



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Hero MotoCorp Limited (the Company) is a public company domiciled & incorporated under the provisions of the Companies Act, 1956 on January 19, 1984. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in the manufacturing and selling of motorised two-wheelers, spare parts and related services. The Company is a leading two wheeler manufacturer and has a dominant presence in domestic market.

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on May 10, 2017.

2. BASIS OF PREPARATION AND PRESENTATION

2.1 Statement of Compliance

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

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 46 for the details of first-time adoption exemptions availed by the Company.

2.2 Accounting convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are dispatched and titles have passed, at which time all the

following conditions are satisfied:

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

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. Servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

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, 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.

3.2 Leasing

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

Rental expense from operating leases is generally recognised on a straight line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Foreign currency derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.4 Borrowing costs

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

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

3.5 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

3.6 Employee benefits

Retirement benefit

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

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

- service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);

- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

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

Short-term and other long-term employee benefits

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

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

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

3.7 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 40.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.8 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in



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the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

3.9 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the

Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property, plant and equipment, fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act other than assets covered under employee benefits schemes which are depreciated over a period of 5 years and moulds and dies which are depreciated over a period of 3-8 years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.10 Intangible assets

Intangible assets acquired separately

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

Internally-generated intangible assets - research and development expenditure

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

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

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

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

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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets, comprising of software, expenditure on Model fee, etc. incurred are amortised on a straight line method over a period of 5 years.

3.11 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

3.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress include appropriate proportion of overheads and where applicable, excise duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.13 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective



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actions on product failures. The timing of outflows will vary as and when warranty claim will arise- being typically two to five years.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

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

3.15 Financial assets

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

Classification of financial assets

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

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

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

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

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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

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

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

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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

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Impairment of financial assets

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

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

Derecognition of financial assets

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

3.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as 'equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

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

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.17 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts, option contracts, etc.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

3.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) after tax is adjusted for the effects of transactions of non-cash 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.

3.19 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3.20 Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS - 7, 'Statement of Cash Flows'. These amendments are in accordance with the recent amendments made by the International Accounting Standards Board (IASB) to IAS - 7, 'Statement of Cash Flows'. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind - AS 7:

The amendment to Ind AS - 7, requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

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



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3.21 First-time adoption - mandatory exceptions, optional exemptions

Overall principle

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

Investments in subsidiaries and associates

The Company has elected to continue with the carrying value of its investments in subsidiary companies and associate companies as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies

and that have the most significant effect on the amounts recognised in the financial statements:-

Recoverability of intangible asset

Capitalisation of cost in intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the Company's management has determined that there are no factors which indicates that these assets have suffered any impairment loss.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Investment in equity instruments of subsidiary and associate companies

During the year, the Company assessed the investment in equity instrument of subsidiary and associate companies carried at cost for impairment testing. Some of these companies are start-ups or are at early stage of their operations and are expected to generate positive cash flows in the future years. Detailed analysis has been carried out on the future projections and the Company is confident that the investments do not require any impairment.

5. PROPERTY, PLANT AND EQUIPMENT

Particulars								₹ in crores	
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Data Processing equipment	Total	
Cost									
At April 1, 2015	79.85	934.65	3,149.62	30.11	34.13	32.30	139.76	4,400.42	
Additions	-	485.50	720.17	4.12	8.17	6.27	26.79	1,251.02	
Disposals	-	0.03	78.25	5.66	7.61	2.43	20.80	114.78	
At March 31, 2016	79.85	1,420.12	3,791.54	28.57	34.69	36.14	145.75	5,536.66	
Additions	-	510.44	728.79	9.88	16.81	8.40	25.47	1,299.79	
Disposals	-	1.07	47.95	0.73	7.15	1.74	4.68	63.32	
At March 31, 2017	79.85	1,929.49	4,472.38	37.72	44.35	42.80	166.54	6,773.13	

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₹ in crores

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Data Processing equipment	Total
Accumulated depreciation								
At April 1, 2015	-	162.45	1,477.38	10.36	18.33	16.09	86.22	1,770.83
Depreciation expense	-	32.27	318.02	2.57	3.98	5.17	20.90	382.91
Less: Adjustments	-	0.03	55.71	1.03	5.25	1.44	19.08	82.54
At March 31, 2016	-	194.69	1,739.69	11.90	17.06	19.82	88.04	2,071.20
Depreciation expense	-	47.54	362.78	2.97	4.40	5.06	21.53	444.28
Less: Adjustments	-	1.02	39.91	0.52	5.78	1.46	4.39	53.08
At March 31, 2017	-	241.21	2,062.56	14.35	15.68	23.42	105.18	2,462.40
Carrying amount								
At April 1, 2015	79.85	772.20	1,672.24	19.75	15.80	16.21	53.54	2,629.59
At March 31, 2016	79.85	1,225.43	2,051.85	16.67	17.63	16.32	57.71	3,465.46
At March 31, 2017	79.85	1,688.28	2,409.82	23.37	28.67	19.38	61.36	4,310.73

6. CAPITAL WORK-IN-PROGRESS

₹ in crores

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital work-in-progress @	270.72	288.34	309.78
	270.72	288.34	309.78

@ including pre-operative expenses ₹ Nil (as at March 31, 2016 ₹ 0.90 crore and as at April 1, 2015 ₹ 1.37 crores) (Refer note below)

₹ in crores

Note: Pre-operative expenses pending allocation	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employee benefit expenses			
Salaries and wages	-	0.32	0.62
Other expenses			
Rent	-	-	0.17
Miscellaneous expenses	-	0.58	0.58
	-	0.90	1.37

7. INTANGIBLE ASSETS

₹ in crores

	Model fee/Product designs and development	Computer softwares	Technical know-how/export licenses	Total
Cost				
At April 1, 2015	535.81	78.97	2,895.67	3,510.45
Additions	61.02	18.20	-	79.22
At March 31, 2016	596.83	97.17	2,895.67	3,589.67
Additions	-	14.42	-	14.42
At March 31, 2017	596.83	111.59	2,895.67	3,604.09
Accumulated amortisation				
At April 1, 2015	479.03	41.35	2,895.67	3,416.05
Amortisation expense	42.46	12.27	-	54.73
At March 31, 2016	521.49	53.62	2,895.67	3,470.78
Amortisation expense	35.68	12.77	-	48.45
At March 31, 2017	557.17	66.39	2,895.67	3,519.23
Carrying amount				
At April 1 2015	56.78	37.62	-	94.40
At March 31, 2016	75.34	43.55	-	118.89
At March 31, 2017	39.66	45.20	-	84.86



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8. INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in crores

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Intangible assets under development	194.33	317.06	402.77
	194.33	317.06	402.77

9. INVESTMENTS

₹ in crores

	Units As at March 31, 2017	Units As at March 31, 2016	Units As at April 1, 2015	As at March 31, 2017 Current Non Current	As at March 31, 2016 Current Non Current	As at April 1, 2015 Current Non Current
Category-wise investments						
Investment in equity instruments				- 865.79	- 583.69	- 319.94
Investment in preference shares				- 10.00	- 10.00	- 10.00
Investment in debentures / bonds				121.05 260.88	69.44 381.66	- 453.10
Investment in mutual funds				4,419.80 212.33	3,399.67 136.56	2,470.21 176.16
				4,540.85 1,349.00	3,469.11 1,111.91	2,470.21 959.20
Investment in equity instruments carried at cost						
Unquoted Investments						
Investment in subsidiaries						
Face Value of USD 1 each						
HMCL Netherlands B.V	26,290,250	18,705,000	12,555,000	- 167.95	- 117.16	- 76.42
Face Value of USD 1000 each						
HMCL Americas INC	3,500	3,500	-	- 22.22	- 22.22	- -
Face Value of ₹ 10 each						
HMC MM Auto Limited	23,069,993	16,469,993	12,869,993	- 23.07	- 16.47	- 12.87
HMCL (N.A.), Inc. (No par Value)	2,466	2,466	2,466	- 155.38	- 155.38	- 155.38
				- 368.62	- 311.23	- 244.67
Less: Provision for diminution/ impairment				- (155.04)	- (155.04)	- (155.04)
				- 213.58	- 156.19	- 89.63
associates						
Ather Energy Private Limited						
Equity Shares of Face Value of ₹ 1 each	100	-	-	- 0.20	- -	- -
Preference shares of Face Value of ₹ 10 each (Convertible into equity instruments)	89,258	-	-	- 180.32	- -	- -
				- 180.52	- -	- -
Hero FinCorp Limited						
Equity shares of Face Value of ₹ 10 each	38,343,025	38,343,025	21,910,300	- 421.56	- 421.56	- 224.37
Investment in Warrant of Face Value of ₹ 10 each	2,045,551	-	-	- 36.40	- -	- -
				457.96	421.56	224.37
				- 638.48	- 421.56	- 224.37
Investments carried at fair value through profit or loss (FVTPL)						
Investment in equity instruments of Other Entities						
Face Value of ₹ 1 each						
Bombay Stock Exchange Limited (classified as quoted investment in the current year)	-	140,400	140,400	- -	- 5.94	- 5.94
				- -	- 5.94	- 5.94
Quoted Investments						
Investments carried at fair value through profit or loss (FVTPL)						
Investment in equity instruments of Other Entities						
Face Value of ₹ 1 each						
Bombay Stock Exchange Limited	140,400	-	-	- 13.73	- -	- -



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

	Units As at March 31, 2017	Units As at March 31, 2016	Units As at April 1, 2015	As at March 31, 2017 Current	As at March 31, 2016 Non Current	As at April 1, 2015 Current	As at April 1, 2015 Non Current
Units of the face value of ₹ 10 each							
ICICI Prudential Mutual Fund							
FMP Series 64-3 Years Plan I Cumulative	-	-	10,000,000	-	-	-	12.49
FMP Series 71-366 Days Plan C Direct Plan Cumulative	-	17,500,000	17,500,000	-	-	21.45	-
FMP Series 73-391 Days Plan G Direct Plan Cumulative	-	-	16,000,000	-	-	-	17.61
Blended Plan B-Direct Plan-Growth Option(Merged with Banking and PSU Debt Fund Direct Plan Growth)	24,817,467	24,817,467	24,817,467	61.70	-	56.03	-
Income Opportunities Fund-Direct Plan-Growth Option	19,387,735	19,387,735	-	45.22	-	40.84	-
Birla Sunlife Mutual Fund							
Fixed Term Plan-Series JY (1099 days)-Gr.-Direct	15,000,000	15,000,000	15,000,000	19.46	-	18.10	-
Fixed Term Plan-Series KO (399 days)-Gr.-Direct	-	-	25,000,000	-	-	-	27.55
Dynamic Bond Fund- Retail- Growth	76,684,191	76,684,191	90,522,800	222.64	-	201.99	-
IDFC Mutual Fund							
Yearly Series Interval Fund Regular Plan-Series I-Growth	-	-	25,000,000	-	-	-	30.13
Yearly Series Interval Fund Direct Plan-Series II-Growth	-	-	25,000,000	-	-	-	30.37
Fixed Term Plan Series 86 Direct Plan-Growth	-	-	20,000,000	-	-	-	21.94
Corporate Bond Fund Direct Plan-Growth	49,986,503	-	-	56.07	-	-	-
Reliance Mutual Fund							
Annual Interval Fund -Series I-Direct Growth Plan Growth Option	10,651,352	22,822,076	22,822,076	17.56	-	34.87	-
Fixed Horizon Fund -XXII-Series 34-Growth Plan	-	-	5,000,000	-	-	-	6.10
Interval Fund II-Series 3-Direct Plan Growth Plan	-	20,000,000	20,000,000	-	-	24.55	-
Interval Fund II-Series 4-Direct Plan Growth Plan	12,500,000	20,000,000	20,000,000	16.36	-	24.39	-
Fixed Horizon Fund -XXIV-Series 25-Direct Plan-Growth Plan	-	22,500,000	22,500,000	-	-	27.51	-
Fixed Horizon Fund -XXV-Series 15-Direct Plan Growth Plan	40,000,000	40,000,000	40,000,000	-	55.04	49.76	-
Fixed Horizon Fund -XXV-Series 20-Direct Plan Growth Plan	20,000,000	20,000,000	20,000,000	-	27.43	24.80	-
Fixed Horizon Fund -XXV-Series 30-Direct Plan Growth Plan	-	-	25,000,000	-	-	-	27.56
Fixed Horizon Fund -XXVII-Series 11-Direct Plan Growth Plan	20,000,000	20,000,000	20,000,000	24.52	-	-	22.51
Fixed Horizon Fund -XXX-Series 4-Direct Growth Plan	30,000,000	30,000,000	-	-	33.43	-	30.49
Fixed Horizon Fund -XXXI-Series 5-Direct Growth Plan	5,000,000	-	-	-	5.33	-	-
Floating Rate-Short Term Plan -Direct Growth Plan	46,942,186	46,942,186	46,942,186	123.42	-	113.47	-
Corporate Bond Fund-Direct Growth Plan	53,163,841	53,163,841	32,000,000	71.61	-	63.84	-
Regular Savings Fund -Debt Plan -Direct Growth Plan Growth Option	82,899,424	75,987,841	-	194.75	-	161.29	-
Medium Term Fund -Direct Growth Plan-Growth Option	-	15,950,540	-	-	-	50.62	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)							
Fixed Maturity Plan Series XIV-Plan F (1098 Days)-Direct Plan	13,500,000	13,500,000	13,500,000	16.65	-	-	15.27

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

	Units As at March 31, 2017	Units As at March 31, 2016	Units As at April 1, 2015	As at March 31, 2017 Current Non Current	As at March 31, 2016 Current Non Current	As at April 1, 2015 Current Non Current			
FMP-Sr.26-Plan A (1098 Days)-Direct Sub Plan Growth	15,000,000	15,000,000	-	-	17.55	-	16.07	-	-
FMP-Sr.26-Plan C (1098 Days)-Direct Sub Plan Growth	10,000,000	10,000,000	-	-	11.61	-	10.61	-	-
FMP-Sr.27-Plan A (1100 Days)-Direct Sub Plan Growth	10,000,000	10,000,000	-	-	11.21	-	10.24	-	-
FMP-Sr.29-Plan B (1150 Days)-Direct Sub Plan Growth	6,000,000	-	-	-	6.02	-	-	-	-
L&T Mutual Fund									
FMP Series 9- Plan D- Direct Growth	-	10,000,000	10,000,000	-	-	12.26	-	-	11.30
FMP Series 10- Plan H- Direct Growth	-	-	10,000,000	-	-	-	-	11.10	-
FMP Series 10- Plan M- Direct Growth	-	-	10,000,000	-	-	-	-	11.05	-
FMP Series 10- Plan Q- Direct Growth	-	-	25,000,000	-	-	-	-	27.47	-
Floating Rate Fund Direct Plan-Growth	-	14,422,938	14,422,938	-	-	21.36	-	19.58	-
Income Opportunities Fund Direct Plan-Growth	43,776,843	58,823,714	28,271,410	8317	-	100.80	-	44.27	-
Triple Ace Bond Fund-Bonus-Original	-	5,363,713	5,363,713	-	-	7.82	-	7.45	-
Banking and PSU Debt Fund Direct Plan-Growth	21,141,351	-	-	31.12	-	-	-	-	-
BNP Paribas Mutual Fund									
Medium Term Income Fund Direct Plan Growth	25,000,000	25,000,000	25,000,000	33.55	-	30.66	-	28.27	-
J P Morgan Mutual Fund									
Fixed Maturity Plan Series 302 Growth	-	-	10,000,000	-	-	-	-	12.25	-
DHFL Pramerica Mutual Fund(Formerly Deutsche Mutual Fund)									
Fixed Maturity Plan Series 54-Direct Plan-Growth	-	-	10,000,000	-	-	-	-	11.00	-
Fixed Maturity Plan Series 57-Direct Plan-Growth	4,547,935	4,547,935	20,000,000	5.86	-	-	5.41	21.95	-
Short Term Floating Rate Fund-Direct Plan Bonus(Formerly Treasury Fund-Investment-Direct Plan Bonus)	-	9,238,367	9,238,367	-	-	11.65	-	10.75	-
Short Maturity Fund Direct Plan-Annual Bonus	4,614,440	4,614,440	4,614,440	9.50	-	8.60	-	7.89	-
Ultra Short Term Fund-Direct Plan-Annual Bonus	8,868,007	8,868,007	8,868,007	11.73	-	10.84	-	9.94	-
Low Duration Fund Direct Plan-Annual Bonus (Formerly Cash Opportunities Fund-Direct Plan-Annual Bonus)	10,389,886	10,389,886	10,389,886	13.96	-	12.77	-	11.61	-
Low Duration Fund-Direct Plan-Growth	47,411,340	-	-	107.70	-	-	-	-	-
Banking PSU&Debt Fund Direct Plan-Growth	40,436,362	-	-	58.22	-	-	-	-	-
Premier Bond Fund-Direct Plan-Growth	37,688,298	-	-	102.23	-	-	-	-	-
SBI Mutual Fund									
Debt Fund Series B-20(1100 Days) Direct Plan-Growth	10,000,000	10,000,000	-	-	11.69	-	10.70	-	-
Dual Advantage Fund -Series VII- Direct-Growth	15,000,000	15,000,000	15,000,000	17.15	-	15.67	-	15.13	-
Dual Advantage Fund -Series VIII- Direct-Growth	25,000,000	25,000,000	25,000,000	28.05	-	25.79	-	25.00	-
Dual Advantage Fund -Series XII- Direct-Growth	15,000,000	15,000,000	-	16.94	-	15.24	-	-	-
IDFC Mutual Fund									
Corporate Bond Fund Direct Plan-Growth	-	49,986,503	-	-	-	50.91	-	-	-
Kotak Mutual Fund									
Treasury Advantage Fund-Direct Plan-Growth	-	82,437,852	-	-	-	200.79	-	-	-
HDFC Mutual Fund									
FMP 1167 D January 2016(1) -Direct-Growth-Series-35	15,000,000	15,000,000	-	-	16.73	-	15.26	-	-
Units of the face value of ₹ 1000 each									
Reliance Mutual Fund									
Money Manager Fund-Growth Plan-Growth Option	-	-	646,368	-	-	-	-	123.69	-
Money Manager Fund-Direct Growth Plan Growth Plan	1,890,316	1,890,316	-	430.33	-	396.90	-	-	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

	Units As at March 31, 2017	Units As at March 31, 2016	Units As at April 1, 2015	As at March 31, 2017 Current Non Current	As at March 31, 2016 Current Non Current	As at April 1, 2015 Current Non Current
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
Credit Opportunities Fund Direct Plan-Growth	493,789	296,856	312,215	92.65	-	50.02
Short Term Fund-Direct Plan Growth	1,299,935	673,848	-	291.22	-	-
Medium Term Bond Fund-Direct Plan Growth	1,398,253	332,394	-	236.86	-	-
Bank Debt Fund-Direct Plan Growth	387,669	387,669	-	54.43	-	-
DHFL Pramerica Mutual Fund(Formerly Deutsche Mutual Fund)						
Fixed Duration Fund -Series AE-Direct Plan-Growth	62,500	-	-	-	6.28	-
Fixed Duration Fund -Series AG-Direct Plan-Growth	100,000	-	-	-	10.01	-
Taurus Mutual Fund						
Ultra Short Term Bond Fund Direct Plan-Growth	-	271,558	-	-	-	50.04
Principal Mutual Fund						
Credit Opportunities Fund-Direct Plan Growth	61,626	-	-	15.88	-	-
Equity fund						
Units of the face value of ₹ 10 each						
L&T Mutual Fund						
Business Cycles Fund Direct Growth	-	3,000,000	3,000,000	-	-	3.36
DHFL Pramerica Mutual Fund(Formerly Deutsche Mutual Fund)						
Arbitrage Fund-Direct Plan-Growth	-	66,883,563	-	-	-	75.84
Arbitrage Fund-Direct Plan-Growth	-	-	19,761,318	-	-	20.83
Arbitrage Fund Direct Plan-Monthly Dividend-Payout	127,826,937	-	-	136.17	-	-
Invesco Mutual Fund (Formerly Religare Invesco Mutual Fund)						
Arbitrage Fund -Direct Plan -Dividend	115,340,768	77,316,797	-	153.26	-	101.34
Principal Mutual Fund						
Arbitrage Fund Dividend -Direct Plan -Payout	10,000,000	-	-	10.30	-	-
Reliance Mutual Fund						
Arbitrage Advantage Fund-Direct Plan Dividend Payout	163,714,610	-	-	176.70	-	-
UTI Mutual Fund						
Spread Fund Direct Plan-Div Payout	47,871,850	-	-	79.10	-	-
IndiaBulls Mutual Fund						
Arbitrage Fund-Direct Plan- Dividend-Payout	94,670,074	-	-	100.13	-	-
IDFC Mutual Fund						
Arbitrage Plus Fund -Direct Plan-Monthly Dividend	40,645,780	-	-	50.20	-	-
Kotak Mutual Fund						

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

	Units As at March 31, 2017	Units As at March 31, 2016	Units As at April 1, 2015	As at March 31, 2017 Current Non Current	As at March 31, 2016 Current Non Current	As at April 1, 2015 Current Non Current
Equity Arbitrage Fund-Direct Plan -Monthly Dividend	281,442,341	-	-	308.23	-	-
Liquid fund						
Units of the face value of ₹ 10 each						
Escorts Mutual Fund						
Liquid Direct Plan-Growth	-	8,815,873	8,815,873	-	-	20.91
Sundaram Mutual Fund						
Money Fund-Direct Plan-Growth	-	42,076,461	-	-	-	134.46
Units of the face value of ₹ 100 each						
ICICI Prudential Mutual Fund						
Liquid Direct plan-Growth	19,623,823	4,462,450	2,415,432	472.38	-	100.09
Birla Sunlife Mutual Fund						
Cash Plus-Growth-Direct Plan	10,055,662	2,283,813	12,985,185	262.76	-	55.57
Units of the face value of ₹ 1000 each						
Reliance Mutual Fund						
Liquidity Fund- Direct Growth Plan Growth Option	-	1,846,199	1,559,790	-	-	421.60
Taurus Mutual Fund						
Liquid Fund-Direct Plan-Super Institutional Growth	-	-	330,345	-	-	50.02
IDFC Mutual Fund						
Cash Fund -Growth-(Direct Plan)	-	970,501	734,163	-	-	178.75
L&T Mutual Fund						
Liquid Fund Direct Plan-Growth	-	192,780	208,656	-	-	40.06
Axis Mutual Fund						
Liquid Fund-Direct Plan-Growth	-	237,171	1,794,407	-	-	39.83
Kotak Mutual Fund						
Liquid Scheme Plan A-Direct Plan-Growth	151,674	-	352,834	50.02	-	-
HDFC Mutual Fund						
Liquid Fund Direct Plan Growth	187,036	-	-	60.02	-	-
DSP BlackRock Mutual Fund						
Liquidity Fund Direct Plan Growth	215,037	-	-	50.02	-	-
Religare Invesco Mutual Fund(Formerly Religare Mutual Fund)						
Liquid Fund-Direct Plan Growth	-	240,103	-	-	-	50.06
Principal Mutual Fund						
Cash Management Fund-Direct Plan-Growth	-	-	367,952	-	-	50.09
Investment in mutual funds				4,419.80	212.33	3,399.67
Total Investments				4,540.85	1,349.00	3,469.11
					1,111.91	2,470.21
						176.16
						959.20



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
Aggregate book value of quoted investments	121.05	274.61	69.44	381.66	-	453.10
Aggregate market value of quoted investments	123.08	288.11	70.19	387.79	-	459.21
Aggregate carrying value of unquoted investments	4,419.80	1,229.43	3,399.67	885.29	2,470.21	661.14
Aggregate amount of impairment in value of investments	-	(155.04)	-	(155.04)	-	(155.04)

Category-wise investment as per Ind AS 109 classification

₹ in crores

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
Financial assets carried at fair value through profit or loss (FVTPL)						
Unquoted						
Investment in equity instruments	-	-	-	5.94	-	5.94
Investment in preference shares	-	10.00	-	10.00	-	10.00
Investment in Mutual Funds	4,419.80	212.33	3,399.67	136.56	2,470.21	176.16
Quoted						
Investment in equity instruments	-	13.73	-	-	-	-
Financial assets carried at amortised cost						
Quoted						
Investment in debentures / bonds	121.05	260.88	69.44	381.66	-	453.10
	4,540.85	496.94	3,469.11	534.16	2,470.21	645.20

Note: The above does not include net investments in subsidiary and associate companies aggregating to ₹ 852.06 crores (₹ 577.75 crores as at March 31, 2016 and ₹ 314 crores as at April 1, 2015) which are carried at cost.

10. LOANS

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non - current			
Unsecured, considered good			
Loans to employees	23.13	26.70	30.09
Total	23.13	26.70	30.09
Current			
Unsecured, considered good			
Loans to employees	21.73	23.12	23.86
Total	21.73	23.12	23.86

Note :- These financial assets are carried at amortised cost.

11. OTHER FINANCIAL ASSETS

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non - current			
Unsecured, considered good			
Security deposits	25.23	23.20	18.39
Total	25.23	23.20	18.39
Current			
Unsecured, considered good			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security deposits	2.45	0.94	0.62
Derivatives instruments carried at fair value	4.42	6.20	2.79
Interest accrued on deposits	0.22	0.23	0.29
Other recoverables	17.26	14.91	11.70
Total	24.35	22.28	15.40

Note :- These financial assets are carried at amortised cost unless otherwise stated.

12. TAX ASSETS (NET)

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Tax assets			
Advance income tax	1,414.02	1,188.42	984.10
Less : Provision for taxation	1,082.08	960.88	898.91
Net	331.94	227.54	85.19

13. OTHER ASSETS

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
Unsecured, considered good			
Capital advances	215.79	336.59	181.13
Prepayment land leases*	246.89	249.56	185.62
Prepaid expenses	1.49	2.74	0.46
Balance with government authorities			
- Excise duty	43.81	43.78	45.84
- VAT/ sales tax	143.16	209.87	255.72
Total	651.14	842.54	668.77
Current			
Unsecured, considered good			
Prepayment land leases*	2.94	2.83	3.08
Prepaid expenses	44.34	35.78	28.85
Advance to suppliers	87.62	97.91	91.95
Other advances	2.14	3.80	3.53
Balance with Government authorities			
- Excise duty	111.55	132.52	281.83
- VAT/ sales tax	170.89	213.36	114.21
- Excise duty-current account	0.64	1.65	0.38
- Export incentive receivable	17.66	10.95	21.90
Accrual of Incentives from the State Governments	73.56	50.77	30.78
Total	511.34	549.57	576.51

* Prepayment of land leases includes net value of leasehold land as under:



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

	As at March 31, 2017		Net value
	Gross value	Accumulated Amortisation	
- Halol (Gujarat)	83.71	2.96	80.75
- Haridwar (Uttarakhand)	95.86	11.36	84.50
- Neemrana (Rajasthan)	13.10	1.53	11.57
- Kukas-Jaipur (Rajasthan)	78.36	5.35	73.01
Total	271.03	21.20	249.83

14. INVENTORIES

(lower of cost and net realisable value)

₹ in crores

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Raw materials and components	395.02	375.16	512.98
Goods in transit of raw materials and components	27.43	13.57	38.25
Work in progress (Two wheelers)	31.89	27.91	31.60
Finished goods			
Two wheelers	55.85	111.25	103.37
Goods in transit of two wheelers	-	-	2.76
Spare parts	42.91	54.66	44.21
Stores and spares	82.32	70.70	63.92
Loose tools	20.89	19.73	18.40
Total	656.31	672.98	815.49

-The cost of inventories recognised as an expense during the year was ₹ 20,784.49 crores (for 2015-16: ₹ 21,109.30 crores)

-Inventories of ₹ 48.29 crores (as at March 31, 2016 ₹ 45.25 crores as at April 1, 2015 ₹40.40 crores) are expected to be recovered after more than twelve months.

- The mode of valuation of inventories has been stated in note no. 3.12

15. TRADE RECEIVABLES

₹ in crores

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Secured, considered good	32.10	25.33	26.68
Unsecured - considered good	1,529.77	1,257.47	1,362.91
- considered doubtful	23.61	14.05	11.10
	1,585.48	1,296.85	1,400.69
Less: Impairment of Trade receivables	23.61	14.05	11.10
Total	1,561.87	1,282.80	1,389.59

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Age of receivables			
Within the credit period	1,113.92	834.62	893.74
Upto 6 months past due	442.18	442.73	480.52
More than 6 months past due	5.77	5.45	15.33
Total	1,561.87	1,282.80	1,389.59

The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on historical credit loss experience and adjustments for forward looking information.

16. CASH AND CASH EQUIVALENTS

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash on hand	0.08	0.14	0.17
Balances with banks			
In current accounts	14.21	25.77	32.61
In deposit accounts	1.11	1.04	37.91
Cash and cash equivalents	15.40	26.95	70.69

17. OTHER BANK BALANCES

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks			
In dividend current accounts (earmarked accounts)	89.97	74.89	61.28
In deposit accounts*	31.36	29.52	27.28
Total	121.33	104.41	88.56

* The Company had placed fixed deposits aggregating ₹ 25.00 crores with Dena Bank on February 18, 2014. Subsequent thereto, it was brought to the notice of the Company that money had been fraudulently withdrawn by pledging fictitious copies of such fixed deposit receipts with concerned bank. The Company has filed a recovery suit against the bank which is pending in honourable Delhi High Court. In the interim, the Bank has renewed the deposits for a period (along with interest earned thereon).

18. SHARE CAPITAL

a) Equity Share Capital

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised Equity share capital			
250,000,000 (250,000,000) Equity shares of ₹ 2 each	50.00	50.00	50.00
	50.00	50.00	50.00
Issued, subscribed and fully paid up			
199,696,838 (as at March 31, 2016: 199,690,088 and as at April 1, 2015: 199,687,500) Equity shares of ₹ 2 each	39.94	39.94	39.94
Total	39.94	39.94	39.94

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	₹ in crores	Nos.	₹ in crores
Opening Balance	199,690,088	39.94	199,687,500	39.94
Issued during the year - # Current year ₹ 13,500 (previous year ₹ 5,176)- ESOP (refer note 40)	6,750	#	2,588	#
Closing Balance	199,696,838	39.94	199,690,088	39.94

(ii) Details of shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	% holding in the class	Nos.	% holding in the class
Late Brijmohan Lall Munjal * #	-	-	12,396,842	6.21%
Ms Renu Munjal *	9,309,019	4.66%	12,396,840	6.21%
Mr Suman Munjal *	9,309,019	4.66%	12,396,840	6.21%
Mr Pawan Munjal *	9,309,020	4.66%	12,396,840	6.21%
Mr Sunil Kant Munjal *	-	-	1,850,440	0.93%
M/S Bahadur Chand Investments (P) Ltd	39,943,238	20.00%	17,306,250	8.67%

Particulars	As at April 1, 2015	
	Nos.	% holding in the class
Late Brijmohan Lall Munjal * #	12,396,842	6.21%
Ms Renu Munjal *	12,396,840	6.21%
Mr Suman Munjal *	12,396,840	6.21%
Mr Pawan Munjal *	12,396,840	6.21%
Mr Sunil Kant Munjal *	1,850,440	0.93%
M/S Bahadur Chand Investments (P) Ltd	17,306,250	8.67%

* Hold shares on behalf of Brijmohan Lall Om Prakash (partnership firm)

Shares in the name of Late Brijmohan Lall Munjal were pending to be transferred to the legal representatives.

(iii) Shares options granted under the Company's employee share option plan

Plan	Share Options Outstanding (In Nos.)			Expiry Date
	As at	As at	As at	
	March 31, 2017	March 31, 2016	April 1, 2015	
ESOP 2014	11,490	18,776	23,110	21-Oct-21
ESOP 2016	41,290	-	-	21-Aug-23
RSU 2016	11,194	-	-	21-Aug-23

Share options granted under the Company's employee share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in Note 40.

b) Preference share capital

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised Preference share capital			
4,00,000 (4,00,000) Cumulative convertible preference shares of ₹ 100 each	4.00	4.00	4.00
4,00,000 (4,00,000) Cumulative redeemable preference shares of ₹ 100 each	4.00	4.00	4.00
Total	8.00	8.00	8.00

Note: The Company has not issued preference share capital

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

19. OTHER EQUITY

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital reserves	#	#	#
Share premium account	3.13	0.87	-
General reserve	2,645.79	2,645.79	2,395.79
Share options outstanding account	3.90	1.29	0.67
Retained earnings	7,418.53	6,146.52	4,921.06
Total	10,071.35	8,794.47	7,317.52

₹ in crores

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Capital Reserves		
On shares forfeited (#₹ 4,250)	#	#
Share premium account on forfeited shares reissued (##₹ 25,500)	##	##
B. Share premium Account		
Opening balance	0.87	-
Add: Premium on equity shares issued @	2.26	0.87
Closing balance	3.13	0.87

@ Addition in share premium account represents premium @ ₹ 2,157 per equity share (Previous year @ ₹ 2,157) amounting to ₹1.45 crores (previous year ₹ 0.56 crore) and ₹0.81 crore (Previous year ₹ 0.31 crore) transferred from share option outstanding account on 6,750 equity shares (Previous year 2,588 equity shares) issued and allotted during the year under ESOP schemes. The Company can utilize the same for the purpose of buy back of shares or issue of bonus shares as decided by the management.

C. General Reserve

Opening balance	2,645.79	2,395.79
Add: Amount transferred from retained earnings	-	250.00
Closing balance	2,645.79	2,645.79

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not reclassified subsequently to profit or loss.

D. Share options outstanding account

Opening balance	1.29	0.67
Add: Net charge during the year	3.42	0.93
Less: Transferred to share premium on issue of shares	(0.81)	(0.31)
Closing balance	3.90	1.29

This relates to share options granted by the Company to its employees under its employee share options plan. Further information about share based payments to employees is set out in note 40.

E. Retained earnings

Opening balance	6,146.52	4,921.06
Add: Profit for the year	3,377.12	3,160.19
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(14.08)	(2.37)
Less: Final dividend year 2015-16 (amount per share ₹ 32 (₹ 30.0))	639.01	599.06
Less: Interim dividend year 2016-17 (amount per share ₹ 55 (₹ 40))	1,098.33	798.75
Less: Tax on dividend	353.69	284.55
Less: Transferred to general reserve	-	250.00
Balance at end of year	7,418.53	6,146.52



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

In respect of the year ended March 31, 2017, the directors propose that a final dividend of ₹ 30 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 721.05 crores (including dividend distribution tax thereon of ₹ 121.96 crores).

20. PROVISIONS

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
Employee benefits (i)			
Accumulated leaves	12.55	12.39	9.56
Other employee benefits	3.30	3.06	-
Sub-total (A)	15.85	15.45	9.56
Warranties (Refer note (ii) below)	59.45	52.15	35.36
Sub-total (B)	59.45	52.15	35.36
Total (A+B)	75.30	67.60	44.92
Current			
Employee benefits (i)			
Accumulated leaves	3.42	3.32	2.79
Other employee benefits	0.18	0.23	-
Sub-total (A)	3.60	3.55	2.79
Warranties (Refer note (ii) below)	35.41	26.11	17.88
Sub-total (B)	35.41	26.11	17.88
Total (A+B)	39.01	29.66	20.67

(i) The provision for employee benefits includes sick leave and vested long service reward. The increase in the carrying amount of the provision for the current year results from increase in the number of employees, period of service, salary cost etc.

(ii) Movement in warranties provision

	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening balance	78.26	53.24
Additions during the year	68.03	58.84
Amount utilised during the year	(55.31)	(36.56)
Unwinding of discount on provisions	3.88	2.74
Closing balance	94.86	78.26

The provision for warranty claims represents the present value as best estimate of the future economic benefits that will be required under the Company's obligations for warranties. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

21. DEFERRED TAX (ASSETS)/ LIABILITIES (NET)

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax liabilities on			
Property, plant and equipments & intangible assets	381.88	230.75	-
Financial assets carried at fair value through profit or loss	77.53	33.02	24.68
Others	17.38	16.48	10.98
Sub-total (A)	476.79	280.25	35.66

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Less: Deferred tax assets on			
Property, plant and equipments & intangible assets	-	-	70.92
Accrued expenses deductible on payment	6.66	6.60	4.27
Deferred revenue	47.62	46.26	46.64
Others	8.17	4.86	3.84
Sub-total (B)	62.45	57.72	125.67
Total (A-B)	414.34	222.53	(90.01)

Movement of Deferred tax (assets)/ liabilities

₹ in crores

Particulars	For the Year ended March 31, 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
Deferred tax liabilities on				
Property, plant and equipments & intangible assets	230.75	151.13	-	381.88
Financial assets carried at fair value through profit or loss	33.02	44.51	-	77.53
Others	16.48	0.90	-	17.38
Less: Deferred tax assets on				
Accrued expenses deductible on payment	6.60	0.06	-	6.66
Deferred revenue	46.26	1.36	-	47.62
Remeasurement of Defined Benefit Obligations	-	(7.45)	7.45	-
Others	4.86	3.31	-	8.17
Deferred tax liabilities (net)	222.53	199.26	(7.45)	414.34

₹ in crores

Particulars	For the Year ended March 31, 2016			
	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
Deferred tax liabilities on				
Property, plant and equipments & intangible assets	(70.92)	301.67	-	230.75
Financial assets carried at fair value through profit or loss	24.68	8.34	-	33.02
Others	10.98	5.50	-	16.48
Less: Deferred tax assets on				
Accrued expenses deductible on payment	4.27	2.33	-	6.60
Deferred revenue	46.64	(0.38)	-	46.26
Remeasurement of Defined Benefit Obligations	-	(1.26)	1.26	-
Others	3.84	1.02	-	4.86
Deferred tax liabilities/ (assets) (Net)	(90.01)	313.80	(1.26)	222.53

22. TRADE PAYABLES

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total outstanding dues of micro enterprises and small enterprises			
Dues to micro and small enterprises (refer note below)			
Total outstanding dues of creditors other than micro enterprises and small enterprises			
Other trade payables	3,247.27	2,650.56	2,587.22
Total	3,247.27	2,650.56	2,587.22



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (i) According to the records available with the Company, dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year is ₹ Nil (previous year ₹ Nil). Further no interest has been paid or was payable to such parties under the said Act during the year.
- (ii) Due to Micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company. This has been relied upon by the auditors.

23. OTHER FINANCIAL LIABILITIES

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Capital creditors	200.34	136.24	141.84
Security deposits dealers and others	62.44	54.56	51.61
Unclaimed dividend *	89.99	74.90	61.29
Total	352.77	265.70	254.74

* Does not include any amount outstanding as at March 31, 2017 which are required to be credited to Investor Education and Protection Fund.

24. OTHER LIABILITIES

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Statutory remittances (contributions to PF and ESIC, withholding taxes, excise duty, VAT, service tax, etc.)	106.43	120.62	119.10
Advance from customers	78.31	107.80	81.36
Deferred revenue	264.73	255.56	254.40
Others	4.81	18.42	18.63
Total	454.28	502.40	473.49

25. REVENUE FROM OPERATIONS (GROSS)

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Sale of products		
Two wheelers (66,64,240 Nos includes components exported equivalent to 16 nos of two wheelers (previous year 66,32,322 Nos.))	27,780.34	27,790.10
Spare parts	2,548.49	2,468.86
	30,328.83	30,258.96
(b) Income from services		
Dealers support services	27.34	26.55
Goodlife program for customers	51.59	58.40
Services - others	132.91	117.58
	211.84	202.53
(c) Other operating revenue		
Duty drawback and other incentives	21.85	22.18
Incentive on investment from State Government	266.43	213.29
Miscellaneous income	17.17	3.92
	305.45	239.39
Total	30,846.12	30,700.88

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26. OTHER INCOME

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest income on financial assets carried at amortised cost		
Tax free bonds, debentures and other instruments classified as debt	36.48	41.02
Deposit with bank and others	120.41	122.51
(b) Dividend income		
Dividend received on investments carried at fair value through profit or loss	37.98	7.18
Dividend income from trade investment in an associate company	3.83	4.38
(c) Profit on sale of investments *	137.85	204.54
(d) Gain on investments carried at fair value through profit or loss	179.25	28.42
(e) Other non-operating income		
Exchange gain on foreign currency forward and option contracts	-	3.41
Other Exchange fluctuation (net)	6.17	10.46
Profit on sale of property, plant and equipments	0.46	0.51
Total	522.43	422.43

*After adjusting loss on sale of current investments aggregating ₹ 0.05 crore (previous year ₹ 0.03 crore)

27. COST OF MATERIALS CONSUMED

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Raw materials and components consumed:		
Opening stock	388.73	551.23
Add: Purchase of raw materials and components	19,057.14	19,246.60
	19,445.87	19,797.83
Less: closing stock	422.45	388.73
	19,023.42	19,409.10
Less: - Sale of components to ancillaries on cost to cost basis	0.96	1.76
	19,022.46	19,407.34
Less: Cash discount	48.35	59.64
Consumption of raw materials and components	18,974.11	19,347.70
Less: Scrap sales	25.47	25.98
Net consumption	18,948.64	19,321.72

28. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Opening stock		
Two wheelers	111.25	106.13
Spare parts	54.66	44.21
Work in progress	27.91	31.60
	193.82	181.94
(b) Closing stock		
Two wheelers	55.85	111.25
Spare parts	42.91	54.66
Work in progress	31.89	27.91
	130.65	193.82
Net (increase)/ decrease	63.17	(11.88)



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29. EMPLOYEE BENEFITS EXPENSES

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Employee benefits expenses		
(i) Salaries and wages	1,207.55	1,164.94
(ii) Contribution to provident and other funds	105.53	78.13
(iii) Employee Stock Compensation Cost (refer note no 40)	3.42	0.93
(iv) Staff welfare expenses	79.51	71.93
Total	1,396.01	1,315.93

EMPLOYEE BENEFIT PLANS

The details of various employee benefits provided to employees are as under:

A. Defined Contribution and other plans

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Employer's contribution to provident fund	52.72	43.84
b) Employer's contribution to superannuation fund	18.72	17.95
c) Employer's contribution to gratuity fund	31.07	13.61
d) Employer's contribution to ESIC	3.02	2.73
	105.53	78.13

B. Defined benefit plans:

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India with whom the plan assets are maintained.

These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk, longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Rate Risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	Higher than expected increases in salary will increase the defined benefit obligation

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017 by Mr. Ritobrata Sarkar (Membership no. 5394), Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumption used for the purpose of the actuarial valuations were as follows:-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Gratuity	Gratuity	Gratuity
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Principal assumptions:			
Discount rate	7.20%	7.90%	8.00%
Future salary increase	6.00% p.a. for first two years and 5% thereafter	6.00% p.a. for first four years and 5% thereafter	6.00% p.a. for first four years and 5% thereafter
Retirement age	58 years	58 years	58 years
Withdrawal rate	Upto 30 years:3% from 31 to 44 years:2% After 44 years: 1%	Upto 30 years:3% from 31 to 44 years:2% After 44 years: 1%	Upto 30 years:3% from 31 to 44 years:2% After 44 years: 1%
In service mortality	Indian Assured Lives Mortality Ult. (2006-08)	Indian Assured Lives Mortality Ult. (2006-08)	Indian Assured Lives Mortality Ult. (2006-08)

Amounts recognized in statement of profit and loss in respect of this defined benefit plan are as follows :-

Particulars	₹ in crores	
	For the year ended March 31, 2017 Gratuity	For the year ended March 31, 2016 Gratuity
Service cost		
Current service cost	10.76	10.53
Net Interest expense/(income)	(1.22)	(0.55)
Components of defined benefit costs recognized in profit or loss	9.54	9.98
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	0.81	(0.65)
Actuarial (gains)/ losses arising from changes in financial assumptions	10.06	1.20
Actuarial (gains)/ losses arising from experience adjustments	10.66	3.08
Components of defined benefit costs recognized in other comprehensive income	21.53	3.63
Total	31.07	13.61

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Present Value of funded defined benefit obligation	202.13	167.32	148.48
Fair value of plan assets	202.13	167.32	148.48
Net liability arising from defined benefit obligation	-	-	-

Movements in the present value of the defined benefit obligation are as follows :-

Particulars	₹ in crores	
	For the year ended March 31, 2017 Gratuity	For the year ended March 31, 2016 Gratuity
Opening defined obligation	167.32	148.48
Current service cost	10.76	10.53
Interest cost	12.84	11.57
Remeasurement (gains)/losses:		
Actuarial (gains)/ losses arising from changes in financial assumptions	10.06	1.20
Actuarial (gains)/ losses arising from experience adjustments	10.66	3.08
Benefits paid	(9.51)	(7.54)
Closing defined benefit obligation	202.13	167.32



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Movements in the fair value of the plan assets are as follows

₹ in crores

	Gratuity	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening fair value of plan assets	167.32	148.48
Interest income	14.06	12.12
Remeasurement gain/(loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.81)	0.65
Contribution	31.07	13.61
Benefit paid	(9.51)	(7.54)
Closing fair value of plan assets	202.13	167.32

The Company makes annual contribution to Life Insurance Contribution (LIC). As LIC does not disclose the composition of its portfolio investments, break-down of plan investments by investment type is not available to disclose.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 7.27 crores (increase by ₹ 7.78 crores) (as at March 31, 2016: Decrease by ₹ 5.89 crores (increase by ₹ 6.29 crores))(as at April 1, 2015: decrease by ₹ 5.22 crores (increase by ₹5.58 crores)).

- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹7.89 crores (decrease by ₹ 7.44 crores) (as at March 31, 2016: increase by ₹ 6.42 crores (decrease by ₹ 6.05 crores))(as at April 1, 2015: increase by ₹ 5.69 crores (decrease by ₹5.37 crores)).

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting year, which is same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

Asset-Liability Matching Study

There is no (deficit)/Surplus of liability and funds, hence asset liability matching study not performed.

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Average duration of the defined benefit obligation (in years)	9.4 years	9 years	9 years

The Company expects to make a contribution of ₹ 23.15 crore (as at March 31, 2016 ₹ 10.80 crore, as at April 1, 2015 ₹ 9.98 crores) to the defined benefit plans during the next financial year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. FINANCE COSTS

₹ in crores

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest expenses		
On dealers security deposits	1.99	1.97
On others	0.18	0.18
Unwinding of discount on provisions	3.88	2.74
Total	6.05	4.89

31. OTHER EXPENSES

₹ in crores

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Stores and tools consumed	90.74	103.08
(Increase)/decrease of excise duty on finished goods	(7.37)	5.06
Packing, forwarding, freight etc.	958.41	866.58
Power and fuel	112.62	122.13
Rent	35.55	33.24
Lease rent	30.91	30.77
Repairs and maintenance		
- Buildings	19.36	18.12
- Plant and machinery	94.48	78.61
- Others	7.40	4.98
Insurance charges	44.89	47.57
Rates and taxes	219.42	221.97
Royalty	18.44	78.89
Advertisement and publicity	767.45	725.40
Donations#	0.72	1.64
Expenditure on corporate social responsibility	85.14	65.00
Exchange loss on foreign currency forward and option contracts	1.78	-
Payment to auditors	2.23	2.14
Loss on property, plant and equipments sold/discarded	9.08	26.10
Provision for doubtful debts	9.56	2.95
Bad debts written off	6.70	-
Miscellaneous expenses	924.85	927.73
Total	3,432.36	3,361.96

Donation includes ₹ Nil (previous year ₹ 0.10 crores) to a political party All India Congress Committee.

Payment to auditors

₹ in crores

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) As Statutory Audit		
- Audit fee	0.92	0.92
- Audit fee for Internal Control Over Financial Reporting	0.15	0.15
- Limited Review of unaudited financial results	0.72	0.66
- Other certifications	0.36	0.32
b) Tax audit fees	0.07	0.07
c) Out of pocket expenses	0.01	0.02
	2.23	2.14



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. INCOME TAX EXPENSE

(a) Income tax expense recognised in Statement of profit and loss

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Current Tax:		
In respect of the current year	1082.08	960.88
Deferred Tax		
In respect of the current year	199.26	313.80
Total income tax expense recognised in statement of profit and loss	1,281.34	1,274.68

(b) Income Tax on Other Comprehensive Income

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Deferred Tax Benefit		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of Defined Benefit Obligations	(7.45)	(1.26)
Total income tax expense recognised in other comprehensive income	(7.45)	(1.26)

(c) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit Before tax	4,658.46	4,434.87
Income tax expense calculated at 34.608% (2015-16: 34.608%)	1,612.20	1,534.82
Effect of deduction under section 80IC of the Income tax Act, 1961	(179.01)	(189.25)
Additional deduction on research and product development cost	(124.09)	(41.65)
Additional deduction for investment allowance under Section 32 AC of the Income tax Act, 1961	(28.94)	(23.10)
Effect of income exempt/ taxed on lower rate	(30.68)	(29.93)
Others	31.86	23.79
Income Tax recognised in profit or loss	1,281.34	1,274.68

33. EARNINGS PER SHARE*

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic earnings per share (in ₹)	169.12	158.26
Diluted earnings per share (in ₹)	169.12	158.26
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.		
Profit for the year, per statement of profit and loss (₹ in crores)	3,377.12	3,160.19
Weighted average number of equity shares for the purposes of basic/diluted earnings per share (in Nos)	199,691,747	199,687,528

*Impact of ESOP is anti dilutive.

34. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Contingent liabilities			
In respect of excise matters	104.47	-	4.09
The above matters are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the Company.			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
b) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid amounting to ₹215.79 crores (March 31, 2016 ₹ 336.59 crores; April 1, 2015 ₹ 181.13 crores))	376.21	650.44	812.33
Other commitments (refer note below)			

The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services, employee's benefits including union agreement in normal course of business. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

- 35.** The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories.

The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 "Operating Segments".

Geographical Locations: The Geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

Revenue from Operations	₹ in crores		
	Domestic	Overseas	Total
2016-17	30,264.77	581.35	30,846.12
2015-16	29,922.72	778.16	30,700.88

a) Domestic segment includes sales and services to customers located in India.

b) Overseas segment includes sales and services rendered to customers located outside India.

c) There are no material non-current assets located outside India.

d) The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue from operations have been allocated to segments on the basis of their relationship to the operating activities of the segment.

36. RELATED PARTY DISCLOSURES UNDER IND AS 24

A. Parties in respect of which the Company is an associate

Brijmohan Lall Om Prakash (Partnership firm)

B. Parties over which the Company has control

Subsidiaries

HMCL (NA) Inc., USA

HMCL Americas Inc. USA (w.e.f June 26, 2015)

HMCL Netherlands BV

HMC MM Auto Limited

Subsidiaries of HMCL Netherlands BV

- HMCL Colombia SAS

- HMCL Niloy Bangladesh Limited

Associate of the Company

Hero FinCorp Limited

Ather Energy Private Limited (w.e.f January 03, 2017)



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

C. Key management personnel and their relatives

Mr. Brijmohan Lall Munjal	- Chairman (Upto May 31, 2015 and thereafter as Director upto October 31, 2015)
Mr. Pawan Munjal	- Chairman, (from June 1, 2015) Managing Director and CEO
Mr. Sunil Kant Munjal	- Joint Managing Director (up to August 16, 2016)
Mr. Suman Kant Munjal	- Director
Mr. Vikram Sitaram Kasbekar	- Whole Time Director (w.e.f August 8, 2016)
Mr. Ravi Sud	- Chief Financial Officer (Upto March 31, 2017)
Mr. Ilam C Kamboj	- Company Secretary (upto April 2, 2016)
Ms. Neerja Sharma	- Company Secretary (w.e.f August 8, 2016)

Non Executive and Independent Directors

Mr. Pradeep Dinodia
Gen.(Retd) Ved Prakash Malik
Dr. Pritam Singh
Mr. M.Damodaran
Mr. Ravi Nath
Dr Anand C. Burman
Ms. Shobana Kamineni
Mr. Paul Edgerley

Enterprises over which key management personnel and their relatives are able to control:

A.G. Industries Private Limited, A.G Industries (Bawal) Pvt Limited, Rockman Industries Limited, Cosmic Kitchen Private Limited, Hero Management Services Private Limited, Hero Mindmine Institute Private Limited, Hero Solar Energy Private Limited, BML University, Serendepity Arts & Trust and Raman Kant Munjal Foundation

List of other related parties- Post employment benefit plan of the Company

Hero MotoCorp Limited Employees' Gratuity Fund Trust

Hero MotoCorp Limited Employees' Superannuation Fund Trust

Refer Note 29 of information on transaction with the above mentioned post employment benefits plan.

Transactions with the above related parties:

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Parties in respect of which the Company is an associate		
Dividend paid		
Brijmohan Lall Om Prakash (Partnership firm)	346.85	360.06
b) Parties over which the Company has control Investment in equity instruments during the year		
Subsidiaries		
HMCL Americas Inc	-	22.22
HMCL Netherlands BV	50.79	40.74
HMC MM Auto Limited	6.60	3.60
Sales		
HMCL Colombia SAS	65.21	124.83
HMCL Niloy Bangladesh Limited	5.90	-
Other revenues		
HMCL Colombia SAS	3.26	1.66
Purchases of goods/property, plant and equipment		
HMC MM Auto Limited	19.01	0.07
HMCL Americas Inc.	-	18.50
Expenses reimbursed	3.51	9.75
HMCL Colombia SAS		
Balance outstanding at the year end		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
-Receivable			
HMCL Colombia SAS	11.88	7.92	20.43
HMCL Niloy Bangladesh Limited	5.90	-	-
- Payable			
HMC MM Auto Limited	3.49	0.07	0.03
HMCL Americas Inc.	-	18.50	-

c) Associate of the Company

₹ in crores

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
Hero FinCorp Limited		
Lease rental expenses	25.91	24.67
Dividend received	3.83	4.38
Dividend paid	0.01	0.01
Investment in equity instruments during the year	36.40	197.19
Expenses reimbursed	9.85	16.14
Rent received	0.05	0.05
Ather Energy Private Limited		
Investment in equity instruments during the year	180.52	-

Balance outstanding at the year end

₹ in crores

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
- Payable			
Hero FinCorp Limited	8.04	0.57	1.72

d) Key management personnel and their relative.

₹ in crores

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
Managerial Remuneration/Sitting fees		
Mr. Brijmohan Lall Munjal	-	17.29
Mr. Pawan Munjal	59.48	56.96
Mr. Sunil Kant Munjal	22.02	54.11
Mr. Vikram Sitaram Kasbekar	2.28	-
Mr. Suman Kant Munjal	0.18	0.24
Mr. Ravi Sud	6.93	3.81
Ms Neerja Sharma	0.97	-
Mr. Ilam C Kamboj	1.74	1.06
Commission/Sitting fees to Non Executive and Independent Directors		
Mr. Pradeep Dinodia	0.92	0.86
Gen.(Retd) Ved Prakash Malik	0.81	0.73
Dr. Pritam Singh	0.70	0.68
Mr. M.Damodaran	0.81	0.76
Mr. Ravi Nath	0.50	0.36
Dr Anand C. Burman	0.12	0.19
MS. Shobana Kamine	0.09	0.21
Mr. Paul Edgerley	0.17	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Balance outstanding at the year end

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
-Payables (including commission)	66.23	100.90	105.10

Category-wise break up of compensation to key management personnel during the year is as follows:

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Managerial remuneration*		
Short-term benefits	91.24	111.66
Post-employment benefits	2.13	3.22
Share-based payments	0.04	-

* Does not include provisions for incremental gratuity and leave encashment liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

e) Enterprises over which key management personnel and their relatives are able to exercise control

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchase of raw materials and components etc.	2488.57	2453.51
Purchase of property, plant and equipment	36.38	31.65
Payment towards services etc.	2.09	2.45
Expenditure towards Corporate Social Responsibility (CSR)	35.36	34.55

Balance outstanding at the year end

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
- Receivable	-	0.15	1.01
- Payables	269.38	275.23	272.91

Significant related party transactions included in the above are as under:-

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchase of raw materials and components etc.		
A .G. Industries Private Limited	520.43	560.89
Rockman Industries Limited	1793.70	1824.01
Purchase of property, plant and equipment		
Rockman Industries Limited	23.76	21.03
A.G. Industries Private Limited	0.50	-
Hero Solar Energy Private Limited	12.12	10.61
Payment for services etc.		
Hero Management Services Private Limited	0.52	0.67
Hero Mindmine Institute Private Limited	1.57	1.78
CSR		
Raman Kant Munjal Foundation	1.45	7.50
BML University	33.67	27.05
Serendepity Arts & Trust	0.24	-

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Significant closing balances of related parties are as under:-

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
- Payables			
A.G. Industries Private Limited	18.41	27.75	46.00
Rockman Industries Limited	247.29	238.31	218.67

37. DISCLOSURE IN RESPECT OF OPERATING LEASES:

The Company has entered into operating lease agreements for premises, motor vehicles, dies and data processing machines. These lease arrangements are cancellable in nature and range between two to four years. The aggregate lease rentals under these arrangements amounting to ₹ 66.46 crores (previous year ₹ 64.01 crores) have been charged under "Lease rentals" and "Rent" in Note 31.

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year	10.99	16.27	16.27
Later than one year and not later than five years	1.73	12.29	28.13
Later than five years	32.25	32.69	33.12

38. Information pursuant to clause 3 (vii) (b) of the Companies (Auditor's Report) Order, 2016 in respect of disputed dues, not deposited as at March 31, 2017, pending with various authorities:

Name of Statute	Nature of Dues	Amount* (₹ in crores)	Amount paid under protest (₹ in crores)	Period to which the Amount Relates	Forum where Dispute is Pending
Central Excise Law	Excise duty	457.33	228.97	2008-09 to 2012-13	High court
		650.70	345.12	2000-2001 and 2002-2015	CESTAT
		0.98	0.04	2009-10	Commissioner Appeals
	Service Tax	0.89	0.45	2004-05 and 2005-06	Supreme Court
		235.08	23.32	2004-05 to 2012-13, 2014-15	CESTAT
Income Tax Act, 1961	Income-tax	3300.38	528.44	2011-12	Income Tax Appellant Tribunal
		0.06	-	2004-05	Commissioner of Income Tax (Appeals)

* Amount as per demand orders including interest and penalty wherever indicated in the order and excludes disputed dues fully paid.

The following matters have been decided in favour of the Company but the department has preferred appeals at higher levels:

Name of Statute	Nature of Dues	Amount (₹ in crores)	Period to which the Amount Relates	Forum where Dispute is Pending
Central Excise Law	Excise duty	1.19	2004-05 to 2010-11	CESTAT
Income Tax Act, 1961	Income-tax	1219.02	1987-88, 1989-90, 1992-93, 1993-94, 1995-96, 1996-97, 1997-98, 1998-99, 2000-01, 2005-06 and 2006-07	High Court
		14.28	2001-02, 2003-04, 2005-06 and 2007-08	Income Tax Appellate Tribunal



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

39. RESEARCH AND DEVELOPMENT EXPENSES:

Expenses charged to revenue account

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Raw Material consumption	1.42	1.24
Consumables	1.68	0.05
Employee benefits	117.07	90.57
Depreciation and amortisation	49.00	17.31
Others*	255.54	170.07
Total	424.71	279.24

* Includes intangible asset under development amounting to ₹ 161.74 crores (previous year ₹82.89 crores) expensed off during the year.

Capital expenditure	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Building	61.28	385.27
Equipments	132.85	272.40
Furniture and fixtures	5.57	1.51
Software	3.49	-
Vehicles	4.65	3.32
Data processing equipments	4.57	10.49
	212.41	672.99
Capital work in progress	63.97	83.63
Total	276.38	756.62

40. SHARE-BASED PAYMENTS

Employee Stock Option/RSU Plan

The Employee Stock Options Scheme titled "Employee Incentive Scheme 2014 - Options and Restricted Stock Unit" hereafter referred to as "Employee Incentive Scheme 2014" or "the Scheme" was approved by the shareholders of the Company through postal ballot on September 22, 2014. The Scheme covered 49,90,000 options/ restricted units for 49,90,000 equity shares. The Scheme allows the issue of options/restricted stock units (RSU) to employees of the Company which are convertible to one equity share of the Company. As per the Scheme, the Nomination and Remuneration Committee grants the options/RSU to the employees deemed eligible. The options and RSU granted vest over a period of 4 and 3 years respectively from the date of the grant in proportions specified in the respective ESOP Plans. Options/RSU may be exercised by the employees after vesting period within 7 years from the date of grant. The fair value as on the date of the grant of the options/RSU, representing Stock compensation charge, is expensed over the vesting period.

Details of the Stock Option/ RSU issued under the Scheme

Plan	Number of Options/ RSU	Grant date	Expiry date	Exercise Price ₹	Weighted Average Fair value of the Options at grant date ₹
ESOP 2014	23,110	22-Oct-14	21-Oct-21	2,159	1,228
ESOP 2016	41,290	22-Aug-16	21-Aug-23	2,469	1,324
RSU 2016	11,194	22-Aug-16	21-Aug-23	2	3,290

Fair value of share options/ RSU granted during the year

The fair value of options/RSU granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life options/RSU of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

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Inputs in to the pricing model	Option Plan	
	ESOP 2016	RSU 2016
Weighted Average Fair value of option/RSU	1,324	3,290
Weighted Average share price	3,292	3,292
Exercise price	2,469	2
Expected volatility	27.33%-27.48%	109.63%-118.58%
Option life	7 Years	7 Years
Dividend yield	2.87%	2.87%
Risk-free interest rate	7.02%-7.12%	7.02%-7.09%

Movements in share options during the year

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Number of Options	Weighted average exercise price ₹	Number of Options	Weighted average exercise price ₹
Outstanding at the beginning of the year	18,776	2,159	23,110	2,159
Granted during the year	41,290	2,469	-	-
Forfeited during the year	536	2,159	1,746	2,159
Exercised during the year	6,750	2,159	2,588	2,159
Expired during the year	-	-	-	-
Outstanding at the end of year	52,780	2,402	18,776	2,159
Exercisable at the end of year	960	2,159	480	2,159

Movements in RSU during the year

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Number of RSU	Weighted average exercise price ₹	Number of RSU	Weighted average exercise price ₹
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	11,194	2	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of year	11,194	2	-	-
Exercisable at the end of year	-	-	-	-

Share options exercised during the year

Option Plan	No. of options exercised	Weighted Share price at exercise date ₹
ESOP 2014	6,750	3107.55

Share options/RSU outstanding at end of the year

Options/ RSU Plans	Options outstanding as at March 31, 2017	Options outstanding as at March 31, 2016	Remaining contractual life (in Years) as on March 31, 2017	Remaining contractual life (in Years) as on March 31, 2016	Exercise Price ₹
ESOP 2014	11,490	18,776	4.56	5.56	2159
ESOP 2016	41,290	-	6.39	-	2469
RSU 2016	11,194	-	6.39	-	2
Total	63,974	18,776			

During the year ended March 31, 2017, the Company recorded an employee stock compensation expense of ₹ 3.42 crores (previous year ₹ 0.93 crore) in the Statement of Profit and Loss.



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41. FINANCIAL INSTRUMENTS

41.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company does not have debts and meets its capital requirement through equity.

The Company is not subject to any externally imposed capital requirements

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

The following table summarizes the capital of the Company:

Particulars	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Share capital	39.94	39.94	39.94
Equity reserves	10,071.35	8,794.47	7,317.52
Total Equity	10,111.29	8,834.41	7,357.46

Categories of financial instruments	₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets			
Financial assets at fair value through profit or loss			
Non-current			
Investments	236.06	152.50	192.10
Current			
Investments	4,419.80	3,399.67	2,470.21
Derivative instruments carried at fair value	4.42	6.20	2.79
Financial assets at amortised cost			
Non-current			
Investments	260.88	381.66	453.10
Loans	23.13	26.70	30.09
Others	25.23	23.20	18.39
Current			
Investments	121.05	69.44	-
Trade receivables	1,561.87	1,282.80	1,389.59
Cash and bank balances	136.73	131.36	159.25
Loans	21.73	23.12	23.86
Other financial assets	19.93	16.08	12.61
Total	6,830.83	5,512.73	4,751.99
Financial liabilities at amortised cost			
Current			
Trade payables	3,247.27	2,650.56	2,587.22
Other financial liabilities	352.77	265.70	254.74
Total	3,600.04	2,916.26	2,841.96

41.2 Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3: Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

There are certain Company's financial assets which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:

	₹ in crores		
	Fair value as at April 1, 2015		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	176.16	-
Investments in equity instruments	-	-	5.94
Investments in other instruments	-	-	10.00
Current			
Investments in mutual funds	2,084.07	386.14	-
Derivative instruments carried at fair value	2.79	-	-

	₹ in crores		
	Fair value as at March 31, 2016		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	136.56	-
Investments in equity instruments	-	-	5.94
Investments in other instruments	-	-	10.00
Current			
Investments in mutual funds	3,105.28	294.39	-
Derivative instruments carried at fair value	6.20	-	-

	₹ in crores		
	Fair value as at March 31, 2017		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	212.33	-
Investments in equity instruments	13.73	-	-
Investments in other instruments	-	-	10.00
Current			
Investments in mutual funds	4,257.25	162.55	-
Derivative instruments carried at fair value	2.79	-	-

Fair value of the Company's financial assets that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the standalone financial instruments approximate their fair values:

	₹ in crores					
	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost						
Non-current						
Investments in bonds	260.88	274.38	381.66	387.79	453.10	459.21
Current						
Investments in bonds	121.05	123.08	69.44	70.19	-	-



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₹ in crores

	Fair value hierarchy		
	March 31, 2017 Level 2	March 31, 2016 Level 2	April 1, 2015 Level 2
Financial assets at amortised cost			
Non-current			
Investments in bonds	274.38	387.79	459.21
Current			
Investments in bonds	123.08	70.19	-

The fair value of the financial assets and financial liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between the market participants. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.
- The fair value of bonds is based on direct and market observable inputs.
- Trade receivables, cash & cash equivalents, other bank balances, loans, other current financial assets, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to short-term maturities of these instruments.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- There are no transfers between Level 1 and Level 2 during the year

Financial risk management objectives and Policies

41.3 Financial risk management objectives

The Company's Corporate Treasury function monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks by using derivative financial instruments, diversification of investments, credit limit to exposures, etc., to hedge risk exposures. The use of financial instruments is governed by the Company's policies on foreign exchange risk and the investment. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity which impact returns on investments. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk including export receivables and import payables. Future specific market movements cannot be normally predicted with reasonable accuracy.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Foreign currency exposure	Amount in USD millions		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Receivables	14.91	10.17	7.30
Trade Payables	1.77	1.68	3.07
Forward cover-Sold	11.00	28.00	13.00
Forward cover-Bought	2.00	-	2.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Foreign currency exposure	Amount in USD millions		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Options contracts (Bought)			
- Put	-	-	3.00
Options contracts (Sold)			
- Call	-	-	3.00
- Put	-	-	3.00

Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. (+)(-)5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens (+)(-)5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive or negative.

Currency	Amount in USD millions					
	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	5% increase	5% decrease	5% increase	5% decrease	5% increase	5% decrease
Receivable	4.84	(4.84)	3.38	(3.38)	2.28	(2.28)
Payable						
USD	(0.57)	0.57	(0.56)	0.56	(0.96)	0.96
Forward cover-Sold	(3.57)	3.57	(9.30)	9.30	(4.06)	4.06
Forward cover-Bought	0.65	(0.65)	-	-	0.62	(0.62)
Options contracts (Bought)						
-Put	-	-	-	-	-	0.94
Options contracts (Sold)						
-Call	-	-	-	-	(0.94)	-
-Put	-	-	-	-	-	(0.94)
Impact on profit or loss as at the end of the reporting period	1.35	(1.35)	(6.48)	6.48	(3.05)	2.12
Impact on total equity as at the end of the reporting period	0.88	(0.88)	(4.24)	4.24	(2.00)	1.38

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/ in future years.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the note no. 15 above.

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking informations.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Movement in the expected credit loss allowance of financial assets

	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Balance at beginning of the year	14.05	11.10
Add: Provided during the year	9.57	2.95
Less: Reversals of provision	-	-
Less: Amounts written off	0.01	-
Balance at the end of the year	23.61	14.05

Other price risks including interest rate risk

The Company has deployed its surplus funds into various financial instruments including units of mutual funds, bonds debentures, etc. The Company is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.

NAV price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower:

- profit for the year ended March 31, 2017 would increase/decrease by ₹ 31.23 crores (for the year ended March 31, 2016: increase/decrease by ₹ 40.06 crores).

Liquidity risk

Liquidity risk represents the inability of the Company to meet its financial obligations within stipulated time. To mitigate this risk, the Company maintains sufficient liquidity by way of readily convertible instruments and working capital limits from banks.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

Particulars	₹ in crores					
	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Less than 1 year	Total	Less than 1 year	Total	Less than 1 year	Total
Current						
(i) Trade payables	3,247.27	3,247.27	2,650.56	2,650.56	2,587.22	2,587.22
(ii) Other financial liabilities	352.77	352.77	265.70	265.70	254.74	254.74

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

42 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	₹ in crores	
	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Gross amount required to be spent	70.62	58.18
(b) Amount spent for the purposes other than Construction/acquisition of assets in the Company	85.14	65.00

43. The details of Specified Bank Note (SBN) held and transacted during the period 8.11.16 to 30.12.16 as provided in the table below:

Particulars	Amount in ₹		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 8.11.2016	1,321,000	816,043	2,137,043
(+) Permitted receipts	-	4,280,296	4,280,296
(-) Permitted payments	-	4,272,924	4,272,924
(-) Amount deposited in Banks	1,321,000	1,000	1,322,000
Closing cash in hand as on 30.12.2016	-	822,415	822,415

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. The Company's borrowing facilities, comprising fund based and non-fund based limits from various bankers, are secured by way hypothecation of inventories, receivables, movable assets and other current assets.

45. The financial statements were approved for issue by the board of directors on May 10, 2017

46. FIRST-TIME IND AS ADOPTION RECONCILIATIONS

46.1 Effect of Ind AS Adoption on the balance sheet as at April 1, 2015

₹ in crores

Particulars	As at April 1, 2015			As per Ind AS
	Note 46.7	Previous GAAP	Effect of transition to Ind AS	
ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	(a)	2,818.29	(188.70)	2,629.59
(b) Capital work-in-progress		309.78	-	309.78
(c) Intangible assets		94.40	-	94.40
(d) Intangible assets under development		402.77	-	402.77
(e) Financial assets				
(i) Investments	(b)	923.97	35.23	959.20
(ii) Loans		30.09	-	30.09
(iii) Others		18.39	-	18.39
(f) Deferred tax assets (net)	(b), (c), (f), (g)	73.54	16.47	90.01
(g) Income tax assets (net)		85.19	-	85.19
(h) Other non-current assets	(a)	483.15	185.62	668.77
Total Non - Current Assets		5,239.57	48.62	5,288.19
2 Current assets				
(a) Inventories		815.49	-	815.49
(b) Financial assets				
(i) Investments	(b)	2,307.90	162.31	2,470.21
(ii) Trade receivables		1,389.59	-	1,389.59
(iii) Cash and cash equivalents		70.69	-	70.69
(iv) Bank balances other than (iii) above		88.56	-	88.56
(v) Loans		23.86	-	23.86
(vi) Others	(g)	12.61	2.79	15.40
(c) Other current assets	(a)	573.43	3.08	576.51
Total Current Assets		5,282.13	168.18	5,450.31
Total Assets (1+2)		10,521.70	216.80	10,738.50
EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital		39.94	-	39.94
(b) Other equity	(b), (c), (d), (f), (g)	6,501.39	816.13	7,317.52
Total equity		6,541.33	816.13	7,357.46
LIABILITIES				
2 Non-current liabilities				
(a) Provisions	(c)	58.00	(13.08)	44.92
Total Non - Current Liabilities		58.00	(13.08)	44.92
3 Current liabilities				
(a) Financial liabilities				
(i) Trade payables		2,706.86	(119.64)	2,587.22
(ii) Other financial liabilities		254.74	-	254.74
(b) Other current liabilities	(f)	219.09	254.40	473.49
(c) Provisions	(d)	741.68	(721.01)	20.67
Total Current Liabilities		3,922.37	(586.25)	3,336.12
Total Equity and Liabilities (1+2+3)		10,521.70	216.80	10,738.50



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

46.2 Effect of Ind AS Adoption on the balance sheet as at March 31, 2016

₹ in crores

Particulars	As at March 31, 2016			As per Ind AS
	Note 46.7	Previous GAAP	Effect of transition to Ind AS	
ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	(a)	3,717.85	(252.39)	3,465.46
(b) Capital work-in-progress		288.34	-	288.34
(c) Intangible assets		118.89	-	118.89
(d) Intangible assets under development		317.06	-	317.06
(e) Financial assets				
(i) Investments	(b)	1,092.81	19.10	1,111.91
(ii) Loans		26.70	-	26.70
(iii) Others		23.20	-	23.20
(f) Income Tax assets (net)		227.54	-	227.54
(g) Other non-current assets	(a)	592.98	249.56	842.54
Total Non - Current Assets		6,405.37	16.27	6,421.64
2 Current assets				
(a) Inventories		672.98	-	672.98
(b) Financial assets				
(i) Investments	(b)	3,262.25	206.86	3,469.11
(ii) Trade receivables		1,282.80	-	1,282.80
(iii) Cash and cash equivalents		26.95	-	26.95
(iv) Bank balances other than (iii) above		104.41	-	104.41
(v) Loans		23.12	-	23.12
(vi) Others	(g)	16.08	6.20	22.28
(c) Other current assets	(a)	546.73	2.84	549.57
Total Current Assets		5,935.32	215.90	6,151.22
Total Assets (1+2)		12,340.69	232.17	12,572.86
EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital		39.94	-	39.94
(b) Other equity	(b), (c), (d), (f), (g)	7,904.81	889.66	8,794.47
Total equity		7,944.75	889.66	8,834.41
LIABILITIES				
2 Non-current liabilities				
(a) Provisions	(c)	84.44	(16.84)	67.60
(b) Deferred tax liabilities (net)	(b), (c), (f), (g)	227.79	(5.26)	222.53
Total Non - Current Liabilities		312.23	(22.10)	290.13
3 Current liabilities				
(a) Financial liabilities				
(i) Trade payables		2,772.41	(121.85)	2,650.56
(ii) Other financial liabilities		265.70	-	265.70
(b) Other current liabilities	(f)	246.85	255.55	502.40
(c) Provisions	(d)	798.75	(769.09)	29.66
Total Current Liabilities		4,083.71	(635.39)	3,448.32
Total Equity and Liabilities (1+2+3)		12,340.69	232.17	12,572.86

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

46.3 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	Note 46.7	₹ in crores	
		As at March 31, 2016	As at April 1, 2015
Equity as reported under previous GAAP		7,944.75	6,541.33
Add :- Proposed dividend (including tax thereon)	(d)	769.09	721.01
Add:- Impact of measuring investments at Fair Value through Profit or Loss (FVTPL) (net of tax)	(b)	192.94	172.86
Add:- Impact of discounting of provisions as per Ind-AS 37 (net of tax)	(c)	11.01	8.55
Add:- Impact of measuring derivative contracts at Fair Value through Profit or Loss (FVTPL) (net of tax)	(g)	4.05	1.83
Less:- Impact of revenue deferment (net of tax)	(f)	(87.43)	(88.12)
Total equity as reported under Ind AS		8,834.41	7,357.46

46.4 Effect of Ind AS Adoption on the statement of profit and loss for the year ended March 31, 2016

Particulars	Note 46.7	₹ in crores		
		Year ended March 31, 2016 (Latest period presented under previous GAAP)		As per Ind AS
		Previous GAAP	Effect of transition to Ind AS	
Revenue from operations (gross)	(e), (f), (i)	28,599.30	2,101.58	30,700.88
Other income	(b), (g)	390.60	31.83	422.43
Total revenue		28,989.90	2,133.41	31,123.31
EXPENSES				
Cost of raw materials consumed		19,321.72	(0.00)	19,321.72
Change in inventories of finished goods and work-in-progress	(j)	(6.82)	(5.06)	(11.88)
Excise duty on sale of goods	(e)	-	2,258.18	2,258.18
Employee benefits expenses	(h)	1,319.56	(3.63)	1,315.93
Finance costs	(c)	2.15	2.74	4.89
Depreciation and amortisation expenses	(a)	441.40	(3.76)	437.64
Other expenses	(a), (c), (f), (i), (j)	3,517.31	(155.35)	3,361.96
Total Expenses		24,595.32	2,093.12	26,688.44
Profit before tax		4,394.58	40.29	4,434.87
Tax Expense				
Current tax		960.88	-	960.88
Deferred tax charge	(b), (c), (f), (g)	301.33	12.47	313.80
Total tax expense		1,262.21	12.47	1,274.68
Profit after tax		3,132.37	27.82	3,160.19
Other comprehensive income				
Items that will not be recycled to profit or loss				
Re-measurement gains (losses) on defined benefit plans	(h)	-	(3.63)	(3.63)
Income tax benefit	(h)	-	1.26	1.26
		-	(2.37)	(2.37)
Total comprehensive income for the year		3,132.37	25.45	3,157.82



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

46.5 Reconciliation of total comprehensive income for the year ended March 31, 2016

₹ in crores

Particulars	Note 46.7	For the year ended March 31, 2016
Profit after tax as reported under previous GAAP		3,132.37
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	(b)	28.42
Impact of revenue deferment	(f)	1.06
Impact of measuring derivative contracts at Fair Value through Profit or Loss (FVTPL)	(g)	3.41
Reclassification of actuarial (gain)/loss in respect of defined benefit plan to "Other Comprehensive Income"	(h)	3.63
Impact of discounting of provisions as per Ind-AS 37	(c)	3.76
Tax adjustments	(b), (c), (f), (g)	(12.46)
Profit after tax as reported under Ind-AS		3,160.19
Other comprehensive income/(expense) (net of tax)	(h)	(2.37)
Total comprehensive income as reported under Ind-AS		3,157.82

Note :- Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP.

46.6 Cash flow Statements

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

46.7 Notes to the reconciliations

₹ in crores

Impact under Ind AS on account off :-	Impact	As at April 1, 2015	As at March 31, 2016	For the year ended March 31, 2016
(a) Leasehold land being considered as operating lease opposed to fixed assets under IGAAP				
On Balance sheet				
Property, plant and equipment	Decrease	(188.70)	(252.39)	
Other Non-current assets	Increase	185.62	249.56	
Other Current assets	Increase	3.08	2.84	
On Statement of profit and loss				
Depreciation expense	Decrease			(3.76)
Rent expense	Increase			3.76
(b) Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)				
On Balance sheet				
Investments - Non-current	Increase	35.23	19.10	
Investments - current	Increase	162.31	206.86	
On equity				
Deferred tax liability	Increase	24.68	33.02	
On Statement of profit and loss				
Net gain on financial instruments at fair value through profit or loss	Increase			28.42
Profit before tax	Increase			28.42
tax expense	Increase			8.34
Profit after tax	Increase			20.08
(c) Recognising provision for warranty at present value as opposed to without discounting under IGAAP.				
On Balance sheet				
Non-current				
Long-term provisions				

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

Impact under Ind AS on account off :-	Impact	As at April 1, 2015	As at March 31, 2016	For the year ended March 31, 2016
Provisions for warranties	Decrease	(13.08)	(16.84)	
Deferred tax liability	Increase	4.53	5.83	
On equity	Increase	8.55	11.01	
On Statement of profit and loss				
Interest expense	Increase			2.74
Warranty expense	Decrease			(6.50)
Profit before tax	Increase			3.76
Tax expenses	Increase			1.30
Profit after tax	Increase			2.46
(d) Dividends including tax thereon are recognised when declared by the members in a general meeting as opposed to recognition on recommendation by the board of directors under IGAAP				
On Balance sheet				
Current				
Short term provisions	Decrease	(721.01)	(769.09)	
On equity	Increase	721.01	769.09	
(e) Excise duty on sale of products to be presented separately on the face of statement of profit and loss as opposed to netting it off from revenue from operations under IGAAP.				
On statement of profit and loss				
Revenue from operations	Increase			2,258.18
Excise duty on sale of products	Increase			2,258.18
Profit before tax				-
Profit after tax				-
On equity		-	-	
(f) Impact of revenue deferment on future performances				
On Balance sheet				
Trade payables	Decrease	(119.64)	(121.85)	
Other current liabilities	Increase	254.40	255.55	
Deferred tax liability	Decrease	(46.64)	(46.27)	
On equity	Decrease	(88.12)	(87.43)	
On Statement of profit and loss				
Revenue from operations	Decrease			(1.11)
Other selling and distribution expenses	Decrease			(2.17)
Profit before tax	Increase			1.06
Tax impact	Increase			0.37
Profit after tax	Increase			0.69
(g) Mark-to-market gain of derivative contracts recognised in the financial statements of Ind AS as opposed to not recognised under previous GAAP				
On Balance sheet				
Current				
Other financial assets (derivative instruments)	Increase	2.79	6.20	
Deferred tax liability	Increase	0.96	2.15	



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in crores

Impact under Ind AS on account off :-	Impact	As at April 1, 2015	As at March 31, 2016	For the year ended March 31, 2016
On equity	Increase	1.83	4.05	
On statement of profit and loss				
Other income	Increase			3.41
Profit before tax	Increase			3.41
Tax expenses	Increase			1.19
Profit after tax	Increase			2.22
(h) Actuarial gains and losses to be recognised in other comprehensive income instead of statement of profit and loss				
On statement of profit and loss				
Employee benefit expense	Decrease			(3.63)
Profit before tax	Increase			3.63
Tax expenses	Increase			1.26
Profit after tax	Increase			2.37
On Other comprehensive income				
Remeasurement of the net defined liability/asset (Net of tax)	Decrease			(2.37)
(i) Trade discounts, rebates, etc. are to be netted off from revenue as opposed to classification in other expenses under IGAAP.				
On Statement of profit and loss				
Revenue from operations	Decrease	-	-	(155.50)
Other expenses	Decrease	-	-	(155.50)
(j) Reclassification of increase /decrease of excise duty on finished goods from change in inventories of finished goods and work in progress to other expenses				
On Statement of profit and loss				
Change in inventories of finished goods and work in progress	Decrease			(5.06)
Other expenses	Increase			5.06

Note: Previous year figures as per previous GAAP have been regrouped/ re-classified wherever necessary to correspond with the current year classifications/ disclosures.

For and on behalf of the Board of Directors

Pawan Munjal
Chairman, Managing Director & CEO
DIN- 00004223

Pradeep Dinodia
Chairman- Audit Committee
DIN- 00027995

New Delhi
May 10, 2017

Niranjan Kumar Gupta
Chief Financial Officer

Neerja Sharma
Company Secretary