, ANDHERI (E), MUMBAI 400 072. Contact No: 022-28470652

II Principal Business Activities of the Company

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Forging, pressing, stamping and roll-forming of metal; powder metallurgy	3440	99%

III Particulars of Holding , Subsidiary & Associate Companies

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	SANGHVI EUROPE B.V. LAGE DIJK 31-F, 5705 BX HELMOND, THE NETHERLANDS.	8712423033771	SUBSIDIARY	100	2 (87)

IV. Shareholding Pattern (Equity Share capital Break up as % to total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the Beginning of the year as on 01.04.2017				No. of Shares held at the end of the year as on 31.03.2018				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	10083872	0	10083872	67.71	10073303	0	10073303	67.64	(0.07)	
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0.00	0.00	
c) Bodies Corporates	0	0	0	0	0	0	0	0.00	0.00	
d) Bank/FI	0	0	0	0	0	0	0	0.00	0.00	
e) Any other	0	0	0	0	0	0	0	0.00	0.00	
SUB TOTAL:-(A) (1)	1,00,83,872	0	1,00,83,872	67.71	1,00,73,303	0	1,00,73,303	67.64	(0.07)	
(2) Foreign										
a) NRI- Individuals	0	0	0	0	0	0	0	0.00	0.00	
b) Other Individuals	0	0	0	0	0	0	0	0.00	0.00	

Category of Shareholders	No. of Shares held at the Beginning of the year as on 01.04.2017				No. of Shares held at the end of the year as on 31.03.2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0	0	0	0	0.00	0.00
e) Any other...	0	0	0	0	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0.00	0.00
Total Shareholding of Promoters (A)= (A)(1)+(A)(2)	10083872	0	10083872	67.71	10073303.00	0.00	10073303.00	67.64	(0.07)
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0	0	0	0	0.00	0.00
C) Cenntral govt	0	0	0	0	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0.00	0.00
g) FIIS	0	0	0	0	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0	0	0	0	0.00	0.00
j) Foreign Portfolio Investor	0	0	0	0	0	0	0	0.00	0.00
k) Alternate Investment Fund	0	0	0	0	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0.00	0.00
(2) Non Institutions									
(A) Bodies Corporate									
i) Indian	288063	0	288063	1.93	268874	0	268874	1.81	(0.13)
ii) Overseas	0	0	0		0	0	0		0.00
B) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakhs	1979121	3	1979124	13.29	2141323	3	2141326	14.38	1.09
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	1787123	0	1787123	12.00	1623602	0	1623602	10.90	(1.10)
(C) Any Others (Specify)									
(I) Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(II) Clearing Member	11437	0	11437	0.08	22503	0	22503	0.15	0.07
(Iii) Non Resident Indians (Nri)	10712	0	10712	0.07	0	0	0	0.00	(0.07)
(Iv) Non Resident Indians (Repat)	25389	0	25389	0.17	54587	0	54587	0.37	0.20
(V) Non Resident Indians (Non Repat)	6301	0	6301	0.04	7266	0	7266	0.05	0.01
(Vi) Directors Relatives	0	0	0	0.00	0	0	0	0.00	0.00
(Vii) Employee	0	0	0	0.00	0	0	0	0.00	0.00
(Viii) Overseas Bodies Corporates	0	699981	699981	4.70	0	699981	699981	4.70	0.00
(Ix) Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	0.00
(X) IEPF	0	0	0	0.00	0	0	0	0.00	0.00
(D) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(E) Corporate Body NBFC	265	0	265	0.00	825	0	825	0.01	0.00
SUB TOTAL (B)(2) :	4108411	699984	4808395	32.29	4118980	699984	4818964	32.36	0.07
Total Public Shareholding (B)=(B)(1) + (B)(2)	4108411	699984	4808395	32.29	4118980	699984	4818964	32.36	0.07
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0.00	0.00
Grand Total (A+B+C)	10,083,872	-	10,083,872	100.00	10,073,303	-	14,892,267	100.00	0.00

(ii) Share Holding of Promoters

Sl No.	Shareholder's Name	Shareholding at the end of the year as on 31.03.2017			Shareholding at the end of the year as on 31.03.2018			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	JAYANTILAL BABULAL SANGHAVI	1925591	12.9301	79.2272	1925591	12.9301	79.2272	0.0000
2	NARESH BABULAL SANGHAVI	1806931	12.1334	77.8630	1806931	12.1334	77.8630	0.0000
3	BABULAL SAGARMAL SANGHAVI	1714283	11.5112	76.6666	1714283	11.5112	76.6666	0.0000
4	VIKRAM BABULAL SANGHVI	1505682	10.1105	73.4340	1505682	10.1105	73.4340	0.0000
5	SANGHAVI BHAMRIDEVI BABULAL	662451	4.4483	0.0000	662451	4.4483	0.0000	0.0000
6	SANGHVI MEENA JAYANTILAL	623300	4.1854	0.0000	623300	4.1854	0.0000	0.0000
7	SANGHVI KIRAN NARESH	572407	3.8437	0.0000	572407	3.8437	0.0000	0.0000
8	SANGHVI SHEETAL VIKRAM	280526	1.8837	0.0000	280526	1.8837	0.0000	0.0000
9	SANGHVI BABULAL SAGARMAL	262857	1.7651	0.0000	262857	1.7651	0.0000	0.0000
10	MAHESH BABULAL SANGHAVI	253894	1.7049	0.0000	253894	1.7049	0.0000	0.0000
11	SANGHVI JAYANTILAL BABULAL	112000	0.7521	0.0000	112000	0.7521	0.0000	0.0000
12	SANGHVI NARESH BABULAL	112000	0.7521	0.0000	112000	0.7521	0.0000	0.0000
13	VIKRAM BABULAL SANGHVI	83394	0.5600	0.0000	83394	0.5600	0.0000	0.0000
14	BABITADEVI LAXMICHAND MEHTA	30488	0.2047	0.0000	30488	0.2047	0.0000	0.0000
15	NARESH BABULAL Sanghvi	26000	0.1746	100.0000	26000	0.1746	100.0000	0.0000
16	BHAMRIDEVI BABULAL SANGHAVI	24183	0.1624	0.0000	24183	0.1624	0.0000	0.0000
17	JITENDRA JUGALKISHOR MUNOT	24032	0.1614	0.0000	24032	0.1614	0.0000	0.0000
18	ANILA JUGALKISHOR MUNOT	20984	0.1409	0.0000	20984	0.1409	0.0000	0.0000
19	VIKRAM LAXMICHAND MEHTA	17136	0.1151	0.0000	10000	0.0671	0.0000	-0.0480
20	PIYUSH LAXMICHAND MEHTA	11100	0.0745	0.0000	11149	0.0749	0.0000	0.0004
21	MEENA JAYANTILAL SANGHVI	6000	0.0403	0.0000	6000	0.0403	0.0000	0.0000
22	LALITKUMAR MISHRIMAL BHANSALI	4328	0.0291	0.0000	4328	0.0291	0.0000	0.0000
23	MAHENDRA MAFATLAL JAIN	2012	0.0135	0.0000	0	0.0000	0.0000	-0.0135
24	PUKHRAJ HANZARIMAL BHANSALI	823	0.0055	0.0000	823	0.0055	0.0000	0.0000
25	SHANTILAL HIRALAL BHANSALI	772	0.0052	0.0000	0	0.0000	0.0000	-0.0052
26	LALITKUMAR M BHANSALI	698	0.0047	0.0000	0	0.0000	0.0000	-0.0047
		10083872	67.7124	53.3375	10073303	67.6414	53.3935	-0.0710

(iii) Change in Promoters' Shareholding (Specify if there is no Change)

Sl. No	NAME	Date	Increase/Decrease in Shareholding	Reason	No of Shares	% total Shares of the Company
1	PIYUSH LAXMICHAND MEHTA	1-Apr-2017	NA	NA	11100	0.04
		30-Jun-2017	49	Buy	11149	0.04
		31-Mar-2018			11149	0.04
2	MAHENDRA MAFATLAL JAIN	1-Apr-2017	NA	NA	2012	0.01
		27-Oct-2017	1651	Sell	361	0.00
		3-Nov-2017	361	Sell	0	0.00
		31-Mar-2018			0	0.00
3	VIKRAM LAXMICHAND MEHTA	1-Apr-2017	NA	NA	17136	0.07
		7-Apr-2017	251	buy	17387	0.07
		12-Jan-2018	5200	Sell	12187	0.05
		9-Jan-2018	2187	Sell	10000	0.04
		31-Mar-2018			10000	0.04
4	SHANTILAL HIRALAL BHANSALI	1-Apr-2017	NA	NA	772	0.00
		15-Sep-2017	772	Sell	0	0.00
		31-Mar-2018			0	0.00

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

Sr No	NAME	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01.04.2017/ end of year 31.03.2018)	% total Shares of the Company				No of Shares	% total Shares of the Company
1	M/S Dango & Dienenthal Gmbh & Co Kg	699981	4.70	1-Apr-2017	NA	NA	699981	4.70
		699981	4.70	31-Mar-2018				
2	Sanghavi Tinadevi Mahesh	177169	1.19	1-Apr-2017	NA	NA	177169	1.19
		177169	1.19	31-Mar-2018				
3	Snehal Bhupendra Shah	155000	1.04	1-Apr-2017	NA	NA	155000	1.04
		155000	1.04	31-Mar-2018				
4	Sanghvi Pyaridevi Mohanlal	152711	1.03	1-Apr-2017	NA	NA	152711	1.03
				7-Apr-2017	2437	Sell	150274	1.01
				14-Apr-2017	85	Sell	150189	1.01
				21-Apr-2017	4289	Sell	145900	0.98
				28-Apr-2017	2000	Sell	143900	0.97
				5-May-2017	1	Sell	143899	0.97
				12-May-2017	3003	Sell	140896	0.95
				19-May-2017	2001	Sell	138895	0.93
				8-Dec-2017	1058	Sell	137837	0.93
				31-Mar-2018			137837	0.93
5	Mahesh B. Sanghvi	100000	0.67	1-Apr-2017	NA	NA	100000	0.67
		100000	0.67	31-Mar-2018				
6	Nitin Kapil Tandon	95999	0.64	1-Apr-2017	NA	NA	95999	0.64
		95999	0.64	31-Mar-2018				
7	Surabhi Shah	95000	0.64	1-Apr-2017	NA	NA	95000	0.64
		95000	0.64	31-Mar-2018				

Sr No	NAME	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01.04.2017/ end of year 31.03.2018)	% total Shares of the Company				No of Shares	% total Shares of the Company
8	Trustline Holdings Pvt Ltd	83885	0.56	1-Apr-2017	NA	NA	83885	0.56
				20-Sep-2017	10000	Sell	73885	0.50
				12-Jan-2018	73885	Sell	0	0.00
		0	0.00	31-Mar-2018				
9	Raajratna Stockholding	55987	0.38	1-Apr-2017	NA	NA	55987	0.38
				14-Apr-2017	5000	Sell	50987	0.34
				12-May-2017	2000	Buy	52987	0.36
				9-Jun-2017	12444	Buy	65431	0.44
				7-Jul-2017	6496	Buy	71927	0.48
				1-Dec-2017	38850	Sell	33077	0.22
				8-Dec-2017	9850	Buy	42927	0.29
				22-Dec-2017	18262	Buy	61189	0.41
				29-Dec-2017	5177	Buy	66366	0.45
				12-Jan-2018	15000	Sell	51366	0.34
				9-Feb-2018	10000	Buy	61366	0.41
				16-Feb-2018	15000	Buy	76366	0.51
				2-Mar-2018	5000	Buy	81366	0.55
		81366	0.55	31-Mar-2018				
10	Amit Simrathmal Jain	55232	0.37	1-Apr-2017	NA	NA	55232	0.37
		55232	0.37	31-Mar-2018				

(v) Shareholding of Directors & Key Managerial Personnel:

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning / end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Shri Jayantilal Babulal Sanghvi - Managing Director	1925591	12.93	1925591	12.93
2	Shri Naresh Babulal Sanghvi - Wholetime Director	1806931	12.13	1806931	12.13
3	Shri Babulal Sagarmal Sanghvi - Wholetime Director	1714283	11.51	1714283	11.51
4	Shri Vikram Babulal Sanghvi - Wholetime Director & CFO	1505682	10.11	1505682	10.11

* There is no change in the shareholding at the end of the year.

None of the other Directors and Company Secretary holds any shares in the Company.

V Indebtedness

(Amount In lakhs)

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	8770.41	1,348.98		1,348.98
ii) Interest due but not paid	122.38	22.57		22.57
iii) Interest accrued but not due	734.97	-		9,627.76
Total (i+ii+iii)	9,627.76	1371.55	-	10,999.31
*Change in Indebtedness during the financial year				
Additions	1203.7	126.87		1,331
Reduction	(357.09)	(275.89)		(633)
Net Change	846.61	(149.02)		697.59
Indebtedness at the end of the financial year				
i) Principal Amount	8413.35	1,199.00		1,199.00
ii) Interest due but not paid	224.32	23.53		23.53
iii) Interest accrued but not due	1836.73	-		-
Total (i+ii+iii)	10474.4	1,222.53	-	1,222.53

*includes exchange difference, repayment and interest movement

Vi Remuneration of Directors and Key Managerial Personnel

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

(Amount In lakhs)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		Mr. Babulal Sanghvi - WTD	Mr. Jayantilal B. Sanghvi - MD	Mr. Naresh B. Sanghvi - WTD	Mr. Vikram B. Sanghvi - WTD	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	24.23	22.76	22.76	22.76	92.52
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1.84	0.40	1.68	0.40	4.31
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-			
	Stock option		-			
	Sweat Equity		-			
	Commission		-			
	as % of profit		-			
	others (specify)		-			
	Others, please specify		-			
	Total (A)	26.07	23.16	24.44	23.16	96.84
	Ceiling as per the Act		-			

B. Remuneration to other directors:

							(Amount In lakhs)
Sl. No	Particulars of Remuneration	Name of the Directors					Total Amount
		Mr. R.S. Kaushal	Mr. Baba Pai	Mr. Y Shantaram	Mr. R.C. Prasad	Mrs. Aruna Khasgiwala	
1	(a) Fee for attending Board / Committee meetings	1.00	1.00	0.75	1.00	0.75	4.50
	(b) Commission						
	(c) Others, please specify						
	Total (1)	1.00	1.00	0.75	1.00	0.75	4.50
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings						
	(b) Commission						
	(c) Others, please specify.						
	Total (2)						
	Total (B)=(1+2)	1.00	1.00	0.75	1.00	0.75	4.50
	Total Managerial Remuneration						
	Overall Ceiling as per the Act.						

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

				(Amount In lakhs)	
Sl. No.	Particulars of Remuneration	Mr. Harish Punwani - Company Secretary (From August 11, 2017)	Mr. Keval Thakkar - Company Secretary (till May 29, 2017)	Total	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		2.03	0.5	2.53
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		0.00	0.00	0.00
2	Stock Option		0	0	0.00
3	Sweat Equity		0	0	0.00
4	Commission		0	0	0.00
	-as % of profit		0	0	0.00
	-others, specify		0	0	0.00
5	Others, please specify		0	0	
	Medical reimbursement		0	0	0.00
	Total		2.03	0.5	2.53

VII Penalties/Punishment/Compounding Of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

There has been No Penalty or Punishment or Compounding of Offences against by the Company, Directors & Other Officers in default under the provisions of the Companies Act, 2013 during the F.Y. 2017-18.

On the behalf of the Board of Directors

Place: Vadodara
Date: August 10, 2018

Jayantilal Babulal Sanghvi
Managing Director

Annexure – C To Board's Report

Details pertaining to remuneration as required under section 197(12) of the companies act, 2013 read with rule 5(1) of the Companies (Appointment and remuneration of managerial personnel) rules, 2014.

- i) The ratio of remuneration of each Director to the median remuneration of the employee of the Company for the financial year 2017-18. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 is as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2017-18 (₹ In Lacs)	Ratio of remuneration of each Director/to median remuneration of employee	% increase in Remuneration in the Financial Year
1	Shri. Babulal S. Sanghvi – Whole time Director(till 04/08/2018)	26.07	16:1	0.00%
2	Shri. Jayantilal B. Sanghvi – Managing Director	23.16	15:1	0.00%
3	Shri. Naresh B. Sanghvi - Wholetime Director	24.44	15:1	0.05%
4	Shri. Vikram B. Sanghvi - Wholetime Director and CFO	23.16	15:1	0.00%
5	Mr. Keval Thakkar- Company Secretary(till 29 th May, 2017)	0.50	-	-
6	Mr. Harish Punwani(till 30 th May 2018)	2.03	-	-

Note: No other Director other than Whole-time Director and Managing Director received any remuneration

- ii) The median remuneration of employee of the Company during the financial year 2017-18 was ₹1.80 Lacs
- iii) In the financial year, there was an increase of percentage % in the median remuneration of employees. - NA
- iv) There were 227 permanent employees on the rolls of the Company as on March 31, 2018.
- v) Relationship between average increase in remuneration and company performance:
There is no direct relationship with Company performance in view of the loss incurred. Routine increments, cost of living and employee retention are as per policy of the Company.
- vi) Comparison of remuneration of the Key Managerial Personnel against the performance of the Company:
The Company reported a loss during the year. Remuneration of Key Managerial Personnel has been detailed in MGT-9: Extract of Annual Return.
- vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2017-18 was - NA
- viii) The key parameters for the variable component of remuneration availed by the directors and considered by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee as per Remuneration Policy for Directors and Senior Management.
- ix) The ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year: The Wholetime Director, Mr. Babulal Sanghvi is the highest paid Director. No employee received remuneration higher than Mr. Babulal Sanghvi.
- x) It is hereby affirmed that the remuneration paid during the year ended March – 2018 is as per Remuneration policy of the Company.

For Sanghvi Forging and Engineering Limited

Shri Jayantilal B. Sanghvi

Managing Director

DIN:00291657

Place: Vadodara

Date: August 10, 2018

ANNEXURE 'D' To Board's Report

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

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy;

- Energy saving in terms of electricity consumption is our prime concern. The Company utilizes several systems to conserve energy.
- Well planned preventive maintenance measures improved our operational efficiency.

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

- Rain Water Harvesting Techniques
- Zero Discharge Plant where Water and air pollution control measures are in place and industrial trade effluents are used for gardening after adjusting the PH.
- Wind mill of 3500 KWA Capacity installed for Generating power thus reducing our demand of Conventional Power.
- The Tree plantation at the factory site is maintained properly.

(iii) Capital investment on energy conservation equipments;

We have Commissioned India's largest capacity Polymer Quenching Tank using Polymer mixed in water in place of using oil, which can be Safety Hazard.

B. Technology Absorption

(i) Efforts made towards technology absorption;

- Continuous emphasis on significant upgrading of manufacturing facility to improve product quality.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution;

- Overall annual production increased through maximum utilization of production capacity.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not applicable

(iv) Expenditure incurred on Research and Development - Not applicable

C. Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

- Earnings in foreign currency (on receipt basis)

Particulars	₹ In lac	
	Amount 2017-18	Amount 2016-17
F.O.B. value of export	1,274.76	1,451.75
TOTAL	1,274.76	1,451.75

- Expenditure in foreign currency (on payment basis)

Particulars	₹ In lac	
	Amount 2017-18	Amount 2016-17
CIF value of import	121.72	263.76
Other miscellaneous	63.87	121.66
TOTAL	185.59	385.42

For Sanghvi Forging and Engineering Limited

Place: Vadodara

Date: August 10, 2018

Shri Jayantilal B. Sanghvi

Managing Director

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr. No.	Particulars	Details
1	Sl. No.	1
2	Name of the subsidiary	Sanghvi Europe B.V.
3.	Date since when subsidiary was acquired	May 27 th , 2014
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January to December 2017
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Currency : EURO
5	Exchange rate : 80.6222	
6	Share capital	EURO 100
7	Reserves & surplus	(3013415.97)
8	Total assets	35969917.02
9	Total Liabilities	35969917.02
10	Investments	0.00
11	Turnover	73791444.85
12	Profit before taxation	(1799073.82)
13	Provision for taxation	0.00
14	Profit after taxation	(1799073.82)
15	Proposed Dividend	-
	% of shareholding	100 %

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: NA
- Names of subsidiaries which have been liquidated or sold during the year. : NA

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: - NA

For Sanghvi Forging and Engineering Limited

Place: Vadodara
Date: August 10, 2018

Shri Jayantilal B. Sanghvi
Managing Director

Corporate Governance Report

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018.

Company's Philosophy on Corporate Governance

SFEL's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. The Company's Code of Business Conduct and its well-structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's stakeholders. This, together with meaningful CSR activities and sustainable development policies followed by the Company has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. Your Company has complied with the requirements of Corporate Governance as laid down SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Governance Structure

SFEL's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an

enabling environment for value creation through sustainable profitable growth.

Board of Directors:

{A} Composition of the Board

- (i) The management of your Company is entrusted to the Managing Director, who is assisted by a core management team and senior executives having rich experience and expertise in their respective fields.
- (ii) None of the Directors on the Board is a member of more than 10 committees or a chairman of more than 5 committees as specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the Indian Public Companies, in which he is a Director. The necessary disclosure regarding the committee position has been made by the Directors.
- (iii) The names and categories of the Directors of the Board, their attendance at Board Meetings held during the year and the number of directorships and committee chairmanship/ membership held by them in Indian Public Companies are given herein below. Directorships do not include alternate directorship, directorships of private limited companies, Section 8 companies under Companies Act, 2013 (Section 25 under Companies Act, 1956) and of companies incorporated outside India. For reckoning the maximum number of chairmanships/ memberships, only two committees viz, Audit Committee and Shareholders'/Investors' Grievance Committee of the Board are considered.

