



AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017, PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS (IND AS)

(Rupees in crores except per share data)

Sr. No.	Particulars	Quarter ended			Year to date		(Standalone) Year ended	
		31 March 2017	31 December 2016	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	INCOME		Restated Refer Note 5					
	Revenue from operations	311.70	232.74	345.90	955.16	1,063.82	759.22	857.98
	Other income	4.02	3.40	6.38	17.74	17.04	16.09	15.01
	Total income	315.72	236.14	352.28	972.90	1,080.86	775.31	872.99
2	EXPENSES							
	Cost of materials consumed	161.87	115.90	159.87	477.01	467.19	387.94	392.32
	Changes in inventories of finished goods and work-in-progress	1.33	(4.30)	1.63	(9.87)	(0.22)	(3.69)	(0.51)
	Employee benefits expense	33.28	34.98	37.48	148.04	154.37	121.31	130.33
	Finance costs	0.20	0.41	0.30	1.31	2.03	0.73	0.70
	Depreciation and amortisation expense	5.36	5.45	6.06	22.12	25.02	19.13	21.50
	Exchange (gain) / loss	0.03	(1.44)	1.39	(4.54)	(1.32)	(3.35)	(1.98)
	Excise duty expense	10.13	12.68	15.07	40.17	40.21	29.79	34.00
	Other expenses	66.77	52.88	84.66	231.14	288.16	156.02	219.17
	Total expenses	278.97	216.56	306.46	905.38	975.44	707.88	795.53
3	Profit before tax (1-2)	36.75	19.58	45.82	67.52	105.42	67.43	77.46
4	Tax expense							
	Current tax	7.27	4.83	9.81	18.08	26.58	13.57	18.28
	Deferred tax	6.30	0.09	(2.38)	4.75	(3.56)	6.60	(5.85)
	Adjustments of tax relating to earlier periods	0.40	-	(0.06)	0.09	(0.08)	0.40	(0.38)
	Total tax expense	13.97	4.92	7.37	22.92	22.94	20.57	12.05
5	Profit for the year (3-4)	22.78	14.66	38.45	44.60	82.48	46.86	65.41
6	Attributable to :							
	Non-controlling interest	(0.00)	(0.00)	0.00	(0.00)	0.01	-	-
	Equity holder's of parents	22.78	14.66	38.45	44.60	82.47	-	-
7	Other comprehensive income							
	Items that will not be reclassified to profit and loss:							
	Re-measurement of defined benefit plans	0.47	0.24	(0.04)	0.15	0.07	0.23	0.06
	Income tax effect	(0.16)	(0.08)	0.01	(0.05)	(0.02)	(0.08)	(0.02)
	Items that will be reclassified to profit and loss:							
	Exchange differences on translation of foreign operations	(0.25)	(0.18)	0.23	(0.73)	0.64	-	-
	Income tax effect	-	-	-	-	-	-	-
	Other comprehensive income	0.06	(0.02)	0.20	(0.63)	0.69	0.15	0.04
8	Total comprehensive income for the year (5+6)	22.84	14.64	38.65	43.97	83.17	47.01	65.45
9	Attributable to :							
	Non-controlling interest	(0.00)	(0.00)	0.00	(0.00)	0.01	-	-
	Equity holder's of parents	22.84	14.64	38.65	43.97	83.16	-	-
10	Earnings per equity share (Nominal value per share Rs. 2 each)							
	Basic	1.28	0.82	2.16	2.50	4.64	2.63	3.68
	Diluted	1.27	0.82	2.15	2.49	4.61	2.62	3.66

Notes:

- These financial results are prepared in accordance with Indian Accounting Standards (Ind AS) as notified under Companies' (Indian Accounting Standards) Rules, 2015. In preparing its corresponding quarter ended 31 March 2016 and year ended 31 March 2016, the company has adjusted amounts reported previously in results prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP). An explanation of how the transition from Indian GAAP to Ind AS has impacted the company's financial performance is set out in Annexure A.
- The figures for the quarter ended 31 March 2017 and 31 March 2016, as reported in the financial results, are the balancing figures between the audited figures in respect of the full financial year and published figures of nine months ended 31 December 2016 [as restated(refer note 5 below)] and 31 December 2015 respectively. The figures for the quarter ended 31 December 2016 have been subjected to limited review by the statutory auditors.
- The company operates only in one segment, i.e. "Process and Project Engineering".
- During the quarter ended 31 March 2017, Company allotted 626,752 equity shares to its employees under Employee Stock Option Plan.
- Restatement of comparative figures for quarter ended 31 December 2016
During the quarter ended 31 March 2017, Employee benefit expenses of Rs. 3.61 crores, recognised in the quarter ended 31 December 2016, pertaining to Integrated Bio-refinery 2nd Generation Demonstration Plant engineered, developed and constructed in house have been allocated to capital work in progress.
This restatement has resulted in increase in profit before tax and profit after tax for the quarter ended 31 December 2016 by Rs. 3.61 crores and Rs. 2.70 crores respectively. Consequently, Basic and Diluted EPS for the quarter ended 31 December 2016 has increased by Rs. 0.15 per share.
- The Board of Directors proposed a final dividend of Rs. 1.62 per equity share (81 % of the face value of Rs. 2 each) for the financial year ended 31 March 2017 which is subject to the approval of shareholders at the forthcoming Annual General Meeting.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 24 May 2017.

AUDITED CONSOLIDATED FINANCIAL POSITION AS AT 31 MARCH 2017, PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS (IND AS)

STATEMENT OF ASSETS AND LIABILITIES

(Rupees in crores)

	31 March 2017	31 March 2016	1 April 2015
ASSETS			
Non-current assets			
Property, plant and equipment	191.53	206.96	224.21
Capital work-in-progress	31.46	0.76	1.39
Investment property	13.69	13.69	13.69
Goodwill	62.62	62.62	62.62
Intangible assets	2.02	2.76	2.45
Intangible assets under development	-	0.07	-
Financial assets			
Investments	0.01	10.01	10.01
Loans	6.15	6.11	6.85
Others	23.25	10.73	0.00
Deferred tax assets (net)	2.58	7.39	3.84
Other assets	18.93	16.52	8.88
	352.24	337.62	333.94
Current assets			
Inventories	104.53	100.81	97.61
Financial assets			
Investments	134.33	121.65	151.58
Trade receivables	294.88	367.10	280.48
Cash and cash equivalents	69.18	60.48	75.50
Other bank balances	4.38	21.37	24.45
Loans	0.02	1.06	0.99
Others	3.30	2.98	4.98
Current tax asset (net)	8.32	5.99	-
Other assets	216.24	137.70	171.07
	835.18	819.14	806.66
TOTAL ASSETS	1,187.42	1,156.76	1,140.60
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	35.89	35.59	35.49
Other equity	673.75	619.69	619.94
Non-controlling interests	0.28	0.29	14.84
TOTAL EQUITY	709.92	655.57	670.27
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	0.08	0.12	0.20
Provisions	15.78	13.02	12.05
	15.86	13.14	12.25
Current liabilities			
Financial liabilities			
Borrowings	4.26	15.91	17.07
Trade payables	213.44	207.15	177.24
Other financial liabilities	6.45	7.44	7.76
Other current liabilities	219.63	241.31	241.21
Provisions	17.86	16.24	11.28
Current tax liabilities (net)	-	-	3.52
	461.64	488.05	458.08
TOTAL LIABILITIES	477.50	501.19	470.33
TOTAL EQUITY AND LIABILITIES	1,187.42	1,156.76	1,140.60

Place : Pune
Date : 24 May 2017

SACHIN RAOLE
CFO AND DIRECTOR- F&C
DIN: 00431438

ANNEXURE A

EXPLANATION (RECONCILIATION) OF TRANSITION TO INDIAN ACCOUNTING STANDARDS (IND AS)

Reconciliation of equity as previously reported under Indian GAAP to Ind AS

(Rupees in crores)

Sr. No.	Particulars	Note No.	Consolidated	
			As at	
			31 March 2016	1 April 2015
(A)	Equity as per Indian GAAP		661.39	637.00
	Ind AS adjustments:			
(B)	Impact on retained earnings			
	Proposed dividend	1	-	34.60
	Change in parent's ownership interest that does not result in change in control	2	(21.17)	-
	Amortisation of goodwill arising on consolidation	3	9.43	-
	Share based payment transactions - Employee Stock Option Plan	4	(5.98)	(2.36)
	Fair valuation of investment in mutual funds	5	5.70	3.65
	Contract revenue - combining of contracts	6	(0.97)	(8.54)
	Others	8	1.31	0.95
	Deferred tax impact on above Ind AS adjustments	9	(0.12)	2.61
	Total impact on retained earnings		(11.80)	30.91
(C)	Impact on other components of equity			
	Share option outstanding account	4	5.98	2.36
	Total impact on other components of equity		5.98	2.36
(D)	Impact on equity (B) + (C)		(5.82)	33.27
(E)	Equity as per Ind AS (A) + (D)		655.57	670.27

Reconciliation of profit as previously reported under Indian GAAP to Ind AS

(Rupees in crores)

Sr. No.	Particulars	Note No.	Consolidated	
			Quarter ended	Year ended
			31 March 2016	31 March 2016
(A)	Net profit as per Indian GAAP		34.00	69.45
(B)	Ind AS adjustments:			
	Amortisation of goodwill arising on consolidation	3	2.58	9.43
	Contract revenue - combining of contracts	6	1.16	7.56
	Share based payment transactions - Employee Stock Option Plan (ESOP)	4	(0.71)	(3.62)
	Fair valuation of investment in mutual funds	5	1.01	2.05
	Actuarial gains/ loss on post-employment defined benefit plans	7	0.04	(0.07)
	Others	8	1.21	0.36
	Deferred tax impact on above Ind AS adjustments	9	(0.84)	(2.69)
	Total Ind AS adjustments		4.45	13.03
(C)	Net profit for the period as per Ind AS (A+ B)		38.45	82.48
(D)	Other comprehensive income (net of deferred tax)	7, 10	0.20	0.69
(E)	Total comprehensive income as per Ind AS (C) + (D)		38.65	83.17

EXPLANATION (RECONCILIATION) OF TRANSITION TO INDIAN ACCOUNTING STANDARDS (IND AS)

Notes:

- Under Indian GAAP, dividend proposed after the date of the financial statements but prior to the approval of financial statements is considered as an adjusting event, and a provision for dividend is recognised in the financial statements of the period to which the dividend relates. Under Ind AS, dividend declaration is considered as a non-adjusting event and provision for dividend is recognised only in the period when the dividend is approved by the shareholders in annual general meeting.
- Under Indian GAAP, purchase consideration paid in excess of book value of net assets acquired for additional ownership interest in subsidiary is recognised as goodwill. Under Ind AS, changes in parent's ownership interest in a subsidiary that does not result in a change of control are accounted for as equity transactions (transactions between shareholders).

ANNEXURE A...CONTD..

- 3 Under Indian GAAP the group has amortised goodwill arising on consolidation over the period of 10 years. Under Ind AS, goodwill is not amortised but tested for impairment.
- 4 Under Indian GAAP, the group uses intrinsic value approach to measure the cost of share based payments. Under this approach, if the exercise price for employee stock option is not less than the market price of the underlying shares on the date of the grant, no compensation cost is recorded. Under Ind AS, costs of share based payments are recorded based on the fair value of employee stock option. Under this approach, the instrument would have a value even if the exercise price is equal to the market price of the underlying shares on the date of grant.
- 5 Under Indian GAAP, current investments in mutual funds are measured at cost or net realisable value, whichever is lower. Under Ind AS, investments in mutual funds are classified as 'Fair value through profit or loss' and are measured at fair value at each reporting date. The subsequent changes in the fair value of such investments are recognised in statement of profit and loss.
- 6 Under Indian GAAP, there is no specific guidance with respect to combining of contracts for revenue recognition in consolidated financial statements. Ind AS requires combining of contracts, if the group of contracts are closely related and negotiated as a single package; the contracts are performed concurrently or in a continuous sequence. Accordingly, percentage of completion method is applied on combined contracts for determining consolidated revenue.
- 7 Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss. Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.
- 8
 - (a) Under Indian GAAP, the premium or the discount on foreign exchange forward derivative contracts related to underlying receivables and payables are amortised over the period of the contracts. In case of foreign exchange forward derivative contracts entered into at highly probable future transactions or firm commitments, mark to market losses (gains are ignored), if any, are recognised in the statement of profit and loss at the reporting date. Under Ind AS, all the foreign exchange forward derivative contracts are recorded at fair value with the subsequent changes in fair value recognised in the statement of profit and loss.
 - (b) Under Indian GAAP, interest-free lease security deposits paid are reported at their transaction values. Under Ind AS, interest-free security deposits are measured at fair value on initial recognition and at amortised cost on subsequent recognition. The difference between the transaction value and fair value of the lease deposit at initial recognition is treated as prepaid rentals. This amount is recognised in statement of profit and loss on a straight line basis over the lease term.
 - (c) Under Indian GAAP, there is no specific guidance for contracts that involve leases of land. Under Ind AS, lease of land is recognised as operating or finance lease as per definition and classification criteria stated in standard on leases. Accordingly, as on the date of transition the leases of land have been classified as operating / finance lease as the case may be.
- 9 Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Also, deferred taxes are recognised on account of the above mentioned changes.
- 10 Under Indian GAAP, foreign exchange differences arising on translation of non-integral foreign operations are recognised directly in 'Foreign currency translation difference reserve'. Under Ind AS, foreign exchange differences arising on translation of foreign operations whose functional currency is different from that of a parent are recognised in 'Other comprehensive income' and are accumulated as part of 'Foreign currency translation difference reserve'. Such differences are reclassified from equity to statement of profit and loss on disposal of the net investment.