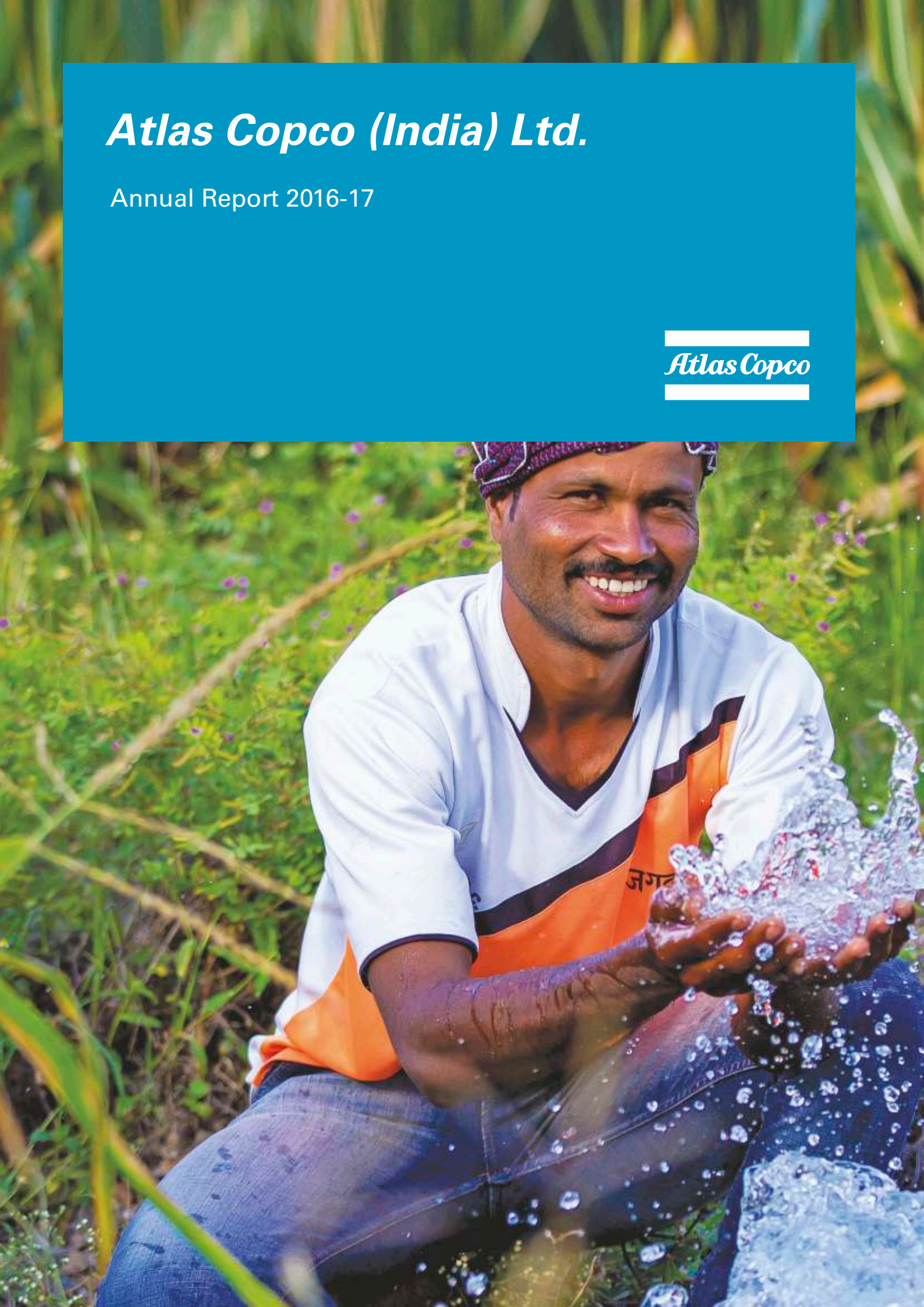


Atlas Copco (India) Ltd.

Annual Report 2016-17

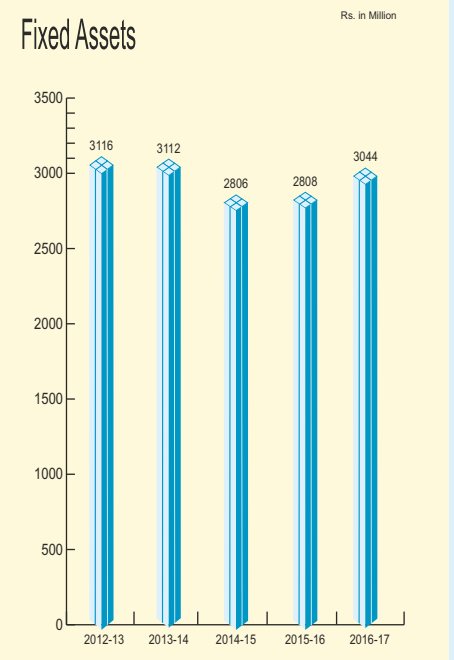
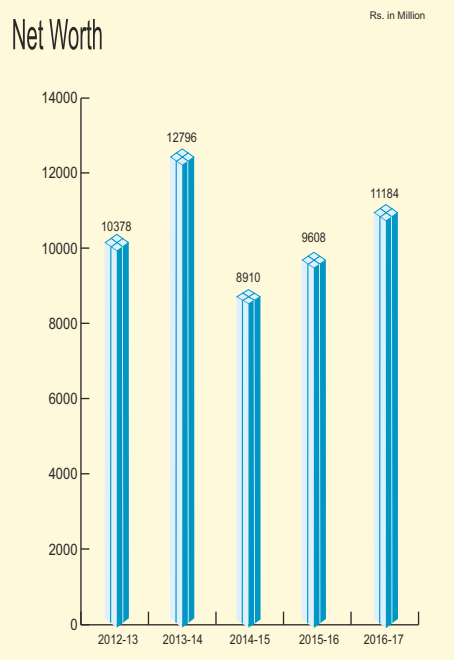
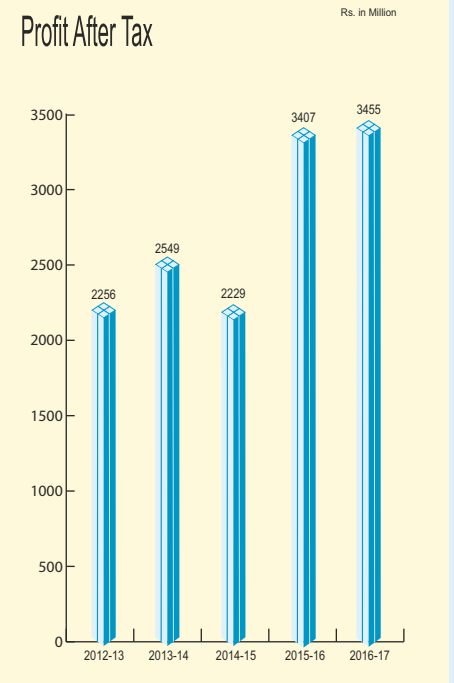
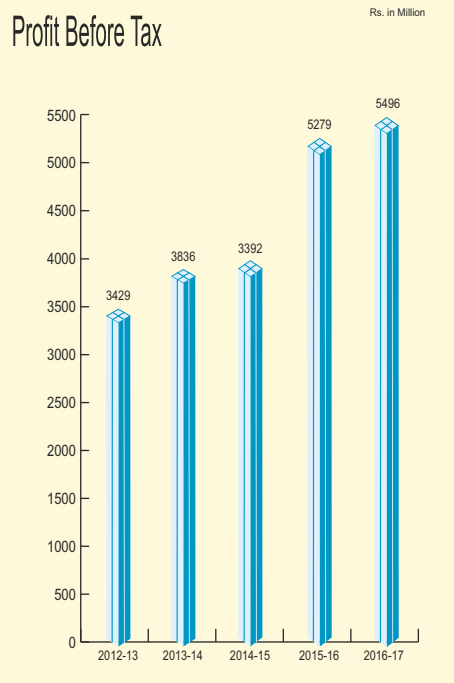
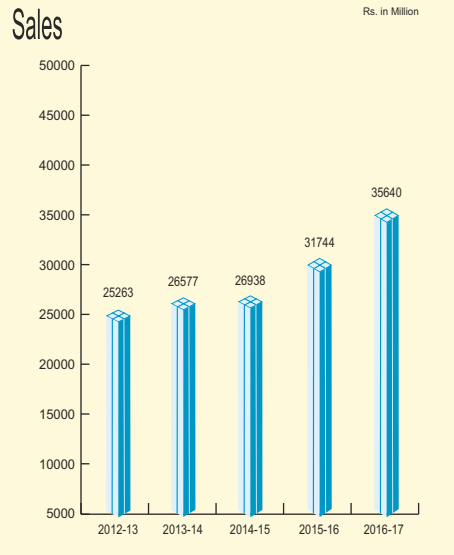
Atlas Copco



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Financial Highlights



Atlas Copco (India) Ltd.

Board of Directors

Mr. A. K. Hirjee
Chairman

Mr. G. Valent
Managing Director

Mr. J. Delvadavala

Mr. H. O. Meyer

Ms. J. Livijn
(upto 13th March, 2017)

Company Secretary

Mr. A.N. Bavare

Bankers

Citibank N. A.

Bank of India

Deutsche Bank

BNP Paribas

Union Bank of India

HDFC Bank

Hongkong & Shanghai
Banking Corporation

Auditors

Deloitte Haskins & Sells

Solicitors & Advocates

Crawford Bayley & Co.
Mumbai

Registrar & Transfer Agents

Karvy Computershare Private Ltd.
Karvy House, No. 46, Avenue 4,
Street No. 1, Banjara Hills,
Hyderabad - 500 034
Phone: 040-23420818
Fax: 040-23420814
E-mail: mailmanager@karvy.com

Karvy Computershare Private Ltd.
Shrinath Plaza, Ground Floor,
B-Wing, Dnyaneshwar Paduka
Chowk,
F. C. Road, Pune - 411 004
Phone: 020-25532078
Fax: 020-25533742
E-mail: rispune@karvy.com

Management Team

Mr. G. Valent
Managing Director

Mr. S. H. Ghotage
Vice President Holding & CFO

Mr. M.B. Patil
Vice President-Corporate HR

Mr. Frederic Genestout
General Manager- Operations
Product Company Chakan

Mr. Claude Servant
General Manager-Operations
Product Company Pune

Mr. C. M. Pandit
General Manager-Product
Company Nasik

Mr. P. Madhavan
General Manager-Product
Company Hyderabad

Mr. I. Cappuyns
General Manager-Compressor
Technique
(upto 31st December, 2016)

Mr. S. Ahuja
General Manager-Mining & Rock
Excavation Technique

Mr. N. Lall
General Manager-Construction
Technique

Mr. B. Pandya
General Manager-Industrial
Technique

Mr. R. Koul
General Manager-Chicago
Pneumatic Compressors

Mr. S.S. Vasan
General Manager-Gas & Process
Applications

Mr. R. Dadhe
General Manager-GEICIA

Mr. C. Rao
General Manager-CMTEC

Mr. Conrad Latham
General Manager-Compressor
Technique
(w.e.f. 11th January, 2017)

Registered Office

Sveanagar, Mumbai - Pune Road,
Dapodi, Pune - 411 012
Phone: 020-39852100
Fax: 020-27147928

Factories

- 1 Sveanagar, Mumbai - Pune Road, Dapodi, Pune 411 012
- 2 Gat No. 133, 134, 139 & 141, Village Mahalunge, (Chakan), Pune 410 510
- 3 Plot No. 90, MIDC Industrial Area, Satpur, Nashik 422 007
- 4 146/2, Sector-I, Lane 8, IDA, Phase – II, Cherlapally, Hyderabad 500 051

DIRECTORS' REPORT

To The Members:

The Directors of Atlas Copco (India) Ltd. are pleased to present their Fifty-seventh report and the Audited Accounts for the year ended 31st March, 2017.

1. FINANCIAL RESULTS:

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit for the year before tax	54,961	52,788
Less: Provision for tax (including adjustments for prior year's provision/deferred tax)	(20,412)	(18,719)
Net Profit for the year	34,549	34,069
Adding thereto:		
Balance in profit & loss account brought forward	61,917	1,16,019
Other Comprehensive Income	(279)	-
IndAS Adjustments for prior years	499	81
Appropriations:		
Proposed Dividend/Interim Dividend	15,793	73,325
Corporate dividend tax	3,215	14,927
General Reserve	-	-
Balance carried forward	77,678	61,917

* One Million equals 10 Lakhs rupees.

There are no changes and commitments materially affecting the financial position of your Company, that have occurred between the end of the financial year i.e. 31st March, 2017 and the date of this report.

2. OPERATIONS:

Your Company performed well in the financial year 2016/17 with total revenue for the year ended 31st March, 2017 at Rs. 353,974 lakhs against Rs. 313,103 lakhs for the corresponding previous year showing a growth of 13.05 % over previous year. The profit before tax for the year ended 31st March, 2017 was Rs. 54,961 lakhs against Rs. 52,788 lakhs for the corresponding previous year showing increase of 4.11 % over the previous year.

Your Board at its meeting held on 12th May, 2017, has approved the sale of Road Construction Business, (which constitutes 6% of total turnover of Atlas Copco (India) Ltd. for the financial year 2016-17) to Dynapac Road Construction Equipment (India) Private Limited ("Dynapac India") Further, your Company has also transferred assets and liabilities of this business to Dynapac India.

Your Company will continue to manufacture and sell road construction equipment to Dynapac India under Supply Agreement.

3. ECONOMIC SCENARIO:

While the global economies continued to witness slow growth during the year, the Indian economy on a macro basis stayed fairly robust. The below par performance of global economy was reflected in a continued slowdown in growth in most emerging

and developing economies, driven by weaker capital inflows and subdued global trade.

The gradual recovery of market was temporarily impacted by adverse liquidity conditions post demonetisation, especially in the December quarter.

Given the backdrop of slow market growth, volatile input cost environment, the operating environment for your Company during the year continued to be challenging.

4. DIVIDEND:

The Board of Directors at their meeting held on 21st December, 2016 declared an Interim Dividend of Rs. 15,793 lakhs (Rs. 70/- per share) which has already been paid to the eligible shareholders on 27th December, 2016. Company has paid Dividend Distribution Tax of Rs.3,215 lakhs on this interim dividend. Your Directors propose to treat the same as final dividend for the year.

5. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND:

During the year, in accordance with terms of Section 125 of the Companies Act, 2013, an amount of Rs. 10.86 lakhs, being unclaimed dividend for the year 31st December, 2008, was transferred to the Investor Education & Protection Fund established by Central Government. Due to some lack of clarity regarding requirement of transfer of shares along with amount of unclaimed dividend, there was delay in depositing the required amount with the concerned Government Authority.

6. DIRECTORS:

The Board expresses deep sorrow at the untimely demise of your Director, Ms. Jeanette Livijn on 13th March, 2017. The Board places on record its appreciation of the invaluable contribution made by Late Ms. Jeanette Livijn during her tenure as Director of the Company.

The Board at its meeting held on 12th June, 2017 has appointed Ms. Cecilia Sandberg as Additional Director, subject to obtaining her Director Identification Number (DIN).

The Company has received necessary declaration from each independent Director stating that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

Mr. H.O. Meyer retires by rotation and being eligible, offers himself for re-appointment.

7. KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed following persons as Key Managerial Personnel (KMP):

Name of the Employee	Designation
Mr. Giovanni Valent	Managing Director
Mr. Suresh Ghotage	Chief Financial Officer
Mr. Anant Bavare	Company Secretary

8. MEETINGS OF THE BOARD:

During the year 2016-17, five (5) Board Meetings were held on 2nd June, 2016, 29th July, 2016, 21st September, 2016, 21st December, 2016 and 21st March, 2017.

As required under provisions of Schedule III of the Companies Act, 2013, the Independent Directors of the Company met on 25th March, 2017 without the presence of Executive Directors and Management Representatives.

9. INFORMATION PURSUANT TO SECTION 134 (3)(m) OF THE COMPANIES ACT, 2013, READ WITH RULE 8(3) OF COMPANIES (ACCOUNTS) RULES, 2014:

a) Conservation of Energy, Technology absorption and Foreign Exchange Earnings & Outgo:

Information in accordance with Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is given in Annexure A to this report.

b) Particulars of Employees:

Particulars required to be given under Rule (5) (2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are available for inspection at the Registered Office of the Company on any working day during normal business hours. Shareholders who wish to have a copy of the same are advised to contact the Company Secretary.

10. AUDIT COMMITTEE:

The Board has constituted Audit Committee as per provisions of Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014. Audit Committee comprises of following Directors as Members:

Mr. A. K. Hirjee – Chairman

Mr. H. O. Meyer – Member

Mr. J. Delvadavala -Member

Mr. G. Valent-Member

11. NOMINATION AND REMUNERATION COMMITTEE:

The Board has constituted Nomination and Remuneration Committee as per provisions of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014. Committee comprises of following Non-Executive Directors as Members:

Mr. J. Delvadavala - Chairman

Mr. A.K. Hirjee - Member

Ms. J. Livijn - Member (upto 13/03/2017)

REMUNERATION POLICY OF THE COMPANY:

The Company follows market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. The Company has a market based compensation policy which is also linked to individual and team performance as they support the achievement of Corporate Goals. The Company does not have an Employee Stock Option Policy.

12. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted Stakeholders Relationship Committee as per provisions of Section 178 of the Companies Act, 2013 to consider and resolve the grievances of security holders of the Company. The Committee comprises following Directors:

Mr. A. K. Hirjee - Chairman

Mr. G. Valent - Member

Mr. J. Delvadavala - Member

Mr. H. O. Meyer - Member

Ms. J. Livijn - Member (upto 13/03/2017)

13. CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, Company has formed a Corporate Social Responsibility Committee (CSR Committee). CSR policy of the Company is available on the website of the Company at www.atlascopco.com.

Annual Report on CSR activities including CSR Policy of the Company is given in Annexure B to this report.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- i) in the presentation of annual accounts, the applicable accounting standards have been followed along with proper explanations and there were no material departures;
- ii) the Directors had selected such accounting policies, and applied them consistently and made judgments and estimates, which were also reviewed by the Auditors, that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2017 and of the profit of the Company for the year ended on that date.
- iii) the Directors had taken proper and sufficient care in the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. AUDITORS:

M/s. Deloitte Haskins & Sells, Chartered Accountants were re-appointed as Statutory Auditors of the Company on 21st September, 2016 to hold office upto the date of 57th Annual General Meeting of the Company. Statutory Auditors retire at the end of 57th Annual General Meeting, and being eligible, offer themselves for re-appointment.

INTERNAL AUDITORS:

M/s. KPMG, Chartered Accountants, Pune act as Internal Auditors of the Company.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Yogesh D. Dabholkar and Company, Practising Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company for the year ended 31st March, 2017. Secretarial Audit Report is given in Annexure C to this report.

COST AUDIT:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and further amendment made by Ministry of Corporate Affairs (MCA), the Company has appointed M/s. Deepak Marne and Associates Cost Accountants to undertake the Cost Audit of the Company for the year ended 31st March, 2017.

16. HUMAN RESOURCES:

The industrial relations during the period under review continued to be cordial. The total number of employees of the Company as at 31st March, 2017 was 2525. The Directors place on record their sincere appreciation of the services rendered by employees at all levels.

17. EXTRACT OF ANNUAL RETURN (FORM MGT -9)

Extract of Annual Return (Form MGT-9) as required under Section 134 (3) of the Companies Act, 2013 is given in Annexure D to this report.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

Your Company has neither given any loans and guarantees nor made any investments covered under Section 186 of the Companies Act, 2013.

19. RELATED PARTY TRANSACTIONS:

All Related Party Transactions entered during the year were in the ordinary course of business and at arm's length. Accordingly, the disclosure of Related Party Transactions as required under Section 134 (3) (h) of the Companies Act, 2013 in Form AOC-2 is not attracted.

20. RISK MANAGEMENT:

The Company's internal control processes cover, amongst others, processes for identification, assessment and mitigation of various kinds of risks, which include strategic, operational, financial, environmental, reputation and other risks. Such risks are reviewed and discussed at various meetings of Business Boards, Product Committees, Management Committee, Facilities Committee and various other forums within the organization, where members of senior management are involved. Company's internal auditors review the internal controls, risk assessment and mitigation procedures, independently as a part of their internal audit process and their observations and findings are presented, reviewed and discussed in the Audit Committee meetings. The Board also reviews the risk assessment and

mitigation procedures periodically.

The Control Self-Assessment database maintained by the Atlas Copco Group documents and monitors the risk assessment and mitigation by each operating unit head. The Atlas Copco Group's principles, guidelines and instructions that are documented in 'The Way We Do Things' provides executives with tools to monitor and follow up the business operations closely and quickly detect the deviations that could develop into risks. The Managers in charge of operating units continuously communicate with employees, customers and other stakeholders both in a formal and an informal way to keep themselves abreast with the developments in the market, products, competition and other areas.

21. DISCLOSURE UNDER RULE 8(5) (VII) OF COMPANIES (ACCOUNTS) RULES, 2014.

During the year 2016-17, no significant and material orders were passed by any Regulatory Authority or Court or Tribunal against the Company impacting the going concern status and Company's operations in future.

22. INTERNAL FINANCIAL CONTROLS

Company's Internal Control Systems are commensurate with the nature, size and complexities of its business. Your Company has effective and adequate internal control systems, which ensure reliable financial reporting, safeguarding of assets, adherence to management policies and promotion of ethical conduct. These systems are regularly reviewed, modified and improved upon, to conform to changes in the business environment and processes. The Atlas Copco Group's procedures also require a regular internal audit to be conducted for each business unit and experienced people within the Group conduct such audits.

23. DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place a Sexual Harassment, Prevention, Prohibition and Redressal Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Internal Complaints Committee ("ICC") has been set up to redress the complaints received regarding sexual harassment.

All employees are covered under this policy. There were no complaints received during the year.

24. ACKNOWLEDGMENTS:

Your Board of Directors wishes to express its sincere appreciation for the excellent support and co-operation by Atlas Copco Group, shareholders, vendors, customers, bankers and all other business partners. The Board also wishes to express its sincere appreciation for the contribution and commitment of all the employees to the success of the Company.

On behalf of the Board of Directors

A. K. Hirjee
Chairman
(DIN : 44765)

Mumbai
17th July, 2017

ANNEURE TO THE DIRECTORS' REPORT

ANNEXURE A

Information as per Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended 31st March, 2017.

A. Conservation of energy:

The Company has continued its efforts to conserve energy by adopting following measures:

- i) Elimination of wastes at every stage of use.
- ii) Preventive maintenance of various equipment to keep them in good running condition
- iii) Improvement in electrical power factor.
- iv) Optimal use of waste water treatment plant.
- v) Use of polycarbonate sheets for all roofs to allow natural light in the factory building and use of Compact Fluorescent Lamps (CFLs) in the offices.
- vi) Use of north light structure roof at Chakan to have maximum benefit of daylight (no need to put overhead lights on during day time – 07.00 am to 05.00 pm) at Chakan plant
- vii) Maximum utilization of day lights in offices at Chakan plant
- viii) Use of appropriate size equipment to ensure optimum energy consumption.
- ix) Monitor and control testing time for Diesel/Motor driven compressors.
- x) Use of high efficiency elements in Compressors which reduces power consumption.
- xi) Installation of FRP Fans driven by natural blowing air on the roofs of heat treatment plant for hot air and smoke evacuation.
- xii) Use of timers on air conditioners.
- xiii) Use of energy monitoring systems.
- xiv) Harmonics Testing of HT as well as LT installation at Nashik plant to improve the Power Quality and to reduce the Harmonics.
- xv) Interconnection of all the factory compressors (four nos.) at Nashik plant which has resulted saving of around 6% in energy consumption.
- xvi) Replacement of conventional CFL lights with energy saving LED lights at Dapodi offices.

The above actions have resulted in reduction of power consumption, saving in energy and fuel costs and environment protection.

B. Technology absorption:

Research and Development.

1. Specific areas in which the Company carries out R & D.

The Company does not have specific Research and Development Department. The Company maintains close contacts with the Atlas Copco Group Companies, which are responsible for the research and development of various product lines. Value engineering and value analysis, with respect to these products, processes and substitute materials, is carried out on a continuous basis to improve quality, reduce rejections and give better value to the Company's customers.

The Engineering Competency Centres of the Company, located at Pune and Bangalore, which provide mechanical engineering, CAE and software development services, have been working in close coordination with Product Development Departments of group companies all over the world.

2. Benefits derived as a result of the above activity.

The benefits derived are, improvements in quality and cost reductions for the existing range of products, development of new products with less energy consumption, noise and emission reduction, more local product development and increased local production, import substitution, export promotion and faster product launch in the markets.

3. Future plans and actions.

The Company has an ongoing program for up-gradation of existing products, introduction of new products, improvement in manufacturing processes and reducing product costs, import substitution and export promotion. This is done through continuous process and product development in close interaction with Group companies, customers and vendors.

4. Expenditure on R & D.

Since the Company has no specific Research and Development Department, it is not possible to quantify expenditure, whether capital or revenue, incurred on research and development activities.

ANNEURE TO THE DIRECTORS' REPORT

Technology absorption, adaptation and innovation.

1. Efforts in brief, made towards absorption, adaptation and innovation:

The Company maintains constant contacts with Atlas Copco Group companies to absorb the latest technology developed by them. Continuous interaction with their technical staff, visits and training of our employees at Group company factories, regular meetings of Product Committees, and visits of technical staff from other Group companies to our factories, help us to keep up to date with all the latest technical developments.

2. Benefits derived as a result of the above efforts

The benefits of the technology developed by the Atlas Copco Group are available for the Company on a continuous basis, which enables the Company to manufacture a broad range of existing and new products at optimum costs for both domestic and export markets. This also helps to increase the Company's market share and to improve the Company's competitive position.

3. Imported technology (imported during the last five years reckoned from the beginning of the financial year).

During the last five years, technology and know-how for screw, centrifugal and reciprocating compressors, dryers and air filters, hydro fracturing rigs, hydraulic drill rigs, breakers, rock drills, Down The Hole hammers, rock drilling equipment and road construction equipment was imported. This has been successfully absorbed in the Company's manufacturing activity after extensive field trials. The active interaction of the Company with Atlas Copco Group companies ensures a continuous flow of rapid changing technologies. The Company can, as a result, meet the ever-demanding requirements of domestic and overseas customers.

C. Foreign Exchange Earnings and Outgo:

1. Activities relating to exports:

The Company continues to focus on development of new products and services for export market, up-gradation of existing products and improvement in quality and costs with technological support from Atlas Copco Group companies.

2. Total foreign exchange used:

Particulars	(Rs. In lakhs)
Earning in foreign currency	Rs. 76,769
Payments (expenditure) in foreign currency	Rs. 106,906

ANNEXURE B

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

Your Company is committed to operate and grow its business in a socially responsible way. Company's Corporate Social Responsibility (CSR) policy is available on the website at www.atlascopco.com.

1. CSR Policy of the Company

VISION

"To actively contribute to the social and economic development of the communities/region in which we operate. While doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index."

BACKGROUND & INTRODUCTION

The Company would carry the Corporate Social Responsibility (CSR) activities through Atlas Copco Charitable Foundation (Foundation), a charitable trust established by the Company in 2006 with the sole objective to support the CSR initiatives of the Company. Company would also join hands with other non-government organisations (NGO) to achieve its CSR mission.

AREAS TO BE COVERED UNDER CSR

The Company would pursue its CSR activities in the following areas:

Promotion of education

Environmental sustainability

Rural development

Eradication of poverty

Promotion of preventive health care and sanitation

Provision of safe drinking water

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

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

Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

Protection of national heritage, art and culture

Contribution to other charitable and social organisations created with main objective of engaging themselves in any one or more of the above activities.

Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief;

CSR COMMITTEE

The Board of Directors of the Company, would, from time to time, constitute a CSR Committee of Directors with Managing Director/Whole time Director being one of the members of the committee.

ROLE OF FOUNDATION

The Foundation will constitute a working committee consisting of Managing Director of the Company and the Trustees and such committee shall ensure;

1. Identification of projects either directly by themselves or with the help of reputed Non-Governmental Organizations (NGO) or any other reputed Social Organisations, suitable for CSR activities of the Company.
2. Evaluate, review and approve the projects for implementation and disburse the amounts to be spent on various CSR initiatives of the Company.
3. Prepare and submit periodical report to the CSR Committee on progress of CSR projects and amounts actually spent.
4. Prepare and put proposals for additional disbursement of donations to the CSR committee.
5. Supervise, monitor, review and be responsible for all the projects sponsored by the Foundation either directly or through any other NGO or Social Organisation.

ANNEURE TO THE DIRECTORS' REPORT

ROLE OF CSR COMMITTEE

The main function of CSR Committee is to devise a transparent monitoring mechanism for implementation of CSR policy of the Company. In addition, this committee would perform following functions:

1. To review CSR projects identified by the Foundation.
2. To recommend to the Board, from time to time, the amounts to be contributed to the Foundation by way of donations. To report to the Board the progress of various CSR projects undertaken by the Foundation.
3. To give suggestions to the Board regarding different concepts for carrying out CSR activities.
4. To monitor the CSR projects/ programs carried out by the Foundation and submit periodical review reports to the Board.
5. To submit to the Board the Statement of Expenses incurred by Foundation for CSR activities.
6. To ensure that adequate disclosures are made in the Directors' Report pertaining to CSR.
7. To ensure that CSR policy and its modifications are published on the website of the Company.

WATER FOR ALL CAMPAIGN

The employees of the Company have undertaken an initiative, to make voluntary contributions from their salary certain amounts to be exclusively spent exclusively for provision of clean drinking water to people.

As a part of Company's CSR initiative, Company will contribute an amount equal to twice the amount contributed by employees and such amount together with the amount contributed by employees will be exclusively spent for provision of clean drinking water to people.

REVISION/AMENDMENTS TO THIS POLICY

Any revision or amendments to this CSR policy should be approved by the Board before such revision/amendment is made effective.

2. Composition of CSR Committee:

Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, Company has formed a Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board from time to time, a CSR policy and CSR initiatives to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013. The CSR Committee comprises following Directors:

Mr. A.K. Hirjee, Chairman

Mr. Giovanni Valent, Member

Mr. Jamshed Delvadavala, Member

3. Average Profit (Profit before Tax) of the Company for last 3 financial years: INR 41,689 lakhs.
4. Prescribed CSR expenditure: INR 833.79 lakhs (2% of above)
5. Details of CSR spent during the financial year:
 - a. Total amount spent for the financial year: INR 274.42 lakhs
 - b. Amount unspent: Rs.559.37 lakhs
 - c. Manner in which the amount spent during the financial year is detailed below:

(Rs. In lakhs)

S. No.	CSR Project	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects were undertaken	Amount outlay (budget) project wise	Amount spent on the projects (1) Direct Expenditure (2) Overhead	Amount spent Direct or through implementing Agency
01	Provision for safe drinking water.	(i)	Pune, Nagpur, Sangli, Amrawati and Gadchiroli District	INR 226.60 lakhs	Direct Expenditure: INR 220.93 lakhs Overhead Expenditure: INR 5.67 lakhs	Atlas Copco Charitable Foundation.
02	Education to female students	(ii)	Pune and Sangli District	INR 36 lakhs	Direct Expenditure INR 36 lakhs	Atlas Copco Charitable Foundation
03	Donation to Old Age Home	(iii)	Thane District	INR 2 lakhs	Direct Expenditure INR 2 lakhs	Atlas Copco Charitable Foundation

S. No.	CSR Project	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects were undertaken	Amount outlay (budget) project wise	Amount spent on the projects (1) Direct Expenditure (2) Overhead	Amount spent Direct or through implementing Agency
04	Promoting health care	(i)	Pune District of Maharashtra and Jaipur, Rajasthan	INR 0.19 lakhs	Direct Expenditure INR 0.19 lakhs	Atlas Copco Charitable Foundation
				Total	INR 264.79 lakhs	
				Add: Overheads	INR 9.63 lakhs	
				Total CSR Spend	INR 274.42 lakhs	

Notes: Activities included in Schedule VII to the Companies Act, 2013.

- (i) Eradicating hunger, poverty and malnutrition , promoting health care including preventive health care and sanitation (including contribution to the Swachh Bharat Kosh set up by the Central Govt. for the promotion of sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

6. Reasons for not spending the required amount towards CSR:

While the Company is making all efforts to spend the required amounts, identification of projects and its execution poses a challenge to spend the amounts within the required time limit. However, Board has created separate CSR fund and all unspent money is accumulated under this fund specifically earmarked to be used for carrying out CSR activities of the Company in future.

7. CSR Committee Responsibility Statement:

The CSR Committee confirms that the implementation and monitoring of CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

On behalf of the Board

A.K. Hirjee
Chairman of CSR Committee

Giovanni Valent
Managing Director

Date: 17th July, 2017
Place: Mumbai

ANNEURE TO THE DIRECTORS' REPORT

ANNEXURE C

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017 (01-04-2016 to 31-03-2017)

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ATLAS COPCO (INDIA) LIMITED,
Sveanagar, Mumbai-Pune Road,
Dapodi, Pune-411012, Maharashtra, India

Dear Sir,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of **ATLAS COPCO (INDIA) LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the financial year from 1st April, 2016 to 31st March, 2017 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **ATLAS COPCO (INDIA) LIMITED** ("the Company") for the financial year from 1st April, 2016 to 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable since the Company is closely held, unlisted public limited company and there was no events occurred during the period which attract the provisions of these guidelines.
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 and its amendment notified on 18th September, 2015;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
 - (f) The Securities and Exchange Board of India (issue and listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (i) As informed to us there are no other laws as applicable specifically to the Company and on examination of the relevent documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable.

We have also examined compliance with the applicable Clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India (notified w.e.f. 1st July, 2015);
- ii) The Company being an unlisted public limited Company has not entered into any listing agreement and hence not commented upon.

During the financial year under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc subject to the following observation.

1. The Company has complied with the provisions of section 135 of the Companies Act, 2013 pertaining to corporate social responsibility except section 135(5) relating to the spending of at least 2% of average net profits of the Company made during three immediately preceding financial years in pursuant of company's CSR policy.
2. There are few occasions found for delay in filling of E forms with MCA.
3. During the financial year, there is sad demise of Ms. Jeanette Livjin, women Director on the Board, on 13th March, 2017. The Company shall take necessary steps to appoint a women Director on its Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy whichever is later.

We further report that

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except, there were only two members in Nomination and Remuneration Committee Meeting held on 21st March, 2017 due to sad demise of woman Director on the Board. There is a change in the composition of the Board of Directors during the period under review due to sad demise of woman Director on the Board. The Company shall take necessary step to file form DIR-12 towards the intimation sad demise of Director with the Ministry of Corporate Affairs.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decision in the board meetings and committee meetings are carried out either unanimously or majority as recorded in the minutes of the meeting of Board of Directors or committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period no events occurred which had bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Yogesh D Dabholkar & Co.,
Practicing Company Secretaries

Yogesh D Dabholkar
Proprietor
FCS No: 6336.
COP No: 6752.

Place: Dombivali
Date: 17th July, 2017

ANNEURE TO THE DIRECTORS' REPORT

ANNEXURE A

To,
The Members,
ATLAS COPCO (INDIA) LIMITED,
Sveanagar, Mumbai- Pune Road,
Dapodi, Pune-411012, Maharashtra, India

Our report of even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believed that the processes and practices that I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Yogesh D Dabholkar & Co.,
Practicing Company Secretaries

Yogesh D Dabholkar
Proprietor
FCS No: 6336.
COP No: 6752.

Place: Dombivali
Date: 17th July, 2017

ANNEXURE D

Form No. MGT-9 EXTRACT OF ANNUAL RETURN as on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U27106PN1960PLC020566
- ii) Registration Date: 28th January, 1960
- iii) Name of the Company: ATLAS COPCO (INDIA) LTD.
- iv) Category / Sub-Category of the Company: Public Ltd Co.
- v) Address of the Registered office and contact details
Sveanagar, Mumbai-Pune Road, Dapodi, Pune 411012. Contact Number: 020-39852543
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Air and Gas Compressors	28131	
2	Pneumatic Tools	-	
3	Spares	-	
4	Accessories	-	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES.

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
01	Atlas Copco AB	N.A.	Holding	96.32%	-
02	Atlas Copco Sickla Holding Ltd.	N.A.	Associate Company	-	-
03	Atlas Copco Jarla Holding Ltd.	N.A.	Associate Company	-	-
04	Atlas Copco International B.v.	N.A.	Associate Company	-	-
05	Atlas Copco Financial Solutions AB	N.A.	Associate Company	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (List attached)

(i) Category-wise Share Holding

Sr. No.	Category	No of shares held as on 01.04.2016				No of shares held as on 31.03.2017				% change during the year
		Demat	Physical	Total	%	Demat	Physical	Total	%	
	A. Promoter									
1	Indian									
	-	-	-	-	-	-	-	-	-	-
2	Foreign									
	Bodies Corporate	2828722	18902860	21731582	96.32	2828722	18902860	21731582	96.32	-

ANNEURE TO THE DIRECTORS' REPORT

Sr. No.	Category	No of shares held as on 01.04.2016				No of shares held as on 31.03.2017				% change during the year
		Demat	Physical	Total	%	Demat	Physical	Total	%	
	Total Promoter Shareholding	2828722	18902860	21731582	96.32	2828722	18902860	21731582	96.32	-
	B. Public									
1	Institutions									
	a. Mutual Funds	-	1260	1260	-	-	1260	1260	-	-
	b. Banks/FI	1119	1518	2637		673	1518	2191		
	c. Insurance Cos	-	340	340	-	-	340	340	-	-
	d. FIs	-	500	500	-	-	500	500	-	-
	e. HUF	3583	-	3583	-	-	-	-	-	-
	f. Bodies Corporate	4997	5123	10120	0.04	6423	5123	11546	-	-
	h Trusts	90	2722	2812		1190	-	1190	-	-
	Total (B)	9789	11463	21252	0.09	8286	8741	17027	-	-
2	Non Institutions									
	a. Individuals holding nominal share capital upto Rs. 1 lakh	266847	457795	724642	-	326500	402367	728867	-	-
	b. Individuals holding nominal share capital in excess of Rs. 1 lakh	65506	-	65506	0.29	65506	-	65506	-	-
	c. NRIs	2925	15657	18582	-	2925	15657	18582	-	-
	Total (2)	335278	19387795	808730	-	394931	418024	812955	-	-
	Net Total	3173789	38302118	22561664	-	3231939	19329625	22561564	-	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total shares	
1	Atlas Copco AB	21731582	96.32%	-	21731582	96.32%	-	-
	Total	21731582			21731582			

(iii) Change in Promoters' Shareholding: No change in Promoter's shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	21731582	96.32%	21731582	96.32%
	equity etc):				
	At the End of the year	21731582	96.32%	21731582	96.32%

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

Sr. No.	Name of the Shareholder	No. of Shares as on 01.04.2016		Cumulative shareholding during the year	
		No. of Shares	%	No. of shares	%
1	AIVEEN HILDA BHARUCHA	16571	0.073	16571	0.073
2	TEHMINA MANEK BHARUCHA	16571	0.073	16571	0.073
3	NALINKANT CHATURBHUI ASHER	16182	0.072	16182	0.072
	CHANDRAKANT CHATURBHUI ASHER				
	SANJAY KHATAU ASHER				
4	BIJOU DADABHOY NADIRSHAW	5580	0.024732	5580	0.025
	FREDDIE BIJOU NADIRSHAW				
	GOOLSHUN FREDDIE NADIRSHAW				
5	HARBANS KAUR	3960	0.017552	3960	0.018
6	AUDREY ANTHONY CASTELLINO.	3400	0.01507	3400	0.015
	ANTHONY JOSEPH CASTELLINO.				
7	VIJAYLAXMI SRIDHAR BHANDARY	3024	0.013403	3024	0.013
8	ANTHONY JOSEPH CASTELLINO.	2790	0.12	2790	0.12
	AUDREY ANTHONY CASTELLINO.				
9	JOANA MARIA GEETA DE SEQUEIRA	2790	0.12	2790	0.12
	LILIA MARGARIDA DE SEQUEIRA				
10	JOSE MANUEL JESUS DE SEQUEIRA	2790	0.12	2790	0.12

(v) Shareholding of Directors and Key Managerial Personnel:

None of the Directors and Key Managerial Personnel are holding any shares in the Company.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	187,465	498,394	-	685,859
ii) Interest due but not paid iii) Interest accrued but not due.				
Total (i+ii+iii)	187,465	498,394	-	685,859
Change in Indebtedness during the financial year				
- Addition	199,717	-	-	(174,281)
- Reduction	(174,281)	228,477	-	54,196
Net Change	(174,281)	228,477	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	13,184	726,871	-	740,055
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	13184	726,871	-	740,055

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In lakhs)

Sr. No.	Particulars of Remuneration	Mr. Giovanni Valent Managing Director
1	Gross Salary	51.28
	(i) Salary as per Section 17 (1) of the Income Tax Act, 1961.	
	(ii) Perquisites as per Section 17 (2) of Income Tax Act, 196.1	
	(iii) Profits in lieu of salary as per Section 17(3) of Income Tax Act, 1961	
2	Stock Option	-
3	Sweat Equity	-
4	Commission as % of profit	-
5	Other (if any)	12.67
	Total	63.95

B. Remuneration to Other Directors:

(Rs. In lakhs)

Sr. No.	Particulars of Remuneration	Name of the Director	Name of the Director	Total Amount
1	Independent Directors	Mr. A.K. Hirjee	Mr. Jamshed Delvadavala	
	(i) Fee for attending Board and Committee Meetings	0.92	0.92	1.84
	(ii) Commission	12.50	6.00	18.50
	(iii) Others	-	-	-
	Total	13.42	6.92	20.34
2	Other Non-Executive Directors			
	(i) Fee for attending Board and Committee Meetings	-	-	-
	(ii) Commission	-	-	-
	(iii) Others	-	-	-
	Total	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. In lakhs)

Sr. No.	Particulars of Remuneration	Mr. Suresh Ghotage Chief Financial Officer	Mr. Anant Bavare Company Secretary	Total Amount
1	Gross Salary	60.72	13.87	74.59
	(i) Salary as per Section 17 (1) of the Income Tax Act, 1961.			
	(ii) Perquisites as per Section 17 (2) of Income Tax Act, 1961			
	(iii) Profits in lieu of salary as per Section 17(3) of Income Tax Act, 1961			
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission as % of profit	-	-	
5	Other (if any)	4.93	-	4.93
	Total	65.65	13.87	79.52

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority
RD / NCLT/ Court				
A. Company	Nil	Nil	Nil	Nil
Penalty				
Punishment				
Compounding				
B. Directors	Nil	Nil	Nil	Nil
Penalty				
Punishment				
Compounding				
C. Other Persons in default	Nil	Nil	Nil	Nil
Penalty				
Punishment				
Compounding				

INDEPENDENT AUDITORS' REPORT

To The Members of Atlas Copco (India) Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Atlas Copco (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements; Refer Note 39 to Ind AS financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been a delay of 308 days in transferring an amount of Rs. 1,086(000) to the Investor Education and Protection Fund by the Company which has been subsequently remitted on April 5, 2017.
 - iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer Note 10 to the Ind AS financial statement.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Sunil S Kothari
Partner
(Membership No. 208238)

Place : Pune
Date : July 17, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Atlas Copco (India) Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For DELOITTE HASKINS & SELLS

Chartered Accountants

(Firm's Registration No. 117365W)

Sunil S Kothari

Partner

(Membership No. 208238)

Place : Pune

Date : July 17, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date. In respect of immovable property building, the said building disclosed as fixed asset in the financial statement has been constructed on the land in respect of which the Company has lease rights.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Hence reporting under clause 3 (iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3 (iv) of the Order is not applicable to the Company.
- (v) According to the information and explanation given to us, the Company has not accepted any deposit as per directives issued by Reserve Bank of India and in terms of the provisions of section 73 to 76 and other related provisions of the Act. Hence, reporting under clause 3 (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the Company in arrears as at March 31, 2017 for a period of more than six months from the date they became payable except for professional tax amounting to Rs. 189 ('000) paid subsequently.

- (c) Details of dues of Income Tax / sales tax /service tax / Custom duty / Excise Duty / Value Added Tax / Cess which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of the Statute	Natures of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Unpaid Amount (Rs. '000) (Net of amount paid under protest)	Amount (Rs.'000) Paid under protest
Sales Tax	Sales Tax	Maharashtra Sales Tax Tribunal	F.Y. 2000-01 to F.Y. 2003-04	3,129	8,000
		Joint Commissioner (Appeals), Pune	F.Y. 2009-10, 2010-11, 2011-12	325,883	324,868
		Rajasthan Sales Tax Tribunal	F.Y.2012-13, 2013-14, 2014