Sr No.	Name of the Directors	Category	No. of directorship in other public limited company	Number of committee positions held in other public limited company		No. of Board Meetings		The last AGM attended : 'Yes' or 'No'
				Member	Chairperson	Held	Attended	
1	Shri Babulal S Sanghvi, Chairman*	Promoter Executive	Nil	Nil	Nil	4	4	Yes
2	Shri Jayantilal B Sanghvi, Managing Director	Promoter Executive	Nil	Nil	Nil	4	3	Yes
3	Shri Naresh B Sanghvi, Wholetime Director	Promoter Executive	Nil	Nil	Nil	4	4	No
4	Shri Vikram B Sanghvi, Wholetime Director	Promoter Executive	Nil	Nil	Nil	4	4	Yes

Sr No.	Name of the Directors	Category	No. of directorship in other public limited company	Number of committee positions held in other public limited company		No. of Board Meetings		The last AGM attended : 'Yes' or 'No'
				Member	Chairperson	Held	Attended	
5	Shri Shantaram Yarlagadda, Director#	Non-Executive and Independent	Nil	Nil	Nil	4	3	Yes
6	Shri Ram C Prasad, Director	Non-Executive and Independent	Nil	Nil	Nil	4	4	Yes
7	Shri Baba Pai, Director	Non-Executive and Independent	Nil	Nil	Nil	4	4	Yes
8	Shri Ram S Kaushal, Director	Non-Executive and Independent	Nil	Nil	Nil	4	4	Yes
9.	Shrimati Aruna S Khasgiwala	Non-Executive and Independent	Nil	Nil	Nil	4	3	Yes

#Shri Shantaram Yarlagadda resigned from the Board of Directors with effect from 30/05/2018.

*Shri Babulal S Sanghvi resigned from the Board of Directors with effect from 04/08/2018

The Company did not have any material pecuniary relationship or transactions with the Independent Non-Executives Directors during the year 2017-18.

Disclosure of relationship between directors inter-se

Shri Jayantilal Sanghvi, Managing Director is the son of Shri Babulal Sanghvi. Shri Naresh Sanghvi, Wholetime Director and Shri Vikram Sanghvi, Wholetime Director & CFO of the Company are the Brothers of Shri Jayantilal Sanghvi . None of the other Directors are related to each other.

There were 4 Board meetings held during the financial year starting from April 1, 2017 to March 31, 2018. These were on May 29, 2017, August 11, 2017, November 13, 2017 and February 12, 2018.

Details of the Directors being appointed/ reappointed

Director Retires by Rotation

In terms of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 effective from April 1, 2014, Independent Directors shall not be counted for the purpose of determining the directors liable to retire by rotation. Shri Jayanti Babulal Sanghvi accordingly retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Shri Jayantilal Babulal Sanghvi, aged 42; he is Chairman and Managing Director of the Company, a gold medalist from Sardar Patel University in Bachelor of Business Administration. He has over 17 years of experience in manufacturing and retailing of flanges and other forging items and has been instrumental in driving the growth of our business. He leads the domestic

marketing, finance and sales functions of the Company. He holds 19,25,591 (12.93%) Equity Shares of ₹10/- each in the Company. He holds Chairmanship in Management Committee, Allotment Committee, and Corporate Social Responsibility Committee of the Company.

The brief resume of Directors with regard to appointment/re-appointment at 30th Annual General Meeting is annexed to the Notice convening the 30th Annual General Meeting, which forms the integral part of this Annual Report.

Board of Director's Profile

Shri Babulal Sagarmal Sanghvi, aged 67, he has more than 30 years of experience in the forging industry. He was Chairman & Wholetime Director of the Company. He was responsible for implementing the overall business strategy of the Company. He holds 17,14,283 (11.51%) equity Shares of ₹ 10/- each in the Company. He is the Chairman of the Board of the Board of Directors. (Shri Babulal S Sanghvi resigned from the Board of Directors with effect from 04/08/2018).

Shri Jayantilal Babulal Sanghvi, aged 42, he is Managing Director of the Company. He is a gold medalist from Sardar Patel University in Bachelor of Business Administration. He has over 17 years of experience in manufacturing and retailing of flanges and other forging items and has been instrumental in driving the growth of our business. He leads the domestic marketing, finance and sales functions of the Company. He

holds 19,25,591 (12.93%) Equity Shares of ₹ 10/- each in the Company. He holds Chairmanship in Management Committee, Allotment Committee, and Corporate Social Responsibility Committee of the Company.

Shri Vikram Babulal Sanghvi, aged 36, he is Wholtime Director & CFO, a gold medalist from Sardar Patel University in Bachelor of Business Administration and has completed his Master degree in Business Administration from the ICFAI University. He has completed a course of Chartered Financial Analyst from ICFAI University. He has over 11 years of experience in the field of forging industry. He is looking after overall supervision of the operations and administration activities in the Company. He holds 15, 05,682 (10.11%) equity Shares of ₹ 10/- each in the Company. He is Member of Audit Committee and Share Transfer Committee of the Company.

Shri Naresh B. Sanghvi, aged 41 years, he is Wholtime Director of the Company and has more than 16 years of experience in forging industry. He is responsible for all export related activities of our Company and identification of growth potentials in various overseas markets. He holds 1,832,931 (12.31%) Equity Shares of ₹ 10/- each in the Company. He does not hold any Chairmanship or any Membership in the Company.

Shri Shantaram Surya Prakasarao Yarlagadda, aged 78, he was Independent Director of the Company and holds degree in mathematics and mechanical engineering. He has worked as scientific officer at the Department of Atomic Energy, Government of India. He has worked in various capacities at the Rajasthan Atomic Power Project, Madras Atomic Power Project, Kakrapar Atomic Power Project, Kaiga Atomic Power Project and Tarapur Atomic Power Project. He finally retired as a Director after 40 years of service in the Department of Atomic Energy Government of India. He is also a member emeritus of the India Nuclear Society. He was a member of Audit Committee and Nomination and Remuneration Committee of the Company (till 30/05/2018). He does not hold any Directorship and Membership in any other company. Shri Yarlagadda does not hold any Shares in the Company (* Shri Shantaram Yarlagadda resigned from the Board of Directors with effect from 30/05/2018.)

Dr. Ram Chandra Prasad, aged 69, he is Independent Director of the Company and holds a doctorate in metallurgical engineering from the Indian Institute of Science, Bangalore. He has worked as assistant professor at the National Institute of Foundry and Forge Technology, Ranchi and as professor at the Indian Institute of Technology, Bombay since 1986. He has been honoured with the Distinguish Alumnus Award at BIT Sindri in the year 2002. He was chairman of IIM Mumbai chapter during the period from 1999 and 2000. He is member of Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company. He does not hold any Directorship and Membership in any other company. Dr. Prasad does not hold any Shares in the Company.

Dr. Baba Karnire Pai, aged 64, he is Independent Director of the Company and holds a doctorate in metallurgical engineering from the Indian Institute of Technology Bombay. He was Professor and the Head of Metallurgical and Materials Engineering faculty of Technology and Engineering at MS

University Kalabhavan, Vadodara. He is currently Director of Institute of Technology & Management University, Vadodara. He is Chairman in Nomination and Remuneration Committee and member of Audit Committee, Stakeholders Relationship Committee, Allotment Committee, Management Committee and Corporate Social Responsibility Committee of the Company. He does not hold any Directorship and Membership in any other company. Dr. Pai does not hold any Shares in the Company.

Shri Ram Swaroop Kaushal, aged 71, he is Independent Director of the Company and a banker by profession and holds a Master's degree in Arts. He was previously employed with State bank of India. He has vast years of experience in the Banking sector. He is a certified Associate of the Indian Institute of Bankers. He is presently working as an Advisor (Learning & Development) with SBI Mutual Fund. He is Chairman of Audit Committee and Stakeholders Relationship Committee and Member of Allotment Committee, Management Committee and Corporate Social Responsibility Committee of the Company. He does not hold any Directorship and Membership in any other company. Shri Kaushal does not hold any Shares in the Company.

Dr. Aruna Khasgiwala, aged 67, she is Independent Director of the Company and a Retd. professor, former DEAN (2003-2010), former head (2003-2008) faculty of Social Work in the M. S. University of Baroda. She holds degree of M.A. (Social Work) specialization, Medical & Psychiatric Social Work, Delhi University, Ph.d. (Social Work) M.S. University of Baroda, she has over 41 years of experience in teaching and field. She does not hold any Chairmanship and Membership of the Company or any other Company. Dr. Aruna Khasgiwala does not hold Shares in the Company.

Board Procedure

The annual calendar of meeting is agreed upon at the beginning of each year. Board Meetings are held at least once in every quarter. In addition to this, Board Meetings are convened to transact special businesses, as and when necessary. The meetings are governed by a detailed agenda. All major issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions.

The agenda papers, containing detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibilities effectively, are circulated in advance to the Directors. The Board is briefed on all the matters of the Company at its meeting.

The Board has complete access to all the information of the Company.

The following information is provided to the Board as and when occasion arises:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.

4. Minutes of meetings of audit committee and other committees of the board.
5. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
12. Significant Labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, Listing Regulations and other related regulations and his affirmation taken with respect to the same.

Committees of Board of Directors

The Company has formed an Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Allotment Committee, Management Committee and Risk Management Committee. The details of these committee meetings are mentioned here in below:

A. Audit Committee

Audit Committee comprises of experts specialized in accounting/financial management. The Chairman of the Audit Committee is a Non-Executive and Independent Director. Details of the meetings of the Audit Committee held during the FY 2017-18 are as under:

Name	Designation	Category	Attendance			
			May 29, 2017	August 11, 2017	November 13, 2017	February 12, 2018
Shri Ram S Kaushal	Chairman	Non-Executive and Independent	Yes	Yes	Yes	Yes
Shri Baba Pai	Member	Non-Executive and Independent	Yes	Yes	Yes	Yes
Shri Vikram B Sanghvi	Member	Executive and Non-Independent	Yes	Yes	Yes	Yes
Shri Shantaram Yarlagadda*	Member	Non-Executive and Independent	Yes	Yes	Yes	No

* Shri Shantaram Yarlagadda resigned from the Board of Directors with effect from 30/05/2018.

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Whole time Director and the Statutory Auditors are permanent invitees to the Meetings. The terms of reference of the Audit Committee are in accordance with the Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies. The Chairman of the Audit Committee was present at the Annual General Meeting to answer the shareholders queries.

Terms of reference: The terms of reference of the Audit Committee are as under:

a) Power of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

b) The Role of Audit Committee includes

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements

- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B. Nomination and Remuneration and Committee

Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013 has been constituted to recommend the remuneration package of the Managing Director and Whole time Directors based on the performance and defined criteria.

Role of the Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Composition of Nomination and Remuneration Committee and its meeting held during financial year 2017-18 are as under:

Name	Designation	Category
Shri Baba Pai	Chairman	Non-Executive and Independent
Shri Ram C Prasad	Member	Non-Executive and Independent
Shri Shantaram Yarlagadda*	Member	Non-Executive and Independent
Mrs. Aruna Khasgiwala*	Member	Non Executive Director

* Shri Shantaram Yarlagadda resigned from the Board of Directors with effect from 30/05/2018.

*Mrs. Aruna Khasgiwala is member of Nomination and Remuneration Committee with effect from 30/05/2018

Performance Evaluation Criteria for Independent Directors

No Meeting of NRC Committee held in FY 2017-18.

The performance evaluation criteria's for Independent Directors are disclosed in the Board's Report.

Remuneration to Directors

- a. Non-Executive and Independent Directors.

The Non-Executive and Independent Directors do not draw remuneration other than sitting fees. The Company pays the sitting fees to all the Non-Executive Directors at the rate of ₹ 15,000 for attending each Meeting of the Board and ₹ 10,000 for every other Committee meeting attended by him. The sitting fees paid to Non-Executive

cum Independent Directors for attending Board and Committee Meetings during the F.Y. 2017-18 is as follows:

Name Directors	Sitting fees (₹ In Lacs)
Shri Ram C Prasad	₹1.00
Shri Yarlagadda Shantaram	₹0.75
Shri Ram S Kaushal	₹1.00
Shri Baba Pai	₹1.00
Mrs. Aruna S Khasgiwala	₹0.75

- b. Executive Directors.

The remuneration payable to the Managing Director, Wholetime Directors as recommended by the Nomination and Remuneration Committee and was approved by the Board of Directors in its Meeting when all the Directors were present. The salary paid during the year to the Managing Director is within the ceiling prescribed by provisions of the Companies Act, 2013.

Name of Director	Designation	Salary and Perquisites ₹ In Lacs	Variable Performance Bonus	Commission	Total
Shri Babulal S Sanghvi	Chairman	26.07	0	0	26.07
Shri Jayantilal B Sanghvi	Managing Director	23.16	0	0	23.16
Shri Naresh B Sanghvi	Wholetime Director	24.44	0	0	24.44
Shri Vikram B Sanghvi	Wholetime Director	23.16	0	0	23.16

The following remuneration paid to the Directors during the year ended March 31, 2018.

Policy for selection and appointment of Directors and their Remuneration

The Nomination and Remuneration (N&R) Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors, Managing Director and their remuneration. Particulars of the Policy is accordingly as under:

1. Criteria of selection of Non-Executive Directors

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

2. Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings.

Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

3. Managing Director/Whole Time Directors - Criteria for selection / appointment

For the purpose of selection of the MD/WTD, the N&R Committee shall identify persons of integrity who possess

relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

4. Remuneration for the Managing Director/Whole Time Directors

- i. At the time of appointment or re-appointment, Managing Director/ Whole Time Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the Managing Director/ Whole Time Directors within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

C. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee comprises of 3 Directors viz.

Composition of Corporate Stakeholders Relationship Committee is as under:

Name	Designation
Shri Ram S Kaushal	Chairman
Shri Ram C Prasad	Member
Shri Baba Pai	Member

Shri R S Kaushal, Independent Non-Executive Director is Chairman of the Stakeholders' Relationship Committee. Shri R S Kaushal was present at the last Annual General Meeting held on 28th September, 2017. The Company Secretary and Compliance Officer of the Company acts as a Secretary of the Committee.

The Primary Objective of the Stake holders Relationship Committee is to oversee all matters concerned with the securities and to look in to shareholders complaints relating to transfer of shares, Non receipt of Annual Report, Non receipt of Dividend etc.

The terms of reference committee are in line with the requirement of Companies Act and SEBI Listing Regulations.

During the financial year 2017-18 the Company has not received any complaints from any shareholders.

No. of Complaints not solved to the satisfaction of shareholders: NIL

No. of pending Complaints: NIL

In addition to the above committees, the Board has constituted the following committees:

D. Corporate Social Responsibility Committee

Composition of Corporate Social Responsibility Committee is as under:

Name	Designation
Shri Jayantilal B. Sanghvi	Chairman
Shri Ram S Kaushal	Member
Shri Baba Pai	Member

E. Allotment Committee

Composition of Allotment Committee is as under:

Name	Designation
Shri Jayantilal B. Sanghvi	Chairman
Shri Baba Pai	Member
Shri Ram S. Kaushal	Member

F. Management Committee

Composition of Management Committee is as under:

Name	Designation
Shri Jayantilal B. Sanghvi	Chairman
Shri Baba Pai	Member
Shri Ram S. Kaushal	Member

G. Risk Management Committee

Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

Risk Management Committee is not applicable to the Company however the company has voluntarily constituted Risk Management Committee.

Composition of Risk Management Committee is as under

Name	Designation
Shri Jayantilal B. Sanghvi	Chairman
Shri Baba Pai	Member
Shri Ram S. Kaushal	Member

Independent Directors' Meeting:

During the year, the Independent Directors met on February 12, 2018, inter alia, to discuss:

- Evaluation of the Performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the Performance of Chairman of the Company, taking into accounts the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

Code of Conduct

i) For prevention of Insider Trading

The Company has a comprehensive Code of Conduct bid down for its employees and Directors for the prevention of insider trading. The Code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequence of non-compliances. The Company Secretary has been appointed as a Compliance Officer and is responsible for adherence to Code for Prevention of Insider Trading.

ii) For Board of Directors and Employees

The Board of Directors of the Company has laid down a Code of Conduct for all Board Members and employees of the Company. The Code of Conduct is posted on the website of the Company, www.sanghivforge.com. The Board members and employees have affirmed compliance with the 'Code of Conduct' for the year ended March 31, 2018.

Website

In accordance with requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 information about the Company is stored on the Company's website i.e. www.sanghivforge.com in a separate dedicated section titled Investor Relations and is updated regularly.

General Body Meeting

The details of the last three AGM/EOGM of the Company are as under:

Year	AGM/EOGM	Location	Date	Time	No. of Special Resolutions
2016-17	AGM	244/6-7, G.I.D.C Industrial Estate, Waghodia, Vadodara-391760	September 28, 2017	4 p.m.	0
2015-16	AGM	244/6-7, G.I.D.C Industrial Estate, Waghodia, Vadodara-391760	September 27, 2016	5 P.M.	1
2014-15	AGM	244/6-7, G.I.D.C Industrial Estate, Waghodia, Vadodara-391760	September 29, 2015	5 p.m.	4

Special Resolutions Were Approved at the AGM/EOGM.

AGM/EOGM	Dated	Particulars
AGM	September 28, 2017	No Special Resolution was passed by the Company
AGM	September 27, 2016	Approval to invite/ accept/ renew from time to time unsecured/secured deposits from members of the Company upto permissible limits as prescribed under Companies (Acceptance of Deposits) Rules, 2014.
AGM	September 29, 2015	Re-appointment of MD, WTD(s) & Independent Director

Postal Ballot

No Special Resolution was passed by the Company last year through Postal Ballot. No Special Resolution is proposed to be passed through Postal Ballot as on the date of this report.

Disclosures

- Related Party Transactions, comprising of contracts or arrangements with the related parties/entities in which Directors are interested, are entered in the Register of Contracts as per section 189 of the Act. None of the transactions with any of the related parties were in conflict with interest of Company as per requirements of Accounting Standard 18, they have been disclosed in notes to accounts annexed to the financial statements.
- None of the Non-Executive Directors has any material pecuniary relationship or transaction with the Company.
- The Independent Directors have confirmed that they meet the criteria of independence as stipulated under Section 149(6) of the Act, and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.
- There were no instances of non-compliance and no restrictions and penalties have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter related to capital market, during last three years.
- The Company has policy on Whistle Blower/Vigil Mechanism which is also posted on the website of the Company no personnel has been denied to access the Audit Committee.

- There is no amount pending for transfer to the Investor Education and Protection Fund under Section 125 of the Act.
- Website Linkage for Policies:
 - Familiarisation Programme of Independent Directors: <http://www.sanghiviforge.com/policies.php>
 - Related Party Transaction Policy : <http://www.sanghiviforge.com/policies.php>
 - Whistler Blower Policy/Whistler Blower Policy: <http://www.sanghiviforge.com/policies.php>

Mandatory Requirements

The Company has complied with the Mandatory Requirement of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Non Mandatory Requirements

The Company has not complied with Non Mandatory Requirements as specifically provided in Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Disclosure of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements), 2015:

Regulation No.	Particulars	Compliance Status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the Company	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46 (2)(b) to (i)	Website as applicable	Yes

Means of Communication

The Annual and Quarterly Results are regularly published in Financial Express (Both in English and Gujarati), The News Papers as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also been displayed on our website viz. www.sanghviforge.com.

General Shareholder Information

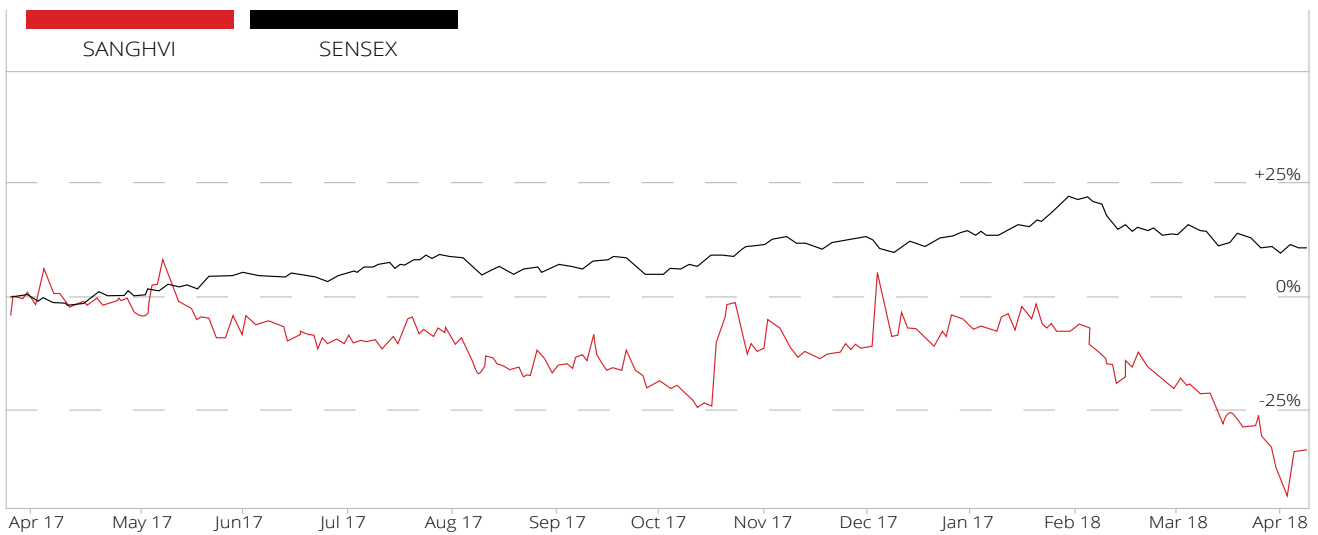
A. Annual General Meeting	
Day and date of AGM	28 th September 2018, Friday, at 4:30 p.m.
Venue	At Registered office of the Company- 244/6-7, G.I.D.C. Industrial Estate, Waghodia-391760, Dist. Vadodara
B. Registered office	244/6-7, G.I.D.C. Industrial Estate, Waghodia-391760, Dist. Vadodara
C. Book closure date	September 21, 2018 to September 28, 2018
D. Listing of Equity Shares	1) National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, C/1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 2) BSE Limited Corporate Relationship Department, 1 st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Mumbai - 400 001
E. Stock Code	NSE :- SANGHVIFOR BSE :- 533411
F. ISIN of NSDL and CDSL	INE263L01013
G. Present Financial Year	April 01, 2017 to March 31, 2018
H. Registrar and Share transfer agent	Big Share Services Pvt. Ltd. 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (next to keys hotel), Marol Maroshi Road, Andheri East, Mumbai 400059 Phone No:022 – 62638200 Email: info@bigshareonline.com
Share Transfer System	Share Transfers and all other investor related activities are attended to and processed at the Registered office of our Registrars and Transfer Agent (R&T). For lodgment of transfer deeds and any other documents or for any grievances/complaints kindly contact any of the offices of Big Share Services Pvt. Limited which are open from 10.00 a.m to 3.30 p.m between Monday to Friday (Except on bank holidays).
I. Dematerialisation of shares and liquidity.	As on March 31, 2018, 14,192,283 shares were in dematerialised form representing 95.30% of total shares of the Company.
J. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity	NA

K. Performance of equity shares during the FY 2017-18

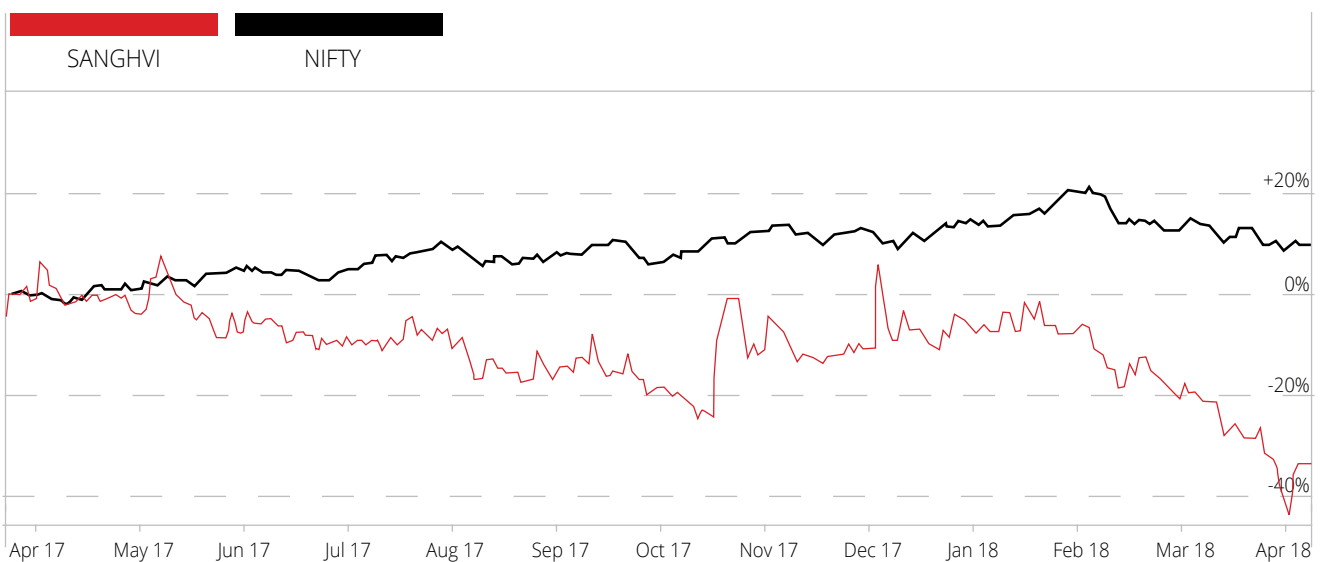
Monthly share price movement during the FY 2017-18 at BSE and NSE

Months	BSE			NSE		
	High Price (₹)	Low Price (₹)	Close Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)
April-17	50.00	38.80	43.75	50.80	40.75	43.55
May-17	49.00	39.00	40.50	47.50	38.20	40.20
June-17	44.00	37.20	39.60	43.80	39.00	39.85
July-17	45.00	36.25	41.25	44.90	36.00	41.00
August-17	42.30	33.00	37.35	42.00	33.30	39.20
September-17	42.90	35.15	35.65	44.00	34.10	35.95
October-17	46.20	32.85	41.85	45.55	32.20	39.10
November-17	47.70	37.55	46.30	47.15	38.05	46.55
December-17	47.00	38.15	40.90	47.00	39.35	41.25
January-18	47.75	38.20	38.75	47.70	38.55	38.95
February-18	42.00	34.75	34.75	40.50	33.45	34.90
March-18	37.95	25.00	29.00	34.55	24.75	29.30

L. Sanghvi Forging & Engineering Limited vs BSE SENSEX Share Price



M. Company vs NIFTY

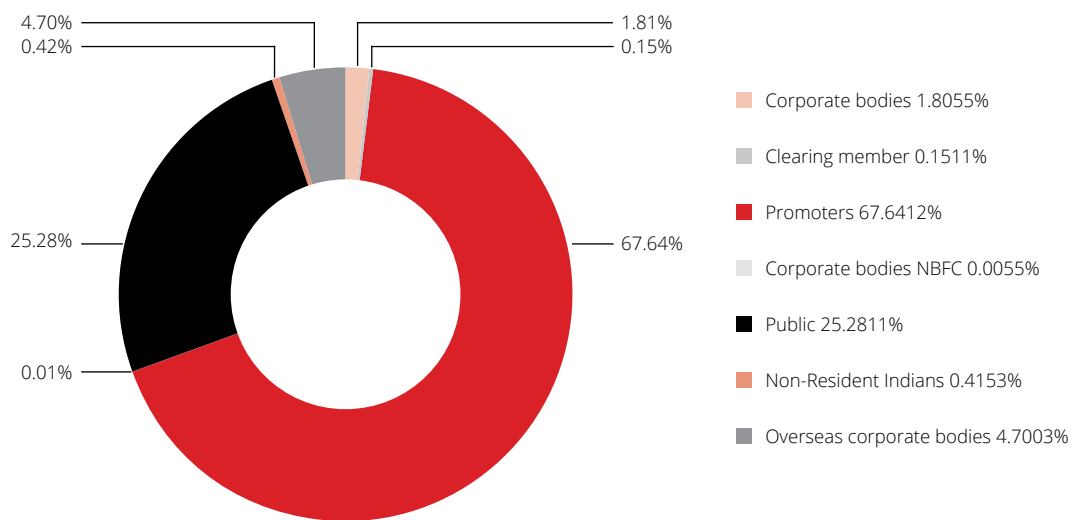


N. Shareholding Pattern as on March 31, 2018

Category	No. of shareholders		No. of shares	
	Total shareholders	% of shareholder	Total shares	%
Clearing members	21	0.4244	22503	0.1511
Corporate bodies	84	1.6977	268049	1.8055
Corporate bodies NBFC	1	0.0202	825	0.0055
Non-Resident Indians	53	1.0711	61853	0.4153
Overseas corporate bodies	2	0.0404	699981	4.7003
Promoters	20	0.4042	10073303	67.6412
Public	4767	96.342	3765753	25.2811
Total	4948	100	14892267	100

O. Shareholding Pattern as on March 31, 2018

Shareholding



P. Distribution of Shareholding as on March 31, 2018

Category		No. of shareholders	%	No. of shares	%
1	5000	4087	81.1879	5994510	4.0253
5001	10000	455	9.0385	3794150	2.5477
10001	20000	175	3.4764	2750350	1.8468
20001	30000	87	1.7282	2174260	1.4600
30001	40000	32	0.6357	1111600	0.7464
40001	50000	53	1.0528	2514220	1.6883
50001	100000	70	1.3905	5411050	3.6335
100001 and above		75	1.4899	125172530	84.0520
TOTAL		5034		148922670	100.0000

Q. Plant Location

Plant # 1

244/6-7, G.I.D.C. Industrial Estate, Waghodia, Dist: Vadodara-391760

Plant # 2

1401, 1402, 1403, G.I.D.C. Industrial Estate, Waghodia, Dist: Vadodara-391760

R. Address for Correspondence:

The shareholders may address their communications/ suggestions/grievance/queries to:

Deepika Agrawal

Company Secretary & Compliance Officer

Sanghvi Forging and Engineering Limited

244/6-7, G.I.D.C. Industrial Estate, Waghodia, Vadodara-391760

Email: cs@sanghiviforge.com

Phone: 91-2668-264100 Fax: 91-2668-263411

Corporate Governance Certificate

To the Members of Sanghvi Forging and Engineering Limited

We have examined the compliance of the conditions of Corporate Governance by Sanghvi Forging and Engineering Limited for the year ended March 31, 2018 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We state that in respect of investor grievances received during the year ended March 31, 2018, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Suresh Kumar Kabra

Partner

Samdani Shah & Kabra

Company Secretaries

ACS No. 9711

CP No. 9927

Place: Vadodara

Date: August 10, 2018

Declaration on Compliance with the Code of Conduct

I, Jayantilal Babulal Sanghvi, Managing Director of Sanghvi Forging & Engineering Ltd hereby declare that all the Board members and Senior managerial personnel have affirmed for the year ended March 31, 2018 compliance with the code of Conduct laid down for them.

For Sanghvi Forging and Engineering Limited

Jayantilal Babulal Sanghvi

Managing Director

Place: Vadodara

Date : August 10, 2018

CEO and CFO Certification

We Jayantilal B Sanghvi, Managing Director and Vikram B Sanghvi, Executive Director and CFO, responsible for the finance function, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of their knowledge and belief:
 - 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the company during the year ended March 31, 2018 which was fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of which such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
 - 1. Significant changes in internal control over financial reporting during the year ended March 31, 2018;
 - 2. Significant changes in accounting policies during the year ended March 31, 2018 and that the same have been disclosed in the notes to the financial statements; and
 - 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Sanghvi Forging and Engineering Limited

Place: Vadodara
Date: August 10, 2018

Jayantilal B Sanghvi
Managing Director

Vikram B Sanghvi
Whole Time Director & CFO

Independent Auditor's Report

To the Members of

SANGHVI FORGING & ENGINEERING LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **SANGHVI FORGING & ENGINEERING LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these Standalone Financial Statements of the Company that give a true and fair view of the financial position and financial performance including Cash Flow Statement and the Statement of Changes in Equity of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the 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, but not for the purpose of expressing opinion on whether the company has in place an adequate internal financial control system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the statement of affairs of the Company as at March 31, 2018, and its Profit, its Cash Flows and the changes in equity for the year ended on that date.

Other Matter

The Comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as on April 1, 2016 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial information and the said opening balance sheet dt. 29.05.2017 has expressed an unmodified opinion.

Our opinion on the financial statements and our report on Other Legal regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 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 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 specified under section 133 of the Act,
 - 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.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in Note No. 30 of the standalone financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For V. K. SHASTRI & CO.

Chartered Accountants

FRN: 113325W

CA. V. K. SHASTRI

(Sole- Proprietor)

Membership No. : 042774

Place: Vadodara

Date: 30/05/2018

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

- 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 are physically verified by the management at the year end, which in our opinion, is reasonable having regard to the size of the company and nature of its business and no material discrepancies have been noticed between the books records and the physical fixed assets.
- (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 Leasehold rights of Factory, Land and Building held by the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) 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. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, and as per the expert legal opinion obtained by the Company, the Company has not granted any loans, or provided any guarantees or security to the parties covered under section 185 and 186 of the Companies Act, 2013.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under- sub-section (1) of Section 148 of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, employee state Insurance, Income-Tax, Sales tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities except for delayed deposit of Provident fund and TDS dues in certain months and that no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute are as follows:

Name of Statute	Name of Dues ₹	Amount (₹ in'000)	Period to which amount relates (FY)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	5282.61	10-11 11-12	ITAT, Ahmedabad
Central Excise Act, 1944	Service Tax	5165.93	2011-12 to 2015-16	CESTAT Ahmedabad
Central Excise Act, 1944	Service Tax	6335.02	2011-2014	CESTAT Ahmedabad
Central Excise Act, 1944	Excise Duty	2979.31	2011-12 to 2014-15	CESTAT Ahmedabad
Central Sales Tax Act, 1956	Sales Tax	7049.21	2010-11 to 2011-12	Asst. CCT (Appeal)

- 8) Based upon the audit procedures performed and the information and explanations given by the management, the company has defaulted in repayment of its loan and interest to the banks. Estimated instalments and interest due but not paid to the banks as at March 31 2018 aggregated to ₹21,82,72,680 (P.Y. ₹9,64,91,596) & interest thereon ₹20,68,09,060 (P.Y. ₹9,23,67,396) since July 2016.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. According to the information and explanations provided to us, term loans availed by the company were, prima facie; applied for the purpose for which the loans were obtained.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals and resolutions mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, 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 and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For V. K. SHASTRI & CO.

Chartered Accountants

FRN: 113325W

CA. V. K. SHASTRI

(Sole- Proprietor)

Membership No. : 042774

Place: Vadodara

Date: 30/05/2018

“Annexure B” to the Independent Auditor's Report

of even date on the Standalone Financial Statements of Sanghvi Forging and Engineering Limited for year ended 31st March.2018

We have audited the internal financial controls over financial reporting of Sanghvi Forging & Engineering 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

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, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, and 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 Institute of Chartered Accountants of India.

For V. K. SHASTRI & CO.

Chartered Accountants
FRN: 113325W

CA. V. K. SHASTRI

(Sole- Proprietor)

Membership No. : 042774

Place: Vadodara
Date: 30/05/2018

Balance Sheet

as at March 31, 2018

Sr. Particulars	Note No.	(₹ in '000)		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. ASSETS				
(1) Non - Current Assets:				
(a) Property, Plant and Equipment	3	1398153.36	1477740.00	1560889.42
(b) Capital Work-in-Progress		-	3554.85	4457.76
(c) Intangible Assets	3	2209.57	2040.69	2984.16
(d) Investment in Subsidiary	4	6.75	6.75	6.75
(e) Financial Assets :				
(i) Other Financial Assets	5	4461.31	2477.82	1345.06
(f) Other Non-Current Assets	6	16068.75	19722.40	15712.93
(2) Current Assets:				
(a) Inventories	7	225175.50	205292.46	219574.64
(b) Financial Assets				
(I) Trade Receivables	8	194297.72	209918.47	141011.57
(II) Cash Or Cash Equipment	9	2385.11	1126.20	919.66
(III) Bank Balance Other Than Below(II)	10	11570.52	7799.22	10043.76
(IV) Other Financial Assets	11	403.74	247.91	451.93
(c) Other Current Assets	12	29045.93	26750.69	44254.95
Total		1883778.26	1,956,677.46	2,001,652.58
II. EQUITY AND LIABILITIES				
(1) Shareholders' Funds :				
(a) Share Capital	13	148922.67	148922.67	148922.67
(b) Other Equity	14	(166562.79)	65928.77	290988.95
(2) Non-Current Liabilities:				
(a) Financial Liabilities				
(i) Borrowings	15	578238.45	788111.54	879403.68
(b) Provisions	16	3013.73	1372.72	-
(3) Current Liabilities:				
(a) Financial Liabilities :				
(i) Borrowings	17	384487.84	353312.41	265737.51
(ii) Trade Payables				
- Trade Payables for Others		243344.04	196278.39	164376.64
- Trade Payables for Micro, Small and Medium Enterprises		454.14	488.13	2849.23
(iii) Other Financial Liabilities	19	607794.26	331683.23	219767.31
(b) Other Current Liabilities	20	59993.82	46735.38	10977.67
(c) Provisions	21	24092.10	23844.22	18628.92
Total		1883778.26	1,956,677.46	2,001,652.58

Significant Accounting Policies

The accompanying Notes are integral Part of Financial Statements

1 - 44

As per our report of even date

For **V.K.Shastri & Co.**

Chartered Accountants

FRN No 113325W

For and on behalf of Board of Directors

CA V. K. Shastri

Proprietor

Membership No - 042774

Babulal Sanghvi

Chairman

Jayantilal Sanghvi

Managing Director

Vikram SanghviWhole Time Director &
Chief Financial Officer**Harish Punwani**

Company Secretary

Vadodara, dated 30th May 2018

Profit & Loss Statement

for the year ended on March 31, 2018

(₹ in '000)

Sr.	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I.	INCOME :			
	(a) Revenue from Operations (Gross)	22	556,122.06	597,150.84
	Net Revenue from Operations		556,122.06	597,150.84
	(b) Other Income	23	10,208.28	1,349.54
	Total Revenue		566,330.34	598,500.38
II.	EXPENSES			
	(a) Cost of Material Consumed	24	296,274.26	296,726.91
	(b) Changes in Inventory of Finished Goods and Work in Progress	25	2,515.23	5,707.60
	(c) Excise Duty on Sales		8,996.81	42,990.44
	(d) Employee Benefits Expense	26	66,601.08	64,000.53
	(e) Finance Costs	27	168,992.66	166,094.35
	(f) Depreciation and Amortization Expense	28	88,331.17	89,764.10
	(g) Other Expenses	29	165,626.99	158,391.98
			797,338.20	823,675.91
III.	PROFIT (LOSS) BEFORE EXCEPTIONAL ITEM & TAX (I-II)		(231007.86)	(225175.53)
IV.	EXCEPTIONAL ITEM		-	-
V.	LOSS BEFORE TAX (III-IV)		(231007.86)	(225175.53)
VI.	TAX EXPENSES			
	- Current Tax			-
	- Deferred Tax			-
	- (Excess) / Short Provision for tax relating to prior years		10.00	-
VII.	LOSS FOR THE YEAR (V-VI)		(231017.86)	(225175.53)
VIII.	OTHER COMPREHENSIVE INCOME (NET OF TAX)		(1473.70)	115.36
IX.	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(232491.56)	(225060.17)
	Basic Earning Per Share(Face Value of ₹ 10 Per Share)		(15.51)	(15.12)
	Diluted Earning Per Share(Face Value of ₹ 10 Per Share)		(15.51)	(15.12)
	[Refer to Note No. 37]			

Significant Accounting Policies

The accompanying Notes are integral Part of Financial Statements 1 - 44

As per our report of even date

For **V.K.Shastri & Co.**

Chartered Accountants

FRN No 113325W

CA V. K. Shastri

Proprietor

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For and on behalf of Board of Directors

Babulal Sanghvi

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Managing Director

Vikram SanghviWhole Time Director &
Chief Financial Officer**Harish Punwani**

Company Secretary

Vadodara, dated 30th May 2018

Cash Flow Statement

for the year ended March 31,2018

Particular	(₹ in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash Flow From Operating Activities:		
Net Profit Before Tax	(231007.86)	(225175.53)
Adjustment for:		
Depreciation /Amortization /Impairment	88331.17	89764.10
Interest Expense / Finance Cost	159754.77	147940.53
Interest Income	(869.72)	(692.01)
Loss/ (Profit) on sale of Fixed Assets	0.00	0.00
Government Grant Received	205.91	205.91
Bad debts/ advance written off	684.00	1226.25
Operating Profit Before Working Capital Changes	17098.27	13269.25
Adjustment for (increase)/decrease in Operating assets:		
Inventories	(19883.04)	14282.18
Trade Receivables	14936.75	(70133.15)
Short Term Loan & Advances	(155.83)	204.02
Other Current Assets	(2295.25)	17504.26
Other non-current financial assets	(1983.49)	(1132.76)
Other Non-Current Assets	3653.65	(4009.46)
	(5727.21)	(43284.91)
Adjustment for (increase)/decrease in Operating liabilities:		
Trade Payable	47031.66	29540.65
Non-Current Liabilities-Provisions	1134.80	1282.12
Other financial Liabilities	276111.03	111915.92
Other Current Liabilities	13258.44	35757.71
Short Term Provisions	247.88	5215.30
	337783.81	183711.69
Cash Generated From Operation	349154.87	153696.02
Income Tax Expense	10.00	0.00
Net Cash Generated From Operating Activities	349144.87	153696.02
B. Cash Flow From Investing Activities		
Purchase of property, plant and equipment/Intangible assets	(10086.80)	(11090.73)
Change in CWIP	3554.85	902.91
Sales / Devaluation of Assets	0.00	5419.56
Proceed from Sale of Fixed Assets	0.00	0.00
Fixed Deposit / Margin Money with Bank	(3771.30)	2244.54
Interest Received	869.72	692.01
Net Cash Used in Investing Activities	(9433.53)	(1831.71)

Cash Flow Statement

for the year ended March 31,2018

Particular	(₹ in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
C. Cash Flow From Financing Activities		
Long Term Loan from Bank	(209873.09)	(91292.14)
(Repayments)/ Short Term Borrowing from Bank	31175.43	87574.90
Finance Cost (Interest & Bank Charges)	(159754.77)	(147940.53)
Net Cash used in Financing Activities	(338452.43)	(151657.77)
Net Increase /(Decrease)in Cash and Bank Balance (A+B+C)	1258.91	206.54
Opening Balance of Cash & Cash Equivalent	1126.20	919.66
Closing Balance Cash & Cash Equivalent #	2385.11	1126.20
# Comprises of,		
Cash on Hand	1523.05	746.51
Balance with Bank -Current Accounts	862.06	379.69
	2385.11	1126.20

As per our report of even date

For **V.K.Shastri & Co.**
Chartered Accountants
FRN No 113325W

CA V. K. Shastri
Proprietor
Membership No - 042774

Vadodara, dated 30th May 2018

For and on behalf of Board of Directors

Babulal Sanghvi
Chairman

Vikram Sanghvi
Whole Time Director &
Chief Financial Officer

Jayantilal Sanghvi
Managing Director

Harish Punwani
Company Secretary

Statement of Changes in equity

for the year ended March 31,2018

(A) Equity Share Capital

Notes	₹ in '000 Amount
As at March 31,2016	148,922.67
Change in equity share capital	-
As at March 31,2017	148,922.67
Change in equity share capital	-
As at March 31,2018	148,922.67

(B) Other Equity

	Securities Premium	General Reserve	Retained Earnings	₹ '000 Total
As at 1 April 2016	404967.97	3987.14	(155064.53)	253890.58
Profit for the year			(227592.39)	(227592.39)
Other Comprehensive Income for the year			115.36	115.36
Total Comprehensive Income for the year			(227477.03)	(227477.03)
As at 31 March 2017	404967.97	3987.14	(382541.56)	26413.55
Profit for the year			(231473.63)	(231473.63)
Other Comprehensive Income for the year			(1473.70)	(1473.70)
Total Comprehensive Income for the year			(232947.33)	(232947.33)
Dividends	-	-	-	-
Tax on dividends	-	-	-	-
Transfer to general reserve	-	-	-	-
As at 31 March 2018	404967.97	3987.14	(615488.89)	(206533.78)

As per our report of even date

For **V.K.Shastri & Co.**
Chartered Accountants
FRN No 113325W

CA V. K. Shastri
Proprietor
Membership No - 042774

Vadodara, dated 30th May 2018

For and on behalf of Board of Directors

Babulal Sanghvi
Chairman

Vikram Sanghvi
Whole Time Director &
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Jayantilal Sanghvi
Managing Director

Harish Punwani
Company Secretary

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

1. Corporate Information:

Sanghvi Forging & Engineering Limited (SFEL) is an ISO 9001:2008 Certified Indian Company engaged in the manufacturer of open and closed die forging products for the oil & gas, defense, ship building, power & other sectors. It also exports products to various foreign countries over the last two decades.

The Company has set up additional 15000 MTPA Heavy Forging Division in recent years (with single piece forging up to 40 MT) to manufacture proof machined products viz. stepped shafts, bars & hollows, blocks, flanged shafts, gear blanks, shells, tube sheets, forging items etc at GIDC Industrial Estate (at plot no. 1401, 1402 & 1403), Waghodia Dist: Vadodara.

2. Significant Accounting Policies To Financial Statements:

2.1 Basis for preparation of financial accounting

(i) Statement of Compliance

The financial statement of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified pursuant to Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

For all period up to and including the year ended March 31, 2017, the Company prepared its financial statement in accordance with the accounting standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). These financial statements of the year ended March 31, 2018 are first financial statements, the Company has prepared in accordance with Ind AS. The transition date is 01 April, 2016. Refer Note 41 for information on first time adoption of Ind AS and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Historical cost conversion

The Financial Statements have been prepared on historical cost conventions basis, except for the following:

- Certain financial instruments that are measured at fair value at the end of each reporting period;
- Defined benefit plans – plan assets measured at fair value.

(iii) Current and Non-Current classification

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has

determined its operating cycle as twelve months for the purpose of classifications of its assets and liabilities as current and non-current.

(iv) Rounding of amounts

All amounts disclosed in the financial statement and notes have been rounded off to the nearest thousands as per the required of Schedule III, unless otherwise stated.

2.2 Use of estimates and assumptions

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

The company has consistently applied following accounting policies to all the period presented in these financial statements.

a) Property, plant and equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible and intangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of the transition date.

Leasehold land having lease of 99 years or more is treated as free hold land which is carried at cost. All other items of Property, Plant and Equipment are recorded at their cost of acquisition, net of taxes, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Subsequent cost is included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future 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 derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation:

The Company depreciated its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act 2013 for the proportionate period of use during the year. The depreciation on assets is provided on the straight-line method considering the useful life and residual value of respective asset. The residual values are not more than 5% of the original cost of the asset. Depreciation on assets purchased /installed during the year is calculated on a pro-rata basis from the date of such purchase /installation.

The useful life considered for calculation of depreciation for various asset classes are as follows:

Particulars	Useful Life
Leasehold Land	20
Building (Factory)	30
Building (Residential)	60
Building (Fences, Wells, etc)	5
Road	5 to 10
Plant and Machinery	15
Plant and Machinery (Heavy Forging Process Machinery)	20 to 25*
Electrically Operated Vehicles	8
Electrical Installations	10
Laboratory Equipment	10

Particulars	Useful Life
Windmill	22
Computers, Server & Networking Device	3
Furniture	10
Office equipment	5
Vehicles - Four Wheeler	8
Vehicles - Two Wheeler	10

*Based on an internal technical evaluation made by the company and on past experience, estimated useful life of Plant and machinery listed above best represent the period over which the management expects to use these assets. However, the useful lives for these assets are different from that prescribed in schedule II of the Act.

b) Intangibles

Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

c) Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost Comprise all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw Materials are valued at the lower of cost and net realizable value. Cost is ascertained on a moving weighted average basis.

Work-in-progress, finished goods and traded goods are carried at the lower of cost and net realizable value. Cost is determined on a weighted average basis. In case of work-in-progress and manufactured finished goods, cost includes material, labour and production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

d) Impairment of non-financial assets

Assets subject to amortisation are tested for impairment provided that an event or change in

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

circumstances indicates that their carrying amount might not be recoverable. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is higher of the asset's net selling price or value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

e) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and taxes, revenue from sale of goods is recognized on transfer of significant risk and rewards of ownership of products to the customers, which is generally on dispatch of goods.

Revenue from job charges is recognized on completion of job work. Interest incomes are recognised on time proportion basis.

Dividend

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

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.

f) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of noncash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows

from operating, investing and financing activities of the Company are segregated based on the available information.

g) Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Company as a lessee-

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property 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 liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

Company as a lessor-

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

h) Foreign Currency Transactions

On initial recognition, transactions in currencies other than the Company's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in profit or loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

i) Taxation

Current Income Taxes:

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 in the countries where the company and its subsidiaries and associates operate and generate taxable income. 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 Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). 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. 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.

MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

j) Employee Benefits

Short term employee benefits:

Employee benefits payable wholly within twelve months of rendering the service the service are classified as short-term employee benefits and are recognized in the period in which the employee renders the related service.

Post-Employment benefits:

Defined benefit plans: All employees are covered under Employees' Gratuity Scheme, which is a defined benefit plan. The Company contributes to a fund maintained with Life Insurance Corporation of India (LIC) on the basis of the year-end liability determined based on actuarial valuation using the Projected Unit Cost Method. Re-measurement of the net defined benefit liability, which comprise actuarial gains/losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognized in the Statement of Profit and Loss.

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Defined contribution plans: All employees are covered under contributory provident fund benefit of a contribution of 12% of basic salary. Contributions to defined contribution scheme is charges to the Statement of Profit and Loss of the year, on due basis. There are no obligations other than the contributions payable to the respective funds.

Long-term employee benefits: Provision for long-term employee benefits comprise of compensated absences. There are measured on the basis of year-end actuarial valuation in line with the Company's rules for compensated absences. Re-measurement gains or losses are recognized in profit or loss in the period in which they arise.

k) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit & Loss in the year in which they are incurred.

l) Provisions and contingent liabilities

Provisions:

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent Liability and Contingent Assets:

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Onerous Contract:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

m) Earnings Per Share (EPS)

Basic earnings per Share are computed by dividing the net profit or loss for the year attributable to equity share holders, by the weighted average number of equity share outstanding during the period.

Diluted earning per share is computed by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted number of equity and equivalent diluted equity shares outstanding during the year except where the results would be antidilutive.

n) Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic basis over the expected useful life of the related asset.

o) Cash and cash equivalents

Cash and cash equivalents include cash at bank and deposit with banks having original maturity of not more than three months. Bank deposit with original maturity period of more than three months but less than twelve months are classified as other bank balances.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and fixed deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p) Investments in the nature of equity in subsidiaries, joint venture and associates

The Company has elected to recognise its investments in equity instruments in subsidiaries, joint venture and associates at cost in the separate financial statements

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

q) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement-

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent measurement-

For purposes of subsequent measurement, financial assets are classified in Three categories:

- i. Financial assets measured at amortised cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. A financial asset that meets the following two conditions is measured at amortized cost.

- **Business Model test:** The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- **Cash flow characteristics test:** Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

ii. A financial asset that meets the following two conditions is measured at fair value through OCI:-

- **Business Model test:** The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- **Cash flow characteristics test:** The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

iii. All other financial assets are measured at fair value through profit and loss.

Equity instruments

All equity instruments in scope of Ind AS 109 - [•] are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition-

A financial asset is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Impairment of financial assets-

In accordance with Ind AS 109, The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

- Lifetime expected credit losses depending upon whether there has been a significant increase in credit risk since initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities-

Initial recognition and measurement-

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement-

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss-

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing 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 a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the Company that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Derecognition-

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

financial liability de recognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments-

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, full currency swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss

Offsetting of financial instruments-

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

r) Fair Value Measurement

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

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

Notes Annexed to and Forming Part of Financial Statements

as on 31st March, 2018

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

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

s) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

t) Recent Accounting pronouncements

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract

- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach

Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

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

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. The Company expects the impact of this on the financial statements to be insignificant.

Notes Annexed to and Forming Part of Financial Statements

as on 31st March, 2018

Notes: 3 - Property, Plant & Equipments

Particular	Freehold Land	Leasehold Land	Buildings	Buildings- Residential	Roads	Plant & Equipment	Electrical Installation	Office Equipment	Computers	Furniture & Fixture	Vehicles	Equipment	Lab	Total
As at April 1, 2016	25,393.00	171.41	243,609.40	204.97	65.61	1,221,406.97	63,114.52	1,276.37	1,355.65	1,386.87	2,904.69	-	-	1,560,889.46
(Deemed Cost)														
Additions	-	-	-	-	-	10,150.30	471.00	150.74	143.69	-	-	-	-	10,915.73
Disposals	-	-	164.70	-	-	5,153.76	97.78	-	-	-	-	-	-	5,416.25
As at March 31, 2017	25,393.00	171.41	243,444.69	204.97	65.61	1,226,403.51	63,487.74	1,427.11	1,499.34	1,386.87	2,904.69	-	-	1,566,388.94
Additions	246.28	-	3,632.41	-	-	2,330.40	27.40	91.60	310.42	1,629.58	-	7.55	-	8,275.63
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	25,639.28	171.41	247,077.10	204.97	65.61	1,228,733.91	63,515.13	1,518.71	1,809.76	3,016.45	2,904.69	7.55	-	1,574,664.57
Accumulated Depreciation														
As at April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation For the year 2017	-	14.28	10,849.27	3.66	-	66,405.14	8,945.73	521.73	611.50	428.85	868.76	-	-	88,648.94
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
As at March 31, 2017	-	14.28	10,849.27	3.66	-	66,405.14	8,945.73	521.73	611.50	428.85	868.76	-	-	88,648.94
Depreciation For the year 2017	-	14.28	10,847.80	3.66	-	66,584.98	8,576.72	416.40	565.05	178.08	674.73	0.58	-	87,862.28
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	28.57	21,697.08	7.33	-	132,990.12	17,522.44	938.13	1,176.55	606.93	1,543.49	0.58	-	176,511.22
Net Block														
As at March 31, 2017	25,393.00	157.13	232,595.42	201.31	65.61	1,159,998.37	54,542.01	905.38	887.84	958.02	2,035.93	-	-	1,477,740.00
As at March 31, 2018	25,639.28	142.84	225,380.02	197.64	65.61	1,095,743.79	45,992.69	580.58	633.21	2,409.51	1,361.20	6.97	-	1,398,153.36

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes: 3 - Property, Plant & Equipments (contd..)

		(₹ In '000)
Intangible assets		Software
Cost		
As at April 1, 2016 (Deemed Cost)		2984.16
Additions		175.00
Disposals		3.31
As at March 31, 2017		3155.86
Additions		575.73
Disposals		0.00
As at March 31, 2018		3731.58
Accumulated Depreciation		
As at April 1, 2016		0.00
Depreciation For the year 2017		1115.17
Deletions/Adjustments		0.00
As at March 31, 2017		1115.17
Depreciation For the year 2017		406.84
Deletions/Adjustments		0.00
As at March 31, 2018		1522.01
Net Block		
As at March 31, 2017		2040.69
As at March 31, 2018		2209.57

Notes : 4

Investments (In the Nature of Equity in Subsidiaries)

		(₹ in '000)		
Sr.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Investments in Subsidiary - Sanghvi Europe B.V. (Having 100 Shares of Face Value of Euro 1 each fully paid)	6.75	6.75	6.75
	Total	6.75	6.75	6.75

Notes : 5

Financial Assets

		(₹ in '000)		
Sr.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Other Financial Assets			
	(i) Security Deposits	4461.31	2477.82	1271.43
	(ii) Other Loans & Advances #	-	-	73.63
	# Includes primarily Gratuity Payable (Dr. Bal) etc.			
	Total	4461.31	2477.82	1345.06

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 6

Other Non-Current Assets

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Balance with Revenue Authorities	16068.75	19722.40	11103.47
(b) Advances for Capital Goods	-	-	4,609.46
Total	16068.75	19722.40	15712.93

Notes : 7

Inventories

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Raw Materials	62265.53	40356.12	49593.20
(b) Work-in-Progress	149935.13	149146.41	150249.94
(c) Stores & Spare Parts	9376.55	9119.84	8521.71
(d) Packing Materials	355.70	123.55	59.18
(e) Scrap	3242.59	6546.54	11150.61
(For mode of valuation of inventories, refer note no. 2.2(c))			
Total	225175.50	205292.46	219574.64

Notes : 8

Trade Receivables

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
- Unsecured			
(i) Considered good	194297.72	209918.47	141011.57
Total	194297.72	209918.47	141011.57

Notes : 9

Cash & Cash Equivalent

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Cash on Hand	1523.05	746.51	773.85
(b) Balance with Banks :			
In Current Accounts	862.06	379.69	145.81
Total	2385.11	1126.20	919.66

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 10

Othre Bank Balance

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Other Balance with Bank - Fixed deposit as Margin Money under bank lien (Balance with banks to the extent held as Margin Money having maturity less than 12 month)	11570.52	7799.22	10043.76
Total	11570.52	7799.22	10043.76

Notes : 11

Other Financial Assets

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Accrued Interest on Deposits	403.74	247.91	276.22
(b) Other Receivables	-	-	175.71
Total	403.74	247.91	451.93

Notes : 12

Other Current Assets

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Balance with Revenue Authorities	18385.48	16458.57	34156.04
(b) Pre - Paid Expense	689.24	1185.25	838.30
(c) Advance to Suppliers	5794.40	3136.22	4919.75
(d) Export Incentive Receivables	4176.81	5970.65	4340.86
Total	29045.93	26750.69	44254.95

Notes : 13

Share Capital

Sr. Particulars	(₹ in '000)					
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos.	(₹ in 000)	Nos.	(₹ in 000)	Nos.	(₹ in 000)
(a) Equity Share Capital						
(i) Authorised :						
20,000,000 No. of Equity Shares Of ₹ 10 each	20000000	200000.00	20000000	200000.00	20000000	200000.00
(ii) Issued , Subscribed & Paid up Share Capital :						
1,48,92,267 No. of Equity Shares of ₹ 10 Each	14892267	148922.67	14892267	148922.67	14892267	148922.67
(P.Y. 1,48,92,267 No. of Equity Shares of ₹ 10 Each)						
Total	14892267	148922.67	14892267	148922.67	14892267	148922.67

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 13 (contd..)

(a) Right to vote , dividend and restriction attached to each class of issued capital to be disclosed.

All the Shareholders whose name is entered in the Registered of Members of the Company shall enjoy the same voting rights and be subject to the same liabilities as all other shareholder of the same class.

(b) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos.	(₹ in 000)	Nos.	(₹ in 000)	Nos.	(₹ in 000)
Equity Shares						
At the beginning of the year	14892267	148922.67	14892267	148922.67	13892267	138922.67
Issued during the year						
(a) Preferential Issue by conversion of warrant					1000000	10000.00
Outstanding at the end of the year	14892267	148922.67	14892267	148922.67	14892267	148922.67

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company (Equity Shares of ₹ 10 each fully paid)

Sr.	Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
1	Shri Jayanti B. Sanghvi	1925591	12.93	1925591	12.93	1925591	12.93
2	Shri Babulal S. Sanghvi	1714283	11.51	1714283	11.51	1714283	11.51
3	Shri Naresh B. Sanghvi	1832931	12.31	1832931	12.31	1832931	12.31
4	Shri Vikram B. Sanghvi	1505682	10.11	1505682	10.11	1505682	10.11
	Total	6978487	46.86	6978487	46.86	6978487	46.86

Notes : 14

Other Equity

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Securities Premium			
As per last balance sheet	404967.97	404967.97	369967.97
Add : Premium of Shares Issued during the year	-	-	35,000.00
Closing Balance	404967.97	404967.97	404967.97
(b) General Reserve	3987.14	3987.14	3987.14
(c) Retained Earnings			
As per last balance sheet	(343026.34)	(117966.17)	(18096.02)
Add : Loss for the Year	(231017.86)	(225175.53)	(99870.14)
Other Comprehensive Income for the year	(1473.70)	115.36	-
Closing Balance	(575517.90)	(343026.34)	(117966.16)
Total	(166562.79)	65928.77	290988.95

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 14 (contd..)

Nature and purpose of each reserve

(a) Securities premium reserve - The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

(b) General reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Notes : 15

Financial Liabilities :

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Borrowings			
(i) Term Loan from Banks	455984.77	650956.63	772147.86
-Secured against all fixed assets (existing & proposed) and Equitable Mortgage over Leasehold Land & Personal Guarantees of Directors including pledge of their shares			
(ii) Unsecured Loans			
- Loans & Advances from Related Parties	105835.37	112965.81	86555.82
- From Inter Corporate Deposits	16418.31	24189.10	20700.00
Total	578238.45	788111.54	879403.68

Notes : 16

Provisions

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Gratuity Payable-Long Term	2396.01	549.09	0.00
(b) Deferred Government Grant	617.72	823.62	0.00
Total	3013.73	1372.72	0.00

Notes : 17

Financial Liabilities :

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Borrowings			
(i) Working Capital Loan from Banks	384487.84	353312.41	265737.51
(Against Hypothecation of Entire Current Assets - Stock of Raw Material, Work-in-Progress, Finished Goods, Stores & Spares, Trade Receivables, etc.)			
Total	384487.84	353312.41	265737.51

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 18**Trade Payables**

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Trade Payables For Others	243344.04	196278.39	164376.64
(b) Trade Payables For Micro, Small & Medium Enterprises	454.14	488.13	2849.23
Total	243798.18	196766.52	167225.87

Notes : 19**Other Financial Liabilities**

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Current Maturity of long term Loan (Secured against all fixed assets (existing & proposed) and Equitable Mortgage over Leasehold Land. Personal Guarantees of Directors including pledge of their shares)	167077.70	125115.75	126440.00
(b) Term Loan Installment due remain unpaid	218272.68	96491.60	28296.00
(c) Interest Accrued and Due - Not Debited by Bank	184376.15	75650.21	0.00
(d) Interest Debited by bank but remains unpaid	22432.91	16717.18	25100.00
(e) Payable - For Capital Goods	15406.91	17480.58	39854.31
(f) Other Outstanding Liabilities	227.91	227.91	77.00
Total	607794.26	331683.23	219767.31

Notes : 20**Other Current Liabilities**

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Advance from Customers	41161.26	44206.24	8792.37
(b) Duties & Taxes Payable	18832.56	2529.14	2185.30
Total	59993.82	46735.38	10977.67

Notes : 21**Provisions**

Sr. Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) For Employee Benefit Expenses	2058.76	1607.65	1455.00
(b) For Other Expenses	22033.34	22236.57	17173.92
Total	24092.10	23844.22	18628.92

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 22

Revenue from Operations

Sr. Particulars	(₹ in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Sale of Flanges, Fittings, Forged Bars & Scrap		
(i) Finished Goods #		
Sales - Domestic	375210.51	377038.37
Sales - Export	116680.35	143162.42
Total	491890.86	520200.79
(ii) Manufacturing Scrap #	51418.39	60448.44
	543309.25	580649.23
(b) Other Operating Revenues		
Duty Draw Back & Other Export Incentive	2839.77	6962.37
Power Generation	2076.28	2294.47
Other Operating Revenues	7896.76	7244.77
	12812.81	16501.61
Net Revenue from Operations	556122.06	597150.84

In accordance with the requirements of IND AS 18, Revenue from Operations for the year ended 31st March, 2018 is shown net of Goods and Service Tax (GST). However, Revenue from Operations for corresponding financial year ended 31st March 2017 and current financial year (up to June 2017) is shown inclusive of excise duty.

Notes : 23

Other Income

Particulars	(₹ in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest From Bank & Other	869.72	692.01
Exchange Fluctuation gain/(loss)(Net)	4569.18	430.07
Misc. Income	4769.38	227.46
Total	10208.28	1349.54

Notes : 24

Cost of Material Consumed

Particulars	(₹ in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Steel Consumed		
Opening Balance	43372.00	49593.20
Add : Purchase	315167.79	78442.00
	358539.79	337083.03
Less : Closing Stock	62265.53	40356.12
Raw Material Consumed	296274.26	296726.91

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 24 (contd..)

Information Relating to Consumption of Material

Consumption of Imported & Indigenous Materials

Particulars	(₹ in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Imported Items	11232.63	16151.44
	3.79%	5.44%
Indigenous Items	285041.63	280575.47
	96.21%	94.56%
	296274.26	296726.91

Notes : 25

Changes in Inventories of Finished Goods and Work in Progress

Particulars	(₹ in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
(Increase) / Decrease in		
Closing Stock		
- Work - in - Progress	149935.13	149146.41
- Scrap	3242.59	6546.54
	153177.72	155692.95
Opening Stock		
- Work - in - Progress	149146.41	150249.94
- Scrap	6546.54	11150.61
	155692.95	161400.55
(Increase) / Decrease in Stock	2515.23	5707.60

Notes : 26

Employees Benefit Expense

Particulars	(₹ in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Salary & Wages & Bonus	61916.53	60094.33
Contribution to Provident & Other Funds	3743.95	3207.48
Staff Welfare Expense	940.60	698.71
Total	66601.08	64000.53

Notes : 27

Finance Cost

Particulars	(₹ in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense	159754.77	147940.53
Bank Charges	9237.89	18153.81
Total	168992.66	166094.35

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 28

Depreciation and Amortization Expense

Sr. Particulars	(₹ in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Depreciation & Amortization on Tangible Assets	77531.02	88747.74
(b) Amortization on Intangible Assets	10800.15	1016.36
Total	88331.17	89764.10

Notes : 29

Other Expenses

Sr. Particulars	(₹ in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Manufacturing Expense :		
Power Consumed	24140.74	23605.44
Fuel Consumed	47044.79	37150.68
Stores Consumed	17055.40	14757.57
Wages - Job Work Charges	22098.18	17400.16
Repairs and Maintenance - Buildings	349.55	595.01
Repairs and Maintenance - Plant & Machinery	1886.68	2546.59
Total (a)	112575.34	96055.45
(b) Administrative & Other Expense :		
Payment to Auditors		
-Audit Fees	325.00	325.00
-Certification and Other matters	122.50	175.00
Director Sitting Fees	450.00	375.00
Insurance Expense	888.08	327.13
Professional Fees	6357.25	5967.79
Rates & Taxes	3676.11	4748.19
Rent Expense	750.25	619.61
Repairs and maintenance - Others	1719.84	1789.88
Bad debts	684.00	1226.25
Miscellaneous Expense	38078.62	46782.68
Total (b)	53051.65	62336.53
Total (a+b)	165626.99	158391.98

Notes : 30 Contingent Liabilities

A. Disputed Liabilities- In Appeal

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
-Income Tax on Accounts of Disallowance	5282.69	5282.69	5282.69
-Service Tax on Account of Cenvat Credit	11500.95	12192.05	9608.67
-Excise on Account of Cenvat Credit	2979.31	2979.31	2979.31
-Central Sales Tax Demand on Account of 'C' Form	7049.21	10830.83	7104.84

The future cash flows in respect of the above, if any, is determinable only on receipt of judgments/decisions pending with relevant authorities. The company does not expect the outcome of matters stated above to have a material adverse effect on the Company's financial conditions, result of operation or Cash Flow.

Company has received under Section 153C of the Income Tax Act, 1961 for the Assessment Year 2009-10 to 2015-16

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 30 Contingent Liabilities (contd..)

B. Guarantee Given By Bankers on Behalf of Company

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
- Bank Guarantee	2300.61	30400.76	38599.70

Notes : 31 Estimated Amount of Contracts-Capital Accounts

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated Amount of Contracts remaining to be executed on Capital Accounts and not provided for, net of advances	-	2500.00	6789.00

Notes : 32 C.I.F. value of Imports

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Goods	-	1832.28	3172.60
Raw Material	12171.72	24543.80	10892.88

Notes : 33

(a) Expenditure in Foreign Currency

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Commission on Export Sales	51.11	4314.62	571.33
Finance Cost	5849.59	6031.84	7583.46
Exhibitions & Sales Promotion	-	430.21	283.42
Foreign Travel Expenses	485.85	1388.89	1793.68

(b) Earnings in Foreign Currency

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
F.O.B. value of exports	127475.80	145175.24	178844.48

Notes : 34 Exchange difference Gain/(Loss) on account of fluctuations in foreign currency rates

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Relating to Exports during the year as part of Sales	(792.97)	(1380.60)	2173.57

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 34 Exchange difference Gain/(Loss) on account of fluctuations in foreign currency rates (contd..)

Recognized in Profit and Loss Account

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
On settlement / revaluation of current assets	(3468.32)	1300.61	2291.49
On settlement / revaluation of current liabilities	(320.89)	(350.08)	(1738.66)

Notes : 35 Details of amount Capitalised during the year to Fixed Assets

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest & Other Finance Charges	-	149.88	1911.11
Foreign Exchange (Gain) / Loss (Net)	1689.12	5419.56	16026.94
Total	1689.12	5569.44	17938.05

Notes : 36 The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2017. The disclosure pursuant to the said Act is as under

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Principal Amount due and remaining unpaid to any suppliers under MSMED Act, 2006,	485.78	451.02	2879.23
Principal Amount due and remaining unpaid to any suppliers under MSMED Act, 2006, beyond the appointed day	485.78	448.22	2235.16
Interest accrued and due to suppliers under MSMED Act, on the above amount during the year	6.53	18.05	29.99
Interest paid to suppliers under MSMED Act (Section 16)	9.99	10.93	7.59
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	33.65	37.11	29.99

Notes : 37 Computation of Earnings per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Basic Earnings Per Share			
From continuing operations attributable to the equity shareholders of the company	(15.51)	(15.12)	(6.71)
From Discontinued Operations	-	-	-
Total basic earnings per share attributable to the equity shareholders	(15.51)	(15.12)	(6.71)

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 37 Computation of Earnings per Share (EPS) (contd..)

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
b) Diluted Earnings Per Share			
From continuing operations attributable to the equity shareholders of the company	(15.51)	(15.12)	(6.71)
From Discontinued Operations	-	-	-
Total diluted earnings per share attributable to the equity shareholders	(15.51)	(15.12)	(6.71)

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
c) Reconciliation of earnings used in calculating earnings per share			
Basic Earnings Per Share	(15.51)	(15.12)	(6.71)
Profit attributable to the equity shareholders of the company used in calculating basic and diluted earnings per share:			
From continuing operations	(231017.86)	(225175.53)	(99870.14)
From discontinued operations	-	-	-

38 Related Party Details

(a) Related Party Disclosure

Key Management Personnel	Mr. Babulal S. Sanghvi
	Mr. Jayantilal B. Sanghvi
	Mr. Naresh B. Sanghvi
	Mr. Vikram B. Sanghvi
	Mr. Ram Chandra Prasad
	Mr. Baba Karnire Pai
	Mr. Ram Swaroop Kaushal
Relative of Key Management Personnel	Smt. Aruna Sunilkumar Khasgiwala
	Smt. Bhamridevi B. Sanghvi
	Smt. Meena J. Sanghvi
Enterprises under Significant Influence of Key Management Personnel or their Relatives	Smt. Kiran N. Sanghvi
	Smt. Sheetal V. Sanghvi
	Mr. Mahesh B Sanghvi
	Babulal Sanghvi (HUF)
	Jayantilal Sanghvi (HUF)
	Naresh Sanghvi (HUF)
	Vikram Sanghvi (HUF)
Subsidiary Company	Babulal Sanghvi (HUF)
	Gautam Stainless Pvt. Ltd.
	Sanghvi Exim LLP
	Sanghvi Europe B V

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 38 Related Party Details (contd..)

(b) Related Party Transaction

Particulars	Subsidiary Company		Key Management Personnel		Relative of Key Management Personnel		Enterprises under Significant Influence of Key management Personnel or their Relatives		Total	
	March, 31 2018	March, 31 2017	March, 31 2018	March, 31 2017	March, 31 2018	March, 31 2017	March, 31 2018	March, 31 2017	March, 31 2018	March, 31 2017
	(₹ in '000)									
Purchase of Goods/DEPB	-	-	-	-	-	-	512.47	308.78	512.47	308.78
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	-	512.47	308.78	512.47	308.78
Purchase of Tangible Assets	186.59	773.70	-	-	-	-	-	-	186.59	773.70
Sanghvi Europe B.V.	186.59	773.70	-	-	-	-	-	-	186.59	773.70
Receiving of Services	-	-	-	-	-	-	231.47	86.31	231.47	86.31
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	-	231.47	86.31	231.47	86.31
Sale of Goods	29241.32	19795.76	-	-	-	-	2689.49	1576.66	31930.80	21372.43
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	-	541.30	1576.66	541.30	1576.66
Sanghvi Europe B.V.	29241.32	19795.76	-	-	-	-	-	-	29241.32	19795.76
Sanghvi Exim LLP	-	-	-	-	-	-	2148.19	-	2148.19	-
Interest paid	-	-	-	-	-	-	917.63	1308.00	917.63	1308.00
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	-	917.63	1308.00	917.63	1308.00
Loans - Repaid / Converted	-	-	6630.46	11300.00	1235.00	6580.00	8454.66	9918.10	16320.12	27798.10
Babulal S. Sanghvi	-	-	200.00	-	-	-	-	-	200.00	-
Jayantilal B. Sanghvi	-	-	560.46	6000.00	-	-	-	-	560.46	6000.00
Naresh B. Sanghvi	-	-	750.00	3300.00	-	-	-	-	750.00	3300.00
Vikram B. Sanghvi	-	-	5120.00	2000.00	-	-	-	-	5120.00	2000.00
Bhamridevi B. Sanghvi	-	-	-	-	500.00	-	-	-	500.00	-
Meena J. Sanghvi	-	-	-	-	300.00	-	-	-	300.00	-
Kiran N. Sanghvi	-	-	-	-	435.00	530.00	-	-	435.00	530.00
Teena M. Sanghvi	-	-	-	-	-	6050.00	-	-	-	6050.00
Babulal Sanghvi (HUF)	-	-	-	-	-	-	-	100.00	-	100.00
Vikram Sanghvi (HUF)	-	-	-	-	-	-	-	1100.00	-	1100.00
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	-	8454.66	8718.10	8454.66	8718.10
Loans - Received / Taken	-	-	235.02	29200.00	500.00	10050.00	2083.87	18467.20	2818.89	57717.20
Babulal Sanghvi	-	-	200.00	2600.00	-	-	-	-	200.00	2600.00
Jayantilal B. Sanghvi	-	-	34.01	7730.00	-	-	-	-	34.01	7730.00
Naresh B. Sanghvi	-	-	-	15970.00	-	-	-	-	-	15970.00
Vikram B. Sanghvi	-	-	1.01	2900.00	-	-	-	-	1.01	2900.00
Bhamridevi B. Sanghvi	-	-	-	-	500.00	-	-	-	500.00	-
Sheetal V. Sanghvi	-	-	-	-	-	4000.00	-	-	-	4000.00
Teena M. Sanghvi	-	-	-	-	-	6050.00	-	-	-	6050.00
Babulal Sanghvi (HUF)	-	-	-	-	-	-	-	3300.00	-	3300.00
Jayantilal Sanghvi (HUF)	-	-	-	-	-	-	-	2470.00	-	2470.00
Vikram Sanghvi (HUF)	-	-	-	-	-	-	-	470.00	-	470.00
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	-	2083.87	12227.20	2083.87	12227.20
Investment	6.75	6.75	-	-	-	-	-	-	6.75	6.75
Sanghvi Europe B.V.	6.75	6.75	-	-	-	-	-	-	6.75	6.75
Rental Paid	-	-	36.00	36.00	308.00	180.00	-	-	344.00	216.00
Bhamridevi B. Sanghvi	-	-	-	-	308.00	180.00	-	-	308.00	180.00
Jayantilal B. Sanghvi	-	-	36.00	36.00	-	-	-	-	36.00	36.00

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 38 Related Party Details (contd..)

Particulars	Subsidiary Company		Key Management Personnel		Relative of Key Management Personnel		Enterprises under Significant Influence of Key management Personnel or their Relatives		Total	
	March, 31 2018	March, 31 2017	March, 31 2018	March, 31 2017	March, 31 2018	March, 31 2017	March, 31 2018	March, 31 2017	March, 31 2018	March, 31 2017
Director's Remuneration	-	-	9252.41	9252.41	-	-	-	-	9252.41	9252.41
Balance Outstanding - (Receivables)/Payables (Net)										
Loans & Advances	-	-	49894.76	56290.21	13363.17	14098.17	47415.75	53786.54	110673.69	124174.92
Babulal S. Sanghvi	-	-	4557.10	4557.10	-	-	-	-	4557.10	4557.10
Jayantilal B. Sanghvi	-	-	14865.86	15392.32	-	-	-	-	14865.86	15392.32
Naresh B. Sanghvi	-	-	18572.09	19322.09	-	-	-	-	18572.09	19322.09
Vikram B. Sanghvi	-	-	11899.71	17018.70	-	-	-	-	11899.71	17018.70
Bhamridevi B. Sanghvi	-	-	-	-	2622.30	2622.30	-	-	2622.30	2622.30
Meena J Sanghvi	-	-	-	-	200.00	500.00	-	-	200.00	500.00
Kiran N Sanghvi	-	-	-	-	4324.74	4759.74	-	-	4324.74	4759.74
Sheetal V Sanghvi	-	-	-	-	6216.14	6216.14	-	-	6216.14	6216.14
Babulal Sanghvi (HUF)	-	-	-	-	-	-	5025.00	5025.00	5025.00	5025.00
Jayantilal Sanghvi (HUF)	-	-	-	-	-	-	15202.51	15202.51	15202.51	15202.51
Naresh Sanghvi (HUF)	-	-	-	-	-	-	14211.77	14211.77	14211.77	14211.77
Vikram Sanghvi (HUF)	-	-	-	-	-	-	8138.16	8138.16	8138.16	8138.16
Gautam Stainless Pvt. Ltd.	-	-	-	-	-	-	4838.31	11209.10	4838.31	11209.10
Trade Payable / Receivable	29927.76	24449.83	-	-	-	-	2879.09	3046.20	32806.85	27496.03
Gautam Stainless Pvt. Ltd. (Service Vendor)	-	-	-	-	-	-	343.32	111.85	343.32	111.85
Gautam Stainless Pvt. Ltd. (Material Vendor)	-	-	-	-	-	-	-	1278.41	-	1278.41
Gautam Stainless Pvt. Ltd. (Customer)	-	-	-	-	-	-	387.59	1655.94	387.59	1655.94
Sanghvi Exim LLP	-	-	-	-	-	-	2148.19	-	2148.19	-
Sanghvi Europe B.V. (Customer)	28966.23	23709.16	-	-	-	-	-	-	28966.23	23709.16
Sanghvi Europe B.V. (Vendor)	961.53	740.67	-	-	-	-	-	-	961.53	740.67

39 Personal Guarantee Given to Bank against Working capital & Term loan outstanding Amount.

Contributions are made to Recognized Provident Fund/ Government Provident Fund which covers all employees. While both the employees and the Company make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans.

Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	As at April 1, 2016
Contribution to Provident Fund	3537.79	2579.17	2579.17

In respect of Gratuity, Contributions are made to LIC's Recognized Group Gratuity Fund Scheme based on amount demanded by LIC of India. Provision for Gratuity is based on actuarial valuation carried by independent actuary as at the year end. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Employee Benefits commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Profit and Loss account.

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 39 Personal Guarantee Given to Bank against Working capital & Term loan outstanding Amount. (contd..)

Category of Plan Assets: The Company's Plan Assets in respect of Gratuity are funded through the Group Scheme of the LIC of India

	(₹ in '000)	
In respect of gratuity (funded):	March 31, 2018	March 31, 2017
Amounts to be recognised in the Balance Sheet		
Amounts recognised in the Balance Sheet:		
Liabilities	4040.71	1834.68
Assets	1169.65	1083.01
Net Liability	2871.06	751.67
P/L Account		
Current Service Cost	747.87	548.39
Net Interest on net Defined Liability / (Asset)	63.29	21.95
Total	811.16	570.34
Other Comprehensive Income		
Actuarial (Gains) / Losses on Liability	1622.82	(114.85)
Return on Plan Assets Excluding Amount included in Net Interest on Net Defined Liability / (Asset) above	(149.11)	(0.43)
Total	1473.71	(115.28)
Table Showing Change in Benefit Obligation		
Opening Defined Benefit Obligation	1834.68	1304.60
Service Cost for the year	747.87	548.39
Interest Cost for the year	141.27	96.54
Actuarial Losses (Gains)	1622.82	(114.85)
Benefits Paid	(305.93)	-
Closing Defined Benefit Obligation	4040.71	1834.68
Bifurcation of Actuarial Losses (Gains)		
Actuarial Losses (Gains) arising from change in financial assumptions	(131.84)	67.96
Actuarial Losses (Gains) arising from change in demographic assumptions	-	-
Actuarial Losses (Gains) arising from experience adjustments	1754.65	(182.81)
Actuarial Losses (Gains) - Total	1622.81	(114.85)
Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions		
Discount Rate		
One Percentage Increase	3617.54	1623.20
One Percentage Decrease	4550.46	2094.11
Salary Escalation Rate		
One Percentage Increase	4543.79	2089.89
One Percentage Decrease	3615.01	1622.49
Withdrawal Rate		
One Percentage Increase	4034.80	1821.84
One Percentage Decrease	4047.05	1849.69
Expected (Undiscounted) Benefit Payments in Future Years		
(Projections are for current members and their currently accumulated benefits)		
Year 1	475.06	202.58
Year 2	180.92	94.77
Year 3	130.80	94.77
Year 4	125.53	53.66
Year 5	607.83	51.50
Year 6 to Year 10	474.74	412.37
Tables of Fair Value of Plan Assets		
Opening Fair value of plant assets	1083.01	1007.99
Expected return	77.98	74.59

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 39 Personal Guarantee Given to Bank against Working capital & Term loan outstanding Amount. (contd..)

	(₹ in '000)	
In respect of gratuity (funded):	March 31, 2018	March 31, 2017
Actuarial Gains and (Losses)	149.11	0.43
Contributions by Employer	165.47	-
Benefits paid	(305.93)	-
Closing Balance of Fund	1169.64	1083.01
Table Showing Surplus / (Deficit)		
Defined Benefit Obligation	4040.71	1834.68
Plan Assets	1169.65	1083.01
Surplus / (Deficit)	(2871.06)	(751.67)
Table Showing Bifurcation of Present Benefit Obligation at the end of year		
Current Liability (Amount due within one year)	475.06	202.58
Non-Current Liability (Amount due over one year)	3565.66	1632.10
The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense		
Discount rate	7.70%	7.40%
Expected return on plan Assets	7.70%	7.40%
Annual Increase in Salary Costs	8.00%	8.00%
Attrition Rate	5%	5%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Notes : 40 The Company has entered into lease agreements for certain properties including director's accommodation which are cancellable at the option of the Company or as per agreed terms. The total rent charged to the Statement of Profit and Loss for the year towards such leases amount to ₹ 721.46 thousands (P.Y. ₹ 606.36 thousands).

Notes : 41 Segment disclosures:

(A) Description of segments and principal activities

The company's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective and has identified only one reportable segments of its business.

a) Business Segment:

The company has only one reportable business segment of Forging & Fitting as the primary reportable Business segment for disclosure. The business segments are business of Forging & Fitting and wind energy business.

b) Geographical Segment:

The company has exported during the year and it does require disclosure as a separate reportable segment of Domestic Sales and Export Sale

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 41 Segment disclosures:

Particulars	(₹ in '000)		
	Domestic	Export	Export
Segment Revenue (Net) For the Year ended March 31,2018	417632.08	116680.35	534312.43
Segment Revenue (Net) For the Year ended March 31,2017	394496.38	143162.42	537658.80

Notes : 42 Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

A) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of following financial assets represents the maximum credit exposure:

(i) Trade and Other Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is almost negligible in case of its residential sale and lease rental business as the same is due to the fact that in case of its residential sell business it does not handover possession till entire outstanding is received. No impairment is observed on the carrying value of trade receivables.

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets for which loss allowances is measured using the expected credit loss			
Trade receivables			
less than 180 days	105276.03	166213.30	114056.43
180 - 365 days	24769.42	21845.47	13310.25
beyond 365 days	64252.28	21859.70	13644.89

(ii) Cash and Cash Equivalents

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans, debentures and inter-corporate loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 42 Financial Risk Management (contd..)

The table below provides details regarding the contractual maturities of significant financial liabilities :

Particulars	(₹ in '000)			
	Less than 1 Year	1 - 3 Years	More than 3 Years	Total As at March 31, 2018
Borrowings	579265.14	384487.84	-	963752.98
Trade payables	243798.18	-	-	243798.18
Other financial liabilities	607794.26	-	-	607794.26
Total	1430857.58	384487.84	-	1815345.42

Particulars	(₹ in '000)			
	Less than 1 Year	1 - 3 Years	More than 3 Years	Total As at March 31, 2017
Borrowings	788111.54	353312.41	-	1141423.95
Trade payables	196766.52	-	-	196766.52
Other financial liabilities	331683.23	-	-	331683.23
Total	1316561.29	353312.41	-	1669873.70

Particulars	(₹ in '000)			
	Less than 1 Year	1 - 3 Years	More than 3 Years	Total As at April 1, 2016
Borrowings	879403.68	265737.51	-	1145141.19
Trade payables	167225.87	-	-	167225.87
Other financial liabilities	219767.31	-	-	219767.31
Total	1266396.86	265737.51	-	1532134.37

(C) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to commodity prices and the market value of its investments.

(D) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

(E) Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of forging products, including the raw material components for such forging products. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's forging products business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2018, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 42 Financial Risk Management (contd..)

(F) Foreign exchange risk

The Company's foreign exchange risk arises from foreign currency borrowings (primarily in US Dollars) As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's expenses measured in Indian rupees may decrease or increase and vice-versa.

(i) Significant foreign currency risk exposure relating to trade receivables, cash and cash equivalents, borrowings and trade payables

Particulars	(₹ in '000)			
	As at March 31, 2018			
	Euro	US Dollar	Others	Total
Financial assets				
Trade receivables	32812.65	21765.38	-	54578.03
Cash and cash equivalents	618.09	82.27	-	700.36
Financial liabilities				
Borrowings	-	126194.07	-	126194.07
Trade payables	10828.45	14581.20	-	25409.64
Total	22602.29	(118927.62)	-	(96325.33)

Particulars	(₹ in '000)			
	As at March 31, 2017			
	Euro	US Dollar	Others	Total
Financial assets				
Trade receivables	23371.27	26660.79	-	50032.06
Cash and cash equivalents	21.68	18.22	-	39.90
Financial liabilities				
Borrowings	-	120097.69	-	120097.69
Trade payables	9942.02	12445.25	-	22387.27
Total	13450.94	(105863.93)	-	(92412.99)

Particulars	(₹ in '000)			
	As at April 1, 2016			
	Euro	US Dollar	Others	Total
Financial assets				
Trade receivables	27462.50	38957.91	-	66420.41
Cash and cash equivalents	2.24	0.27	-	2.51
Financial liabilities				
Borrowings	-	130458.37	-	130458.37
Trade payables	31352.67	2338.23	-	33690.91
Total	(3887.93)	(93838.43)	-	(97726.36)

(ii) Sensitivity

For the years ended March 31, 2018, March 31, 2017 and April 01, 2016, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial liabilities would decrease the Company's loss and increase the Company's equity by approximately ₹ 4851284, ₹ 4622645 and ₹ 4886444 respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 43 Capital management

The company's objectives when managing capital are to:

> Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

> Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

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

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Gross Debt	962726.29	1141423.95	1145141.19
Less: -			
Cash and Cash Equivalent	2385.11	1126.20	919.66
Other Bank Balance	11570.52	7799.22	10043.76
Net debt (A)	948770.66	1132498.53	1134177.77
Total Equity (B)	(17640.12)	214851.44	439911.62
Net debt to equity ratio	(53.78)	5.27	2.58

Notes : 44 First time adoption of IND AS

Explanation to transition to Ind AS

Ind AS 101 - "First-time Adoption of Indian Accounting Standards" requires that all Ind AS and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2018 for the Company, be applied retrospectively and consistently for all financial years presented, except the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as described below. The Company has recognised all assets and liabilities whose recognition is required by Ind AS and has not recognised items of assets or liabilities which are not permitted by Ind AS, reclassified items from previous GAAP to Ind AS as required under Ind AS and applied Ind AS in measurement of recognised assets and liabilities. Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

Classification and measurement of financial assets

The Company has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.

Deemed cost of property, plant and equipment and intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all assets recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances as at the date of transition to Ind AS. The Company has elected to apply this exemption for its investments in certain equity instruments.

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 44 First time adoption of IND AS

Business Combinations: -

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2016. Consequently, the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements.

Fair value measurement of financial assets and financial liabilities at initial recognition

The Company has applied the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. This exemption has been availed by the Company.

Particulars	Note	(₹ in '000)	
		As at March 31, 2017	As at April 01, 2016
Reconciliation of total equity			
Total equity as per previous GAAP *		214707.53	
Add / (less) : Adjustments for GAAP differences			
Government Grant recognized on EPCG License		205.91	
Additional Depreciation on capitalisaion of Govt . Grant		(62.05)	
Fair valuation of Investments		-	-
Provision for quantity discount		-	-
Impact of taxes in respect of the above adjustments		-	-
Processing fees		-	-
Total equity as per Ind AS		214851.39	-

Particulars	(₹ in '000)	
	Year ended March 31, 2017	
Reconciliation of total comprehensive income		
Net profit as per previous GAAP		(225204.09)
Government Grant recognized on EPCG License		205.91
Additional Depreciation on capitalisaion of Govt . Grant		(62.05)
Net profit as per Ind AS		(225060.24)
Other comprehensive income		115.36
Total comprehensive income as per Ind AS		(224944.88)

Particulars	(₹ in '000)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Year ended March 31, 2017 Reconciliation of Cash Flow			
Net cash flows from operating activities	152460.57	(1235.45)	153696.0
Net cash flows from investing activities	(596.26)	1235.45	(1831.7)
Net cash flows from financing activities	(151657.77)	-	(151657.8)
Net increase / (decrease) in cash and cash equivalents	206.54	-	206.54

Notes on reconciliations between previous GAAP and Ind AS

a) Effect of measuring investments at fair value through profit or loss:

Under previous GAAP, non current investments were stated at cost less provision, if any, for other than temporary diminution in value. Current investments were valued at lower of cost and fair value. Under Ind AS, gains or losses on investments have been measured at fair value through profit or loss.

Notes Annexed to and Forming Part of Financial Statements

for the year ended 31st March, 2018

Notes : 44 First time adoption of IND AS (contd..)

b) Effect of measuring financial instruments at amortised cost:

Under IND AS the company has measured borrowings and security deposited at amortised cost using effective interest rate method which were not applicable in previous GAAP.

c) Employee benefits

Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods.

d) Effect of transition to Ind AS on Standalone Cash Flow Statement for the year ended March 31, 2017

Net increase in cash and cash equivalents represents movement in cash credit facilities considered as a component of cash and cash equivalents under Ind AS which as per previous GAAP, was considered as financing activity. Other Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities and has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous GAAP.

As per our report of even date

For **V.K.Shastri & Co.**
Chartered Accountants
FRN No 113325W

For and on behalf of Board of Directors

CA V. K. Shastri
Proprietor
Membership No - 042774

Babulal Sanghvi
Chairman

Jayantilal Sanghvi
Managing Director

Vikram Sanghvi
Whole Time Director &
Chief Financial Officer

Harish Punwani
Company Secretary

Vadodara, dated 30th May 2018

Independent Auditor's Report

To the Members of

SANGHVI FORGING & ENGINEERING LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **SANGHVI FORGING & ENGINEERING LIMITED ("the Holding Company")** and its subsidiary (the Holding company and its subsidiary constitute "the group") comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, consolidated financial performance, (including Other Comprehensive Income) consolidated cash flows statement and the consolidated Statement of Changes in Equity of the Group in accordance with the Accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act, read with relevant Rules made thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

The respective Board of Director of the companies included in the Group are responsible for overseeing the financial reporting process of respective companies.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on whether the company has in place an adequate internal financial control system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted

in India including the Ind AS, of the consolidated State of Affairs of the Group, as at 31st March 2018, and their financial performance, (including Other Comprehensive Income), their Consolidated Cash Flows and the consolidated changes in equity for the year ended on that date.

Other Matter

The consolidated Ind AS financial statements included unaudited financial statements of subsidiary, whose financial statements reflect total asset of ₹ 35,969.92 in (₹ 000) as at 31st March, 2018, total revenue of ₹ 73,791.45 in (₹ 000) and net cash flows amounting to ₹ 128.75 in (₹ 000) for the year ended as considered in the consolidated Ind AS financial statements. Financial statements of the subsidiary have not been audited by us. These financial statements are unaudited and have been furnished to us by management and our opinion, in so far as it relates to the amounts included in respect of this subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statement is not material to the Group.

Our opinion on the Consolidated Ind AS financial statements and our report on Other Legal regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statement certified by the management.

The Consolidated Ind AS financial statements of the Group for the year ended 31 March 2017, were audited by predecessor auditor whose report dated 29 May 2017 expressed an unmodified opinion on those statements.

Our opinion is not qualified in respect of these other matters.

Report on Other Legal and Regulatory Requirements

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 of the aforesaid consolidated Ind AS financial statements;
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been made so far as it appears from our examination of those books;

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of presentation of the consolidated Ind AS financial statements;
- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015 (as amended);
- e) On the basis of written representations received from the directors of the Holding company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, 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;
- 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 Group has disclosed the impact of pending litigations on its consolidated financial position in Note No. 30 of the consolidated financial statements
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the holding company incorporated in India.

For V. K. SHASTRI & CO.
Chartered Accountants
FRN: 113325W

CA. V. K. SHASTRI
(Sole- Proprietor)
Membership No. : 042774

Place: Vadodara
Date: 30/05/2018

Consolidated Balance Sheet

as at March 31, 2018

				(₹ in '000)	
Sr. Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
I. ASSETS					
(1) Non - Current Assets:					
(a) Property, Plant and Equipment	3	1398153.32	1477739.97	1560889.42	
(b) Capital Work-in-Progress		0.00	3554.85	4457.76	
(c) Intangible Assets	3	2209.58	2040.69	2984.16	
(d) Financial Assets :	4				
(i) Other Financial Assets		4648.76	2477.82	1345.06	
(e) Other Non-Current Assets	5	16068.75	19722.40	15712.93	
(2) Current Assets:					
(a) Inventories	6	240917.79	228429.87	236202.15	
(b) Financial Assets					
(I) Trade Receivables	7	187386.38	200375.61	123838.42	
(II) Cash Or Cash Equipment	8	2513.86	4108.62	1657.70	
(III) Bank Balance Other Than Below (II)	9	11570.52	7799.22	10043.76	
(IV) Other Financial Assets	10	447.28	247.91	451.93	
(c) Other Current Assets	11	29045.93	26750.69	44254.95	
Total		1892962.17	1,973,247.64	2,001,838.24	
II. EQUITY AND LIABILITIES					
(1) Shareholders' Funds :					
(a) Share Capital	12	148922.67	148922.67	148922.67	
(b) Other Equity	13	(173527.76)	59683.90	287113.60	
(2) Non-Current Liabilities:					
(a) Financial Liabilities					
(i) Borrowings	14	578238.45	788111.54	879403.68	
(b) Provisions	15	3013.73	1372.72	0.00	
(3) Current Liabilities:					
(a) Financial Liabilities :					
(i) Borrowings	16	384525.41	353733.02	265737.51	
(ii) Trade Payables	17				
- Trade Payables for Others		256521.99	218324.65	167558.43	
- Trade Payables for Micro, Small and Medium Enterprises		454.14	488.13	2849.23	
(iii) Other Financial Liabilities	18	607858.19	331683.23	219767.31	
(b) Other Current Liabilities	19	62490.21	46817.65	11767.30	
(c) Provisions	20	24465.14	24110.13	18718.51	
Total		1892962.17	1,973,247.64	2,001,838.24	
Significant Accounting Policies					
The accompanying Notes are integral Part of Financial Statements					

As per our report of even date

For **V.K.Shastri & Co.**
Chartered Accountants
FRN No 113325W

CA V. K. Shastri
Proprietor
Membership No - 042774

For and on behalf of Board of Directors

Babulal Sanghvi
Chairman

Vikram Sanghvi
Whole Time Director &
Chief Financial Officer

Jayantilal Sanghvi
Managing Director

Harish Punwani
Company Secretary

Vadodara, dated 30th May 2018

Consolidated Profit & Loss Statement

for the year ended on March 31, 2018

		(₹ in '000)	
Sr. Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I. INCOME :			
(a) Revenue from Operations (Gross)	21	601,395.58	623,225.13
Net Revenue from Operations		601,395.58	623,225.13
(b) Other Income	22	10,208.28	2,527.63
Total Revenue		611,603.86	625,752.76
II. EXPENSES			
(a) Cost of Material Consumed	23	296,274.26	296,726.91
(b) Purchase of Stock in Trade	24	25,607.64	25,146.00
(c) Changes in Inventory of Finished Goods and Work in Progress	25	9,909.87	(801.43)
(d) Excise Duty on Sales		8,996.81	42,990.44
(e) Employee Benefits Expense	26	71,505.72	67,613.24
(f) Finance Costs	27	168,992.66	166,094.34
(g) Depreciation and Amortization Expense	28	88,331.17	89,764.10
(h) Other Expenses	29	173,449.35	165,811.55
		843,067.49	853,345.14
III. PROFIT (LOSS) BEFORE EXCEPTIONAL ITEM & TAX		(231,463.63)	(227,592.39)
IV. EXCEPTIONAL ITEM		-	-
V. PROFIT (LOSS) BEFORE TAX		(231,463.63)	(227,592.39)
VI. TAX EXPENSES			
- Current Tax		-	-
- Deferred Tax		-	-
- (Excess) / Short Provision for tax relating to prior years		10.00	-
VII. PROFIT (LOSS) FOR THE PERIOD		(231,473.63)	(227,592.39)
VIII. OTHER COMPREHENSIVE INCOME (NET OF TAX)		(1473.70)	115.36
IX. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(232,947.33)	(227,477.03)
Basic Earning Per Share(Face Value of ₹ 10 Per Share)		(15.54)	(15.28)
Diluted Earning Per Share(Face Value of ₹ 10 Per Share)		(15.54)	(15.28)
[Refer to Note No. 37]			
Significant Accounting Policies			
The accompanying Notes are integral Part of Financial Statements		1 - 46	

As per our report of even date

For **V.K.Shastri & Co.**
Chartered Accountants
FRN No 113325W

CA V. K. Shastri
Proprietor
Membership No - 042774

Vadodara, dated 30th May 2018

For and on behalf of Board of Directors

Babulal Sanghvi
Chairman

Vikram Sanghvi
Whole Time Director &
Chief Financial Officer

Jayantilal Sanghvi
Managing Director

Harish Punwani
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2018

Particular	(₹ in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash Flow From Operating Activities:		
Net Profit Before Tax	(231463.63)	(227592.39)
Adjustment for:		
Depreciation /Amortization /Impairment	88331.17	89764.10
Interest Expense / Finance Cost	159754.77	147940.53
Interest Income	(869.72)	(692.01)
Loss/ (Profit) on sale of Fixed Assets	0.00	0.00
Government Grant Received	205.91	205.91
Bad debts/ advance written off	684.00	1226.25
Effect of Foreign Exchange rate variations during the year	(264.34)	47.41
Operating Profit Before Working Capital Changes	16378.16	10899.80
Adjustment for (increase)/decrease in Operating assets:		
Inventories	(12487.92)	7772.28
Trade Receivables	12305.23	(77763.44)
Short Term Loan & Advances	(199.37)	204.02
Other Current Assets	(2295.25)	17504.26
Other non-current financial assets	(2170.94)	(1132.76)
Other Non-Current Assets	3653.65	(4009.46)
	(1194.59)	(57425.11)
Adjustment for (increase)/decrease in Operating liabilities:		
Trade Payable	38163.35	48405.12
Non-Current Liabilities-Provisions	1134.80	1282.09
Other financial Liabilities	276174.96	111915.92
Other Current Liabilities	15672.56	35050.35
Short Term Provisions	355.01	5391.62
	331500.68	202045.10
Cash Generated From Operation	346684.24	155519.80
Income Tax Expense	10.00	0.00
Net Cash Generated From Operating Activities	346674.24	155519.80
B. Cash Flow From Investing Activities		
Purchase of property, plant and equipment/Intangible assets	(10086.80)	(11090.73)
Change in CWIP	3554.85	902.91
Sales / Devaluation of Assets	0.00	5419.56
Fixed Deposit / Margin Money with Bank	(3771.30)	2244.54
Interest Received	869.72	692.01
Net Cash Used in Investing Activities	(9433.53)	(1831.71)

Consolidated Cash Flow Statement

for the year ended March 31,2018

Particular	For the year ended March 31, 2018	For the year ended March 31, 2017
		(₹ in '000)
C. Cash Flow From Financing Activities		
Long Term Loan from Bank	(209873.09)	(91292.14)
(Repayments)/ Short Term Borrowing from Bank	30792.39	87995.51
Finance Cost (Interest & Bank Charges)	(159754.77)	(147940.53)
Net Cash used in Financing Activities	(338835.47)	(151237.16)
Net Increase /(Decrease)in Cash and Bank Balance (A+B+C)	(1594.76)	2450.92
Opening Balance of Cash & Cash Equivalent	4108.62	1657.70
Closing Balance Cash & Cash Equivalent #	2513.86	4108.62
# Comprises of,		
Cash on Hand	1523.05	746.51
Balance with Bank -Current Accounts	990.81	3362.11
	2513.86	4108.62

As per our report of even date

For **V.K.Shastri & Co.**
Chartered Accountants
FRN No 113325W

CA V. K. Shastri
Proprietor
Membership No - 042774

Vadodara, dated 30th May 2018

For and on behalf of Board of Directors

Babulal Sanghvi
Chairman

Vikram Sanghvi
Whole Time Director &
Chief Financial Officer

Jayantilal Sanghvi
Managing Director

Harish Punwani
Company Secretary

Consolidated Statement of Changes in equity

for the year ended March 31,2018

(A) Equity Share Capital

Notes	(₹ in '000) Amount
As at March 31,2016	148,922.67
Change in equity share capital	0.00
As at March 31,2017	148,922.67
Change in equity share capital	0.00
As at March 31,2018	148,922.67

(B) Other Equity

	(₹ in '000)			
	Securities Premium	General Reserve	Retained Earnings	Total
As at 1 April 2016	404967.97	4251.48	(122105.85)	287113.60
Profit for the year	-	-	(227592.39)	(227592.39)
Other Comprehensive Income for the year	-	-	162.69	162.69
Total Comprehensive Income for the year	-	-	(227429.70)	(227429.70)
Transfer to general reserve	-	(549.32)	549.32	0.00
As at 31 March 2017	404967.97	4800.80	(350084.87)	59683.90
Profit for the year	-	-	(231473.63)	(231473.63)
Other Comprehensive Income for the year	-	-	(1738.03)	(1738.03)
Total Comprehensive Income for the year	-	-	(233211.66)	(233211.66)
Dividends	-	-	-	-
Tax on dividends	-	-	-	-
Transfer to general reserve	-	1811.02	(1811.02)	-
As at 31 March 2018	404967.97	2989.78	(581485.52)	(173527.76)

As per our report of even date

For **V.K.Shastri & Co.**
Chartered Accountants
FRN No 113325W

For and on behalf of Board of Directors

CA V. K. Shastri
Proprietor
Membership No - 042774

Babulal Sanghvi
Chairman

Jayantilal Sanghvi
Managing Director

Vikram Sanghvi
Whole Time Director &
Chief Financial Officer

Harish Punwani
Company Secretary

Vadodara, dated 30th May 2018

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

1. CORPORATE INFORMATION:

Sanghvi Forging & Engineering Limited (SFEL) is an ISO 9001:2008 Certified Indian Company engaged in the manufacturer of open and closed die forging products for the oil & gas, defense, ship building, power & other sectors. It also exports products to various foreign countries over the last two decades.

The Company has set up additional 15000 MTPA Heavy Forging Division in recent years (with single piece forging up to 40 MT) to manufacture proof machined products viz. stepped shafts, bars & hollows, blocks, flanged shafts, gear blanks, shells, tube sheets, forging items etc at GIDC Industrial Estate (at plot no. 1401, 1402 & 1403), Waghodia Dist: Vadodara.

2. SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS:

2.1 Basis for preparation of financial accounting

(i) Statement of Compliance

The financial statement of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified pursuant to Section 133 of the Companies Act, 2013 (the Act), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

For all period up to and including the year ended March 31, 2017, the Company prepared its financial statement in accordance with the accounting standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). These financial statements of the year ended March 31, 2018 are first financial statements, the Company has prepared in accordance with Ind AS. The transition date is 01 April, 2016. Refer Note 41 for information on first time adoption of Ind AS and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Historical cost conversion

The Financial Statements have been prepared on historical cost conventions basis, except for the following:

- Certain financial instruments that are measured at fair value at the end of each reporting period;
- Defined benefit plans – plan assets measured at fair value.

(iii) Current and Non-Current classification

Based on the nature of activities of the Company and the normal time between acquisition of assets

and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classifications of its assets and liabilities as current and non-current.

(iv) Rounding of amounts

All amounts disclosed in the financial statement and notes have been rounded off to the nearest thousands as per the required of Schedule III, unless otherwise stated.

2.2 Use of estimates and assumptions

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

The company has consistently applied following accounting policies to all the period presented in these financial statements.

a) Principle of Consolidation

The consolidated financial statements of the group for the year ended March 31, 2017 are prepared in accordance with generally accepted accounting principles applicable in India, and the Accounting Standard 21 (AS-21) on 'Consolidation of Financial Statements', notified by Companies (Accounting Standards) Rules, 2006, (as amended) ("Accounting Standards") by and to the extent possible in the same format as that adopted by the group for its separate financial statements.

The financial statements of the group have been combined on line by line basis by adding together the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealized profits or losses resulting from the intra group transactions and balances have been eliminated.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

the consolidated financial statements. The consolidated financial statements are presented in the same manner as the Company's unconsolidated financial statements. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

Notes Annexed To And Forming Part Of Consolidated Financial Statements As On 31st March, 2017

The subsidiary company considered in consolidated financial statements is as follows:

Name of the subsidiary	Ownership Percentage as at March 31, 2018	Country of incorporation	Consolidated as
Sanghvi Europe B.V.	100%	Netherland	Subsidiary

b) Property, plant and equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible and intangible assets recognized as of April 1, 2016(transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of the transition date.

Leasehold land having lease of 99 years or more is treated as free hold land which is carried at cost. All other items of Property, Plant and Equipment are recorded at their cost of acquisition, net of taxes, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.

Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the

carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Subsequent cost is included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future 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 derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation:

The Company depreciated its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act 2013 for the proportionate period of use during the year. The depreciation on assets is provided on the straight-line method considering the useful life and residual value of respective asset. The residual values are not more than 5% of the original cost of the asset. Depreciation on assets purchased /installed during the year is calculated on a pro-rata basis from the date of such purchase /installation.

The useful life considered for calculation of depreciation for various asset classes are as follows:

Particulars	Useful Life
Leasehold Land	20
Building (Factory)	30
Building (Residential)	60
Building (Fences, Wells, etc)	5
Road	5 to 10
Plant and Machinery	15
Plant and Machinery (Heavy Forging Process Machinery)	20 to 25*
Electrically Operated Vehicles	8
Electrical Installations	10
Laboratory Equipment	10
Windmill	22
Computers, Server & Networking Device	3
Furniture	10
Office equipment	5
Vehicles - Four Wheeler	8
Vehicles - Two Wheeler	10

*Based on an internal technical evaluation made by the company and on past experience, estimated useful

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

life of Plant and machinery listed above best represent the period over which the management expects to use these assets. However, the useful lives for these assets are different from that prescribed in schedule II of the Act.

c) Intangibles

Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

d) Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost Comprise all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw Materials are valued at the lower of cost and net realizable value. Cost is ascertained on a moving weighted average basis.

Work-in-progress, finished goods and traded goods are carried at the lower of cost and net realizable value. Cost is determined on a weighted average basis. In case of work-in-progress and manufactured finished goods, cost includes material, labour and production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

e) Impairment of non-financial assets

Assets subject to amortisation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is higher of the asset's net selling price or value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between

knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and taxes, revenue from sale of goods is recognized on transfer of significant risk and rewards of ownership of products to the customers, which is generally on dispatch of goods.

Revenue from job charges is recognized on completion of job work. Interest incomes are recognised on time proportion basis.

Dividend

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

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.

g) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of noncash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

h) Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Company as a lessee-

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property 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 liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

Company as a lessor-

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Company's 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 Company's net investment outstanding in respect of the leases.

i) Foreign Currency Transactions

On initial recognition, transactions in currencies other than the Company's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the

exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in profit or loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

j) Taxation

Current Income Taxes:

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 in the countries where the company and its subsidiaries and associates operate and generate taxable income. 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 Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). 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. 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

k) Employee Benefits

Short term employee benefits:

Employee benefits payable wholly within twelve months of rendering the service the service are classified as short-term employee benefits and are recognized in the period in which the employee renders the related service.

Post-Employment benefits:

Defined benefit plans: All employees are covered under Employees' Gratuity Scheme, which is a defined benefit plan. The Company contributes to a fund maintained with Life Insurance Corporation of India (LIC) on the basis of the year-end liability determined based on actuarial valuation using the Projected Unit Cost Method. Re-measurement of the net defined benefit liability, which comprise actuarial gains/losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognized in the Statement of Profit and Loss.

Defined contribution plans: All employees are covered under contributory provident fund benefit of a contribution of 12% of basic salary. Contributions to defined contribution scheme is charges to the Statement of Profit and Loss of the year, on due basis. There are no obligations other than the contributions payable to the respective funds.

Long-term employee benefits: Provision for long-term employee benefits comprise of compensated absences. There are measured on the basis of year-end actuarial valuation in line with the Company's rules for compensated absences. Re-measurement gains or losses are recognized in profit or loss in the period in which they arise.

l) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit & Loss in the year in which they are incurred.

m) Provisions and contingent liabilities

Provisions:

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent Liability and Contingent Assets:

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Onerous Contract:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

n) Earnings Per Share (EPS)

Basic earnings per Share are computed by dividing the net profit or loss for the year attributable to equity share holders, by the weighted average number of equity share outstanding during the period.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Diluted earning per share is computed by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted number of equity and equivalent diluted equity shares outstanding during the year except where the results would be antidilutive.

o) Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic basis over the expected useful life of the related asset.

p) Cash and cash equivalents

Cash and cash equivalents include cash at bank and deposit with banks having original maturity of not more than three months. Bank deposit with original maturity period of more than three months but less than twelve months are classified as other bank balances.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and fixed deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) Investments in the nature of equity in subsidiaries, joint venture and associates

The Company has elected to recognise its investments in equity instruments in subsidiaries, joint venture and associates at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

r) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement-

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent measurement-

For purposes of subsequent measurement, financial assets are classified in three categories:

- i. Financial assets measured at amortised cost
 - ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
 - iii. Financial assets measured at fair value through profit or loss (FVTPL).
- i. A financial asset that meets the following two conditions is measured at amortized cost.
 - **Business Model test:** The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - **Cash flow characteristics test:** Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
 - ii. A financial asset that meets the following two conditions is measured at fair value through OCI:-
 - **Business Model test:** The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
 - **Cash flow characteristics test:** The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.
 - iii. All other financial assets are measured at fair value through profit and loss.

Equity instruments

All equity instruments in scope of Ind AS 109 - [·] are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition-

A financial asset is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Impairment of financial assets-

In accordance with Ind AS 109, the company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses depending upon whether there has been a significant increase in credit risk since initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

Initial recognition and measurement-

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement-

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss-

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing 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 a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the Company that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Derecognition-

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

Derivative financial instruments-

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, full currency swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss

Offsetting of financial instruments-

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

s) Fair Value Measurement

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

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

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

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

u) Recent Accounting pronouncements

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach

Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B to Ind AS 21, foreign currency transactions and advance consideration:

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency

transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. The Company expects the impact of this on the financial statements to be insignificant.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Notes: 3 - Property, Plant & Equipments

Particulars	Freehold Land	Leasehold Land	Buildings	Buildings Residential	Roads	Plant & Equipment	Electrical Installation	Office Equipment	Computers & Fixture	Furniture & Fixture	Vehicles	Lab Equipment	Total
	(₹ in '000)												
Cost													
As at April 1, 2016 (Deemed Cost)	25,393.00	171.41	243,609.40	204.97	65.61	1,221,406.97	63,114.52	1,276.37	1,355.65	1,386.87	2,904.69	-	1,560,889.46
Additions	-	-	-	-	-	10,150.30	471.00	150.74	143.69	-	-	-	10,915.73
Disposals	-	-	164.70	-	-	5,153.76	97.78	-	-	-	-	-	5,416.25
As at March 31, 2017	25,393.00	171.41	243,444.69	204.97	65.61	1,226,403.51	63,487.74	1,427.11	1,499.34	1,386.87	2,904.69	-	1,566,388.94
Additions	246.28	-	3,632.41	-	-	2,330.40	27.40	91.60	310.42	1,629.58	-	7.55	8,275.63
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	25,639.28	171.41	247,077.10	204.97	65.61	1,228,733.91	63,515.13	1,518.71	1,809.76	3,016.45	2,904.69	7.55	1,574,664.57
Accumulated Depreciation													
As at April 1, 2016	-	14.28	10,849.27	3.66	-	66,405.14	8,945.73	521.73	611.50	428.85	868.76	-	88,648.94
Depreciation For the year 2017	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	14.28	10,849.27	3.66	-	66,405.14	8,945.73	521.73	611.50	428.85	868.76	-	88,648.94
Depreciation For the year 2018	-	14.28	10,847.80	3.66	-	66,584.98	8,576.72	416.40	565.05	178.08	674.73	0.58	87,862.28
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	28.57	21,697.08	7.33	-	132,990.12	17,522.44	938.13	1,176.55	606.93	1,543.49	0.58	176,511.22
Net Block													
As at March 31, 2017	25,393.00	157.13	232,595.42	201.31	65.61	1,159,998.37	54,542.01	905.38	887.84	958.02	2,035.93	-	1,477,740.00
As at March 31, 2018	25,639.28	142.84	225,380.02	197.64	65.61	1,095,743.79	45,992.69	580.58	633.21	2,409.51	1,361.20	6.97	1,398,153.36

Intangible assets

Notes	(₹ in '000)
Software	
As at April 1, 2016 (Deemed Cost)	2984.16
Additions	175.00
Disposals	3.31
As at March 31, 2017	3155.86
Additions	575.73
Disposals	0.00
As at March 31, 2018	3731.58
Accumulated Depreciation	
As at April 1, 2016	0.00
Depreciation For the year 2017	1115.17
Deletions/Adjustments	0.00
As at March 31, 2017	1115.17
Depreciation For the year 2018	406.84
Deletions/Adjustments	0.00
As at March 31, 2018	1522.01
Net Block	
As at March 31, 2017	2040.69
As at March 31, 2018	2209.57

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 4

(e) FINANCIAL ASSETS

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Other Financial Assets			
(i) Security Deposits	4648.76	2477.82	1271.43
(ii) Other Loans & Advances #	-	-	73.63
# Includes primarily Gratuity Payable (Dr. Bal) etc.			
TOTAL	4648.76	2477.82	1345.06

NOTES : 5

OTHER NON-CURRENT ASSETS

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Other Non Current Assets	16068.75	19722.40	11103.47
(b) Advances for Capital Goods	-	-	4609.46
TOTAL	16068.75	19722.40	15712.93

NOTES : 6

(a) INVENTORIES

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Raw Materials	62265.53	40356.12	49593.20
(b) Work-in-Progress	149935.13	149146.41	150249.85
(c) Stores & Spare Parts	9376.55	9120.07	8521.71
(d) Packing Materials	355.70	123.80	59.18
(e) Scrap	3242.59	6546.54	11150.61
(f) Finished Goods	19695.12	28433.06	21317.40
Less: Unrealised Profit / Stock Reserve (For mode of valuation of inventories, refer note no. 2.2(d))	(3952.83)	(5296.13)	(4689.80)
TOTAL	240917.79	228429.87	236202.15

NOTES : 7

TRADE RECEIVABLES

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
- Unsecured			
(i) Considered good	210212.78	219912.15	148216.98
Less: Netting off Receivable and Payable (Inter Company)	(22826.40)	(19536.54)	(24378.56)
TOTAL	187386.38	200375.61	123838.42

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 8

CASH & CASH EQUIVALENT

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Cash on Hand	1523.05	746.51	773.85
(b) Balance with Banks : In Current Accounts	990.81	3362.11	883.85
TOTAL	2513.86	4108.62	1657.70

NOTES : 9

OTHER BANK BALANCE

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Other Balance with Bank - Fixed deposit as Margin Money under bank lien (Balance with banks to the extent held as Margin Money having maturity less than 12 month)	11570.52	7799.22	10043.76
TOTAL	11570.52	7799.22	10043.76

NOTES : 10

(IV) OTHER FINANCIAL ASSETS

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Accrued Interest on Deposits	403.74	247.91	276.22
(b) Other Receivables	43.54	-	175.71
TOTAL	447.28	247.91	451.93

NOTES : 11

OTHER CURRENT ASSETS

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Balance with Revenue Authorities	18385.48	16458.57	34156.04
(b) Pre - Paid Expense	689.24	1185.25	838.30
(c) Advance to Suppliers	5794.40	3136.22	4919.75
(d) Export Incentive Receivables	4176.81	5970.65	4340.86
TOTAL	29045.93	26750.69	44254.95

NOTES : 12

SHARE CAPITAL

Sr. Particulars	(₹ in '000)					
	March 31, 2018		March 31, 2017		April 1, 2016	
	Nos.	(₹ in 000)	Nos.	(₹ in 000)	Nos.	(₹ in 000)
(a) EQUITY SHARE CAPITAL						
(i) AUTHORISED :						
20,000,000 No. of Equity Shares of ₹ 10 each	20000000	200000.00	20000000	200000.00	20000000	200000.00
(ii) Issued, Subscribed & Paid up Share Capital :						
1,48,92,267 No. of Equity Shares of ₹ 10 Each	14892267	148922.67	14892267	148922.67	14892267	148922.67
(P.Y. 1,48,92,267 No. of Equity Shares of ₹ 10 Each)						
TOTAL	14892267	148922.67	14892267	148922.67	14892267	148922.67

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 12

SHARE CAPITAL (contd..)

(a) Right to vote, dividend and restriction attached to each class of issued capital to be disclosed.

All the Shareholders whose name is entered in the Registered of Members of the Company shall enjoy the same voting rights and be subject to the same liabilities as all other shareholder of the same class.

(b) Reconciliation of shares outstanding at the beginning and at the end of the year

Sr. Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Nos.	(₹ in 000)	Nos.	(₹ in 000)	Nos.	(₹ in 000)
Equity Shares						
At the beginning of the year	14892267	148922.67	14892267	148922.67	13892267	138922.67
Issued during the year						
(a) Preferential Issue by conversion of warrant	-	-	-	-	1000000	10000.00
Outstanding at the end of the year	14892267	148922.67	14892267	148922.67	14892267	148922.67

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company (Equity Shares of ₹ 10 each fully paid)

Sr. Name of the shareholder	March 31, 2018		March 31, 2017		April 1, 2016	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
1 Shri Jayantilal B. Sanghvi	1925591	12.93	1925591	12.93	1925591	12.93
2 Shri Babulal S. Sanghvi	1714283	11.51	1714283	11.51	1714283	11.51
3 Shri Naresh B. Sanghvi	1832931	12.31	1832931	12.31	1832931	12.31
4 Shri Vikram B. Sanghvi	1505682	10.11	1505682	10.11	1505682	10.11
TOTAL	6978487	46.86	6978487	46.86	6978487	46.86

NOTES : 13

OTHER EQUITY

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Securities Premium			
As per last balance sheet	404967.97	404967.97	369967.97
Add : Premium of Shares Issued during the year	-	-	35000.00
Closing Balance	404967.97	404967.97	404967.97
(b) General Reserve	4800.80	4251.48	3987.14
(At Commencement & At End)			
Add : Transfer from Profit & Loss Account	(1811.02)	549.32	264.34
Closing Balance	2989.78	4800.80	4251.48
(c) Retained Earnings			
As per last balance sheet	(350084.87)	(122105.85)	(20,050.61)
Add : Loss for the Year	(231473.63)	(227592.39)	(104028.26)
Other Comprehensive Income for the year	(1473.70)	115.36	0.00
Effect of Foreign Exchange rate variations during the year	(264.33)	47.33	0.76
Less: Transfer to General Reserve	(1811.02)	549.32	264.34
Add : Unrealised Profit on Inventory	-	-	2236.60
Closing Balance	(581485.52)	(350084.87)	(122105.85)
TOTAL	(173527.76)	59683.90	287113.60

Nature and purpose of each reserve

(a) Securities premium reserve - The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

(b) General reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 14

FINANCIAL LIABILITIES :

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Borrowings			
(i) Term Loan from Banks	455984.77	650956.63	772147.86
-Secured against all fixed assets (existing & proposed) and Equitable Mortgage over Leasehold Land & Personal Guarantees of Directors including pledge of their shares			
(ii) Unsecured Loans			
- Loans & Advances from Related Parties	105835.37	112965.81	86555.82
- From Inter Corporate Deposits	16418.31	24189.10	20700.00
TOTAL	578238.45	788111.54	879403.68

NOTES : 15

PROVISIONS

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) GRATUITY PAYABLE-Long Term	2396.01	549.09	0.00
(b) Deferred Government Grant	617.72	823.62	0.00
TOTAL	3013.73	1372.72	0.00

NOTES : 16

FINANCIAL LIABILITIES :

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Borrowings			
(i) Working Capital Loan from Banks	384525.41	353733.02	265737.51
(Against Hypothecation of Entire Current Assets - Stock of Raw Material, Work-in-Progress, Finished Goods, Stores & Spares, Trade Receivables, etc.)			
TOTAL	384525.41	353733.02	265737.51

NOTES : 17

TRADE PAYABLES

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Trade Payables For Others	279348.38	237861.23	191936.99
Less: Netting off Receivable and Payable (Inter Company)	(22826.39)	(19536.58)	(24378.56)
(b) Trade Payables For Micro, Small & Medium Enterprises	454.14	488.13	2849.23
TOTAL	256976.13	218812.78	170407.66

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 18

OTHER FINANCIAL LIABILITIES

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Current Maturity of long term Loan (Secured against all fixed assets (existing & proposed) and Equitable Mortgage over Leasehold Land. Personal Guarantees of Directors including pledge of their shares)	167077.70	125115.75	126440.00
(b) Term Loan Installment due remain unpaid	218272.68	96491.60	28296.00
(c) Interest Accrued and Due on Borrowing-	184376.15	75650.21	0.00
(d) Interest Debited by bank but remains unpaid	22432.91	16717.18	25100.00
(e) Payable - For Capital Goods	15406.91	17480.58	39854.31
(f) Other Outstanding Liabilities	291.84	227.91	77.00
TOTAL	607858.19	331683.23	219767.31

NOTES : 19

OTHER CURRENT LIABILITIES

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Advance from Customers	41161.26	44206.24	8792.37
(b) Duties & Taxes Payable	21328.95	2611.41	2974.93
TOTAL	62490.21	46817.65	11767.30

NOTES : 20

PROVISIONS

Sr. Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	April 1, 2016
(a) For Employee Benefit Expenses	2058.76	1607.65	1455.00
(b) For Other Expenses	22406.38	22502.48	17263.51
TOTAL	24465.14	24110.13	18718.51

NOTES : 21

REVENUE FROM OPERATIONS

Sr. Particulars	(₹ in '000)	
	March 31, 2018	March 31, 2017
(a) Sale of Flanges, Fittings, Forged Bars & Scrap		
(i) Finished Goods #		
Sales - Domestic	449001.96	377038.37
Less: Inter Company Sales / Purchase	(28517.93)	26074.29
Sales - Export	116680.35	143162.42
Total	537164.38	546275.08
(ii) Manufacturing Scrap #	51418.39	60448.44
	588582.77	606723.52
(b) Other Operating Revenues		
Duty Draw Back & Other Export Incentive	2839.77	6962.37
Power Generation	2076.28	2294.47
Other Operating Revenues	7896.76	7244.77
	12812.81	16501.61
NET REVENUE FROM OPERATIONS	601395.58	623225.13

In accordance with the requirements of IND AS 18, Revenue from Operations for the year ended 31st March, 2018 is shown net of Goods and Service Tax (GST). However, Revenue from Operations for corresponding financial year ended 31st March, 2017 and current financial year (up to June, 2017) is shown inclusive of excise duty.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 22

OTHER INCOME

Sr. Particulars	(₹ in '000)	
	March 31, 2018	March 31, 2017
Interest From Bank & Other	869.72	692.01
Exchange Fluctuation gain/(loss)(Net)	4569.18	430.07
Misc. Income	4769.38	1405.55
TOTAL	10208.28	2527.63

NOTES : 23

COST OF MATERIAL CONSUMED

Sr. Particulars	(₹ in '000)	
	March 31, 2018	March 31, 2017
Steel Consumed		
Opening Balance	43372.00	49593.20
Add : Purchase	315167.79	78442.00
	358539.79	337083.03
Less : Closing Stock	62265.53	40356.12
Raw Material Consumed	296274.26	296726.91

INFORMATION RELATING TO CONSUMPTION OF MATERIAL

Consumption of Imported & Indigenous Materials

Sr. Particulars	(₹ in '000)	
	March 31, 2018	March 31, 2017
Imported Items	11232.63	16151.44
Indigenous Items	285041.63	280575.47
TOTAL	296274.26	296726.91

NOTES : 24

CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Sr. Particulars	(₹ in '000)	
	March 31, 2018	March 31, 2017
(Increase) / Decrease in		
<u>Closing Stock</u>		
- Finished Goods	19695.12	28433.06
Less: Stock Reserve / Profit Margin	(3952.83)	(5296.13)
- Work - in - Progress	149935.13	149146.41
- Scrap	3242.59	6546.54
	168920.01	178829.88
<u>Opening Stock</u>		
- Finished Goods	23136.93	16627.90
- Work - in - Progress	149146.41	150249.94
- Scrap	6546.54	11150.61
	178829.88	178028.45
(Increase) / Decrease in Stock	9909.87	(801.43)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 25

PURCHASE OF STOCK IN TRADE

(₹ in '000)		
Sr. Particulars	March 31, 2018	March 31, 2017
Purchase of Stock in Trade	34345.59	25,146.00
TOTAL	34345.59	25146.00

NOTES : 26

EMPLOYEES BENEFIT EXPENSE

(₹ in '000)		
Sr. Particulars	March 31, 2018	March 31, 2017
Salary & Wages & Bonus	66821.17	63707.05
Contribution to Provident & Other Funds	3743.95	3207.48
Staff Welfare Expense	940.60	698.71
TOTAL	71505.72	67613.24

NOTES : 27

FINANCE COST

(₹ in '000)		
Sr. Particulars	March 31, 2018	March 31, 2017
Interest Expense	159754.77	147940.53
Bank Charges	9237.89	18153.81
TOTAL	168992.66	166094.34

NOTES : 28

DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in '000)		
Sr. Particulars	March 31, 2018	March 31, 2017
(a) Depreciation & Amortization on Tangible Assets	77531.02	88747.74
(b) Amortization on Intangible Assets	10800.15	1016.36
TOTAL	88331.17	89764.10

NOTES : 29

OTHER EXPENSES

(₹ in '000)		
Sr. Particulars	March 31, 2018	March 31, 2017
(a) Manufacturing Expense :		
Power Consumed	24140.74	23605.44
Fuel Consumed	47044.79	37150.68
Stores Consumed	17055.40	14757.57
Wages - Job Work Charges	22098.18	17400.16
Repairs and Maintenance - Buildings	349.55	595.01
Repairs and Maintenance - Plant & Machinery	1886.68	2546.59
TOTAL (a)	112575.34	96055.45
(b) Administrative & Other Expense :		
Payment to Auditors		
-Audit Fees	325.00	325.00
-Certification and Other matters	122.50	175.00

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 29

OTHER EXPENSES (contd..)

Sr. Particulars	(₹ in '000)	
	March 31, 2018	March 31, 2017
Director Sitting Fees	450.00	375.00
Insurance Expense	888.08	327.13
Professional Fees	6357.25	5967.79
Rates & Taxes	3676.11	4748.19
Rent Expense	750.25	619.61
Repairs and maintenance - Others	1719.84	1789.88
Bad debts	684.00	1226.25
Miscellaneous Expense	45900.98	54202.25
TOTAL (b)	60874.01	69756.10
TOTAL (a+b)	173449.35	165811.55

NOTES : 30 Contingent Liabilities

A. Disputed Liabilities- In Appeal

Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	As at April 1, 2016
-Income Tax on Accounts of Disallowance	5282.69	5282.69	5282.69
-Service Tax on Account of Cenvat Credit	11500.95	12192.05	9608.67
-Excise on Account of Cenvat Credit	2979.31	2979.31	2979.31
-Central Sales Tax Demand on Account of 'C' Form	7049.21	10830.83	7104.84

The future cash flows in respect of the above, if any, is determinable only on receipt of judgments/decisions pending with relevant authorities. The company does not expect the outcome of matters stated above to have a material adverse effect on the Company's financial conditions, result of operation or Cash Flow.

Company has received under Section 153C of the Income Tax Act, 1961 for the Assessment Year 2009-10 to 2015-16

B. Guarantee Given By Bankers on Behalf of Company

Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	As at April 1, 2016
- Bank Guarantee	2300.61	30400.76	38599.70

NOTES : 31

Estimated Amount of Contracts-Capital Accounts

Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	As at April 1, 2016
Estimated Amount of Contracts remaining to be executed on Capital Accounts and not provided for, net of advances	-	2500.00	6789.00

NOTES : 32

C.I.F. value of Imports

Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	As at April 1, 2016
Capital Goods	-	818.76	3172.60
Raw Material	12171.72	24543.80	10892.88

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 33

(a) Expenditure in Foreign Currency

Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	As at April 1, 2016
Commission on Export Sales	51.11	4314.62	571.33
Finance Cost	5849.59	6031.84	7583.46
Exhibitions & Sales Promotion	-	430.21	283.42
Foreign Travel Expenses	485.85	1388.89	1793.68

(b) Earnings in Foreign Currency

Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	As at April 1, 2016
F.O.B. value of exports	104649.40	126757.22	178844.48

NOTES : 34

Exchange difference Gain/(Loss) on account of fluctuations in foreign currency rates

Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	As at April 1, 2016
Relating to Exports during the year as part of Sales	(792.97)	(1380.60)	2173.57

(a) Recognized in Profit and Loss Account

Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	As at April 1, 2016
On settlement / revaluation of current assets	(3468.32)	1300.61	2291.49
On settlement / revaluation of current liabilities	(320.89)	(350.08)	(1738.66)

NOTES : 35

Details of amount Capitalised during the year to Fixed Assets

Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	As at April 1, 2016
Interest & Other Finance Charges	-	149.88	1911.11
Foreign Exchange (Gain) / Loss (Net)	1689.12	5419.56	16026.94
TOTAL	1689.12	5569.44	17938.05

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 36

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2017. The disclosure pursuant to the said Act is as under

Particulars	March 31, 2018	March 31, 2017	(₹ in '000)
			As at April 1, 2016
Principal Amount due and remaining unpaid to any suppliers under MSMED Act, 2006	485.78	451.02	2879.23
Principal Amount due and remaining unpaid to any suppliers under MSMED Act, 2006, beyond the appointed day	485.78	448.22	2235.16
Interest accrued and due to suppliers under MSMED Act, on the above amount during the year	6.53	18.05	29.99
Interest paid to suppliers under MSMED Act (Section 16)	9.99	10.93	7.59
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	33.65	37.11	29.99

NOTES : 37

Computation of Earnings per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

a) Basic Earnings Per Share

Particulars	March 31, 2018	March 31, 2017	(₹ in '000)
			As at April 1, 2016
From continuing operations attributable to the equity shareholders of the company	(15.54)	(15.28)	(6.99)
From Discontinued Operations	-	-	-
Total basic earnings per share attributable to the equity shareholders	(15.54)	(15.28)	(6.99)

b) Diluted Earnings Per Share

Particulars	March 31, 2018	March 31, 2017	(₹ in '000)
			As at April 1, 2016
From continuing operations attributable to the equity shareholders of the company	(15.54)	(15.28)	(6.99)
From Discontinued Operations	-	-	-
Total diluted earnings per share attributable to the equity shareholders	(15.54)	(15.28)	(6.99)

c) Reconciliation of earnings used in calculating earnings per share

Particulars	March 31, 2018	March 31, 2017	(₹ in '000)
			As at April 1, 2016
Basic Earnings Per Share	(15.54)	(15.28)	(6.99)
Profit attributable to the equity shareholders of the company used in calculating basic and diluted earnings per share:	(231,473.63)	(227,592.39)	(104,028.26)
From continuing operations	(231,473.63)	(227,592.39)	(104,028.26)
From discontinued operations	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 38 Related Party Details

(a) Related Party Disclosure

	Mr. Babulal S. Sanghvi
	Mr. Jayantilal B. Sanghvi
	Mr. Naresh B. Sanghvi
	Mr. Vikram B. Sanghvi
Key Management Personnel	Mr. RAM Chandra Prasad
	Mr. BABA KARNIRE PAI
	Mr. Ram Swaroop Kaushal
	Smt. Aruna Sunilkumar Khasgiwala
	Smt. Bhamridevi B. Sanghvi
	Smt. Meena J. Sanghvi
Relative of Key Management Personnel	Smt. Kiran N. Sanghvi
	Smt. Sheetal V. Sanghvi
	Mr. Mahesh B Sanghvi
	Babulal Sanghvi (HUF)
	Jayantilal Sanghvi (HUF)
	Naresh Sanghvi (HUF)
Enterprises under Significant Influence of Key Management Personnel or their Relatives	Vikram Sanghvi (HUF)
	Babulal Sanghvi (HUF)
	Gautam Stainless Pvt. Ltd.
	Sanghvi Exim LLP

(b) Related Party Transaction

Particulars	(₹ in '000)							
	Key Management Personnel		Relative of Key Management Personnel		Enterprises under Significant Influence of Key management Personnel or their Relatives		TOTAL	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Purchase of Goods/DEPB	-	-	-	-	512.47	308.78	512.47	308.78
Gautam Stainless Pvt. Ltd.	-	-	-	-	512.47	308.78	512.47	308.78
Receiving of Services	-	-	-	-	231.47	86.31	231.47	86.31
Gautam Stainless Pvt. Ltd.	-	-	-	-	231.47	86.31	231.47	86.31
Sale of Goods	-	-	-	-	2689.49	1576.66	2689.49	1576.66
Gautam Stainless Pvt. Ltd.	-	-	-	-	541.30	1576.66	541.30	1576.66
Sanghvi Exim LLP	-	-	-	-	2148.19	-	2148.19	-
Interest paid	-	-	-	-	917.63	1308.00	917.63	1308.00
Gautam Stainless Pvt. Ltd.	-	-	-	-	917.63	1308.00	917.63	1308.00
Loans - Repaid / Converted	6630.46	11300.00	1235.00	6580.00	8454.66	9918.10	16320.12	27798.10
Babulal S. Sanghvi	200.00	-	-	-	-	-	200.00	-
Jayantilal B. Sanghvi	560.46	6000.00	-	-	-	-	560.46	6000.00
Naresh B. Sanghvi	750.00	3300.00	-	-	-	-	750.00	3300.00
Vikram B. Sanghvi	5120.00	2000.00	-	-	-	-	5120.00	2000.00
Bhamridevi B. Sanghvi	-	-	500.00	-	-	-	500.00	-
Meena J. Sanghvi	-	-	300.00	-	-	-	300.00	-
Kiran N. Sanghvi	-	-	435.00	530.00	-	-	435.00	530.00
Teena M. Sanghvi	-	-	-	6050.00	-	-	-	6050.00
Babulal Sanghvi (HUF)	-	-	-	-	-	100.00	-	100.00
Vikram Sanghvi (HUF)	-	-	-	-	-	1100.00	-	1100.00
Gautam Stainless Pvt. Ltd.	-	-	-	-	8454.66	8718.10	8454.66	8718.10
Loans - Received / Taken	235.02	29200.00	500.00	10050.00	2083.87	18467.20	2818.89	57717.20
Babulal Sanghvi	200.00	2600.00	-	-	-	-	200.00	2600.00
Jayantilal B. Sanghvi	34.01	7730.00	-	-	-	-	34.01	7730.00
Naresh B. Sanghvi	-	15970.00	-	-	-	-	-	15970.00
Vikram B. Sanghvi	1.01	2900.00	-	-	-	-	1.01	2900.00
Bhamridevi B. Sanghvi	-	-	500.00	-	-	-	500.00	-
Sheetal V. Sanghvi	-	-	-	4000.00	-	-	-	4000.00
Teena M. Sanghvi	-	-	-	6050.00	-	-	-	6050.00

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

(b) Related Party Transaction (contd..)

Particulars	(₹ in '000)							
	Key Management Personnel		Relative of Key Management Personnel		Enterprises under Significant Influence of Key management Personnel or their Relatives			TOTAL
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Babulal Sanghvi (HUF)	-	-	-	-	-	3300.00	-	3300.00
Jayantilal Sanghvi (HUF)	-	-	-	-	-	2470.00	-	2470.00
Vikram Sanghvi (HUF)	-	-	-	-	-	470.00	-	470.00
Gautam Stainless Pvt. Ltd.	-	-	-	-	2083.87	12227.20	2083.87	12227.20
Rental Paid	36.00	36.00	308.00	180.00	-	-	344.00	216.00
Bhamridevi B. Sanghvi	-	-	308.00	180.00	-	-	308.00	180.00
Jayantilal B. Sanghvi	36.00	36.00	-	-	-	-	36.00	36.00
Director's Remuneration	9252.41	9252.41	-	-	-	-	9252.41	9252.41
Balance Outstanding - (Receivables)/Payables (Net)								
Loans & Advances	49894.76	56290.21	13363.17	14098.17	47415.75	53786.54	110673.69	124174.92
Babulal S. Sanghvi	4557.10	4557.10	-	-	-	-	4557.10	4557.10
Jayantilal B. Sanghvi	14865.86	15392.32	-	-	-	-	14865.86	15392.32
Naresh B. Sanghvi	18572.09	19322.09	-	-	-	-	18572.09	19322.09
Vikram B. Sanghvi	11899.71	17018.70	-	-	-	-	11899.71	17018.70
Bhamridevi B. Sanghvi	-	-	2622.30	2622.30	-	-	2622.30	2622.30
Meena J Sanghvi	-	-	200.00	500.00	-	-	200.00	500.00
Kiran N Sanghvi	-	-	4324.74	4759.74	-	-	4324.74	4759.74
Sheetal V Sanghvi	-	-	6216.14	6216.14	-	-	6216.14	6216.14
Babulal Sanghvi (HUF)	-	-	-	-	5025.00	5025.00	5025.00	5025.00
Jayantilal Sanghvi (HUF)	-	-	-	-	15202.51	15202.51	15202.51	15202.51
Naresh Sanghvi (HUF)	-	-	-	-	14211.77	14211.77	14211.77	14211.77
Vikram Sanghvi (HUF)	-	-	-	-	8138.16	8138.16	8138.16	8138.16
Gautam Stainless Pvt. Ltd.	-	-	-	-	4838.31	11209.10	4838.31	11209.10
Trade Payable / Receivable	-	-	-	-	2879.09	3046.20	2879.09	3046.20
Gautam Stainless Pvt. Ltd. (Service Vendor)	-	-	-	-	343.32	111.85	343.32	111.85
Gautam Stainless Pvt. Ltd. (Material Vendor)	-	-	-	-	-	1278.41	-	1278.41
Gautam Stainless Pvt. Ltd. (Customer)	-	-	-	-	387.59	1655.94	387.59	1655.94
Sanghvi Exim LLP	-	-	-	-	2148.19	-	2148.19	-

Personal Guarantee Given to Bank against Working capital & Term loan outstanding Amount.

NOTES : 39

Contributions are made to Recognized Provident Fund/ Government Provident Fund which covers all employees. While both the employees and the Company make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans.

Particulars	(₹ in '000)		
	March 31, 2018	March 31, 2017	As at April 1, 2016
Contribution to Provident Fund	3537.79	2579.17	2579.17

In respect of Gratuity, Contributions are made to LIC's Recognized Group Gratuity Fund Scheme based on amount demanded by LIC of India. Provision for Gratuity is based on actuarial valuation carried by independent actuary as at the year end. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Employee Benefits commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Profit and Loss account.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 39 (contd..)

Category of Plan Assets: The Company's Plan Assets in respect of Gratuity are funded through the Group Scheme of the LIC of India.

	(₹ in '000)	
In respect of gratuity (funded):	March 31, 2018	March 31, 2017
Amounts to be recognised in the Balance Sheet		
Amounts recognised in the Balance Sheet:		
Liabilities	4040.71	1834.68
Assets	1169.65	1083.01
Net Liability	2871.06	751.67
P/L Account		
Current Service Cost	747.87	548.39
Net Interest on net Defined Liability / (Asset)	63.29	21.95
Total	811.16	570.34
Other Comprehensive Income		
Actuarial (Gains) / Losses on Liability	1622.82	(114.85)
Return on Plan Assets Excluding Amount included in Net Interest on Net Defined Liability / (Asset) above	(149.11)	(0.43)
Total	1473.71	(115.28)
Table Showing Change in Benefit Obligation		
Opening Defined Benefit Obligation	1834.68	1304.60
Service Cost for the year	747.87	548.39
Interest Cost for the year	141.27	96.54
Actuarial Losses (Gains)	1622.82	(114.85)
Benefits Paid	(305.93)	-
Closing Defined Benefit Obligation	4040.71	1834.68
Bifurcation of Actuarial Losses (Gains)		
Actuarial Losses (Gains) arising from change in financial assumptions	(131.84)	67.96
Actuarial Losses (gains) arising from change in demographic assumptions	-	-
Actuarial Losses (Gains) arising from experience adjustments	1754.65	(182.81)
Actuarial Losses (Gains) - Total	1622.81	(114.85)
Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions		
Discount Rate		
One Percentage Increase	3617.54	1623.20
One Percentage Decrease	4550.46	2094.11
Salary Escalation Rate		
One Percentage Increase	4543.79	2089.89
One Percentage Decrease	3615.01	1622.49
Withdrawal Rate		
One Percentage Increase	4034.80	1821.84
One Percentage Decrease	4047.05	1849.69
Expected (Undiscounted) Benefit Payments in Future Years		
(Projections are for current members and their currently accumulated benefits)		
Year 1	475.06	202.58
Year 2	180.92	94.77
Year 3	130.80	94.77
Year 4	125.53	53.66
Year 5	607.83	51.50
Year 6 to Year 10	474.74	412.37
Tables of Fair Value of Plan Assets		
Opening Fair value of plant assets	1083.01	1007.99
Expected return	77.98	74.59
Actuarial Gains and (Losses)	149.11	0.43

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 39 (contd..)

	(₹ in '000)	
	March 31, 2018	March 31, 2017
In respect of gratuity (funded):		
Contributions by Employer	165.47	-
Benefits paid	(305.93)	-
Closing Balance of Fund	1169.64	1083.01
Table Showing Surplus / (Deficit)		
Defined Benefit Obligation	4040.71	1834.68
Plan Assets	1169.65	1083.01
Surplus / (Deficit)	(2871.06)	(751.67)
Table Showing Bifurcation of Present Benefit Obligation at the end of year		
Current Liability (Amount due within one year)	475.06	202.58
Non-Current Liability (Amount due over one year)	3565.66	1632.10
The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense		
Discount rate	7.70%	7.40%
Expected return on plan Assets	7.70%	7.40%
Annual Increase in Salary Costs	8.00%	8.00%
Attrition Rate	5%	5%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

NOTES : 40

The Company has entered into lease agreements for certain properties including director's accommodation which are cancellable at the option of the Company or as per agreed terms. The total rent charged to the Statement of Profit and Loss for the year towards such leases amount to ₹ 721.46 thousands (P.Y. ₹ 606.36 thousands).

NOTES : 41 Segment disclosures:

(A) Description of segments and principal activities

The company's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective and has identified only one reportable segments of its business.

a) Business Segment:

The company has only one reportable business segment of Forging & Fitting as the primary reportable Business segment for disclosure. The business segments are business of Forging & Fitting and wind energy business.

b) Geographical Segment:

The company has exported during the year and it does require disclosure as a separate reportable segment of Domestic Sales and Export Sale.

	(₹ in '000)		
Particulars	Domestic	Export	Total
Segment Revenue (Net) For the Year ended March 31,2018	462905.60	116680.35	579585.95
Segment Revenue (Net) For the Year ended March 31,2017	394496.38	169236.71	563733.08

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 42

The subsidiary company is incorporated in Netherland on 27th of May 2014. The financial of the subsidiary end on 31st December and the financial statements of the said subsidiary are not mandatorily required to be audited under Dutch law; hence un-audited financials are only consolidated. The said accounts are certified by management and relied upon by the auditors.

NOTES : 43

Disclosure in terms of Schedule III of the Companies Act, 2013

Particulars	Net Assets(i.e. Total assets minus total liabilities)		Share in profit/(loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/(loss)	Amount
1. Parent				
Sanghvi Forging and Engineering Limited	71.69	(17640.12)	99.80	(231007.86)
2. Subsidiary(Foreign)				
Sanghvi Europe B.V.	7.31	(1799.06)	1.30	(3005.35)
Add/(Less)Inter- company Eliminations	21.00	(5165.91)	(1.10)	2549.58
Total	100	(24605.09)	100.00	(231463.63)

NOTES : 44 Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

A) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of following financial assets represents the maximum credit exposure:

(i) Trade and Other Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is almost negligible in case of its residential sale and lease rental business as the same is due to the fact that in case of its residential sell business it does not handover possession till entire outstanding is received. No impairment is observed on the carrying value of trade receivables.

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets for which loss allowances is measured using the expected credit loss			
Trade receivables			
less than 180 days	98364.68	156670.44	96883.28
180 - 365 days	24769.42	21845.47	13310.25
beyond 365 days	64252.28	21859.70	13644.89

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 44 (contd..)

(ii) Cash and Cash Equivalents

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans, debentures and inter-corporate loans.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below provides details regarding the contractual maturities of significant financial liabilities :

Particulars	(₹ in '000)			
	Less than 1 Year	1 - 3 Years	More than 3 Years	Total As at March 31, 2018
Borrowings	578238.45	384525.41	-	962763.86
Trade payables	256976.13	-	-	256976.13
Other financial liabilities	607858.19	-	-	607858.19
Total	1443072.77	384525.41	-	1827598.18

Particulars	(₹ in '000)			
	Less than 1 Year	1 - 3 Years	More than 3 Years	Total As at March 31, 2017
Borrowings	788111.54	353733.02	-	1141844.56
Trade payables	218812.78	-	-	218812.78
Other financial liabilities	331683.23	-	-	331683.23
Total	1338607.55	353733.02	-	1692340.57

Particulars	(₹ in '000)			
	Less than 1 Year	1 - 3 Years	More than 3 Years	Total As at April 1, 2016
Borrowings	879403.68	265737.51	-	1145141.19
Trade payables	170407.66	-	-	170407.66
Other financial liabilities	219767.31	-	-	219767.31
Total	1269578.65	265737.51	-	1535316.16

(C) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to commodity prices and the market value of its investments.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 44 (contd..)

(D) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

(E) Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of forging products, including the raw material components for such forging products. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's forging products business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2018, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

(F) Foreign exchange risk

The Company's foreign exchange risk arises from foreign currency borrowings (primarily in US Dollars) As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's expenses measured in Indian rupees may decrease or increase and vice-versa.

(i) Significant foreign currency risk exposure relating to trade receivables, cash and cash equivalents, borrowings and trade payables

Particulars	As at March 31, 2018			
	Euro	US Dollar	Others	Total
Financial assets				
Trade receivables	9986.25	21765.38	-	31751.63
Cash and cash equivalents	618.09	82.27	-	700.36
Financial liabilities				
Borrowings	-	126194.07	-	126194.07
Trade payables	10828.45	14581.20	-	25409.64
Total	(224.11)	(118927.62)	-	(119151.73)

Particulars	As at March 31, 2017			
	Euro	US Dollar	Others	Total
Financial assets				
Trade receivables	3834.73	26660.79	-	30495.52
Cash and cash equivalents	21.68	18.22	-	39.90
Financial liabilities				
Borrowings	-	120097.69	-	120097.69
Trade payables	9942.02	12445.25	-	22387.27
Total	(6085.60)	(105863.93)	-	(111949.53)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 44 (contd..)

Particulars	As at April 1, 2016			Total
	Euro	US Dollar	Others	
Financial assets				
Trade receivables	3083.94	38957.91	-	42041.85
Cash and cash equivalents	2.24	0.27		2.51
Financial liabilities				
Borrowings	-	130458.37		130458.37
Trade payables	31352.67	2338.23		33690.91
Total	(28266.49)	(93838.43)	-	(122104.92)

(ii) Sensitivity

For the years ended March 31, 2018, March 31, 2017 and April 01, 2016, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial liabilities would decrease the Company's loss and increase the Company's equity by approximately ₹ 5992605, ₹ 5599471 and ₹ 6105372 respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

NOTES : 45

Capital management

The company's objectives when managing capital are to:

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

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

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

Particulars	(₹ in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Gross Debt	962763.86	1141844.56	1145141.19
Less: -			
Cash and Cash Equivalent	2513.86	4108.62	1657.70
Other Bank Balance	11570.52	7799.22	10043.76
Net debt (A)	948679.48	1129936.72	1133439.73
Total Equity (B)	(24,605.09)	208606.57	439911.62
Net debt to equity ratio	(38.56)	5.42	2.58

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 46 First time adoption of IND AS

Explanation to transition to Ind AS

Ind AS 101 -“First-time Adoption of Indian Accounting Standards” requires that all Ind AS and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2018 for the Company, be applied retrospectively and consistently for all financial years presented, except the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as described below. The Company has recognised all assets and liabilities whose recognition is required by Ind AS and has not recognised items of assets or liabilities which are not permitted by Ind AS, reclassified items from previous GAAP to Ind AS as required under Ind AS and applied Ind AS in measurement of recognised assets and liabilities. Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

Classification and measurement of financial assets

The Company has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.

Deemed cost of property, plant and equipment and intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all assets recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances as at the date of transition to Ind AS. The Company has elected to apply this exemption for its investments in certain equity instruments.

Business Combinations: -

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2016. Consequently, the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements.

Fair value measurement of financial assets and financial liabilities at initial recognition

The Company has applied the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. This exemption has been availed by the Company.

Particulars	Note	(₹ in '000)
		As at March 31, 2017
Reconciliation of total equity		
Total equity as per previous GAAP *		208462.70
Add / (less) : Adjustments for GAAP differences		
Government Grant recognized on EPCG License		205.91
Additional Depreciation on capitalisaion of Govt . Grant		(62.05)
Total equity as per Ind AS		208606.55

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

NOTES : 46 (contd..)

Particulars	(₹ in '000)
	Year ended March 31, 2017
Reconciliation of total comprehensive income	
Net profit as per previous GAAP	(227620.96)
Government Grant recognized on EPCG License	205.91
Additional Depreciation on capitalisaion of Govt . Grant	(62.05)
Net profit as per Ind AS	(227477.11)
Other comprehensive income	115.36
Total comprehensive income as per Ind AS	(227361.75)

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Year ended March 31, 2017 Reconciliation of Cash Flow			
Net cash flows from operating activities	154288.75	(1231.05)	155519.8
Net cash flows from investing activities	(596.27)	1235.44	(1831.7)
Net cash flows from financing activities	(151241.55)	(4.39)	(151237.2)
Net increase / (decrease) in cash and cash equivalents	2450.92	(0.00)	2450.92

Notes on reconciliations between previous GAAP and Ind AS

a) Effect of measuring investments at fair value through profit or loss:

Under previous GAAP, non current investments were stated at cost less provision, if any, for other than temporary diminution in value. Current investments were valued at lower of cost and fair value. Under Ind AS, gains or losses on investments have been measured at fair value through profit or loss.

b) Effect of measuring financial instruments at amortised cost:

Under IND AS the company has measured borrowings and security deposited at amortised cost using effective interest rate method which were not applicable in previous GAAP.

c) Employee benefits

Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods.

d) Effect of transition to Ind AS on Standalone Cash Flow Statement for the year ended March 31, 2017

Net increase in cash and cash equivalents represents movement in cash credit facilities considered as a component of cash and cash equivalents under Ind AS which as per previous GAAP, was considered as financing activity. Other Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities and has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous GAAP.

As per our report of even date

For **V.K.Shastri & Co.**
Chartered Accountants
FRN No 113325W

For and on behalf of Board of Directors

CA V. K. Shastri
Proprietor
Membership No - 042774

Babulal Sanghvi
Chairman

Jayantilal Sanghvi
Managing Director

Vikram Sanghvi
Whole Time Director &
Chief Financial Officer

Harish Punwani
Company Secretary

Vadodara, dated 30th May 2018

Disclaimer

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



244/6&7 GIDC Estate, Waghodia
Waghodia Gujarat 391760 India
Tele: 026 6867 3100
www.sanghiviforge.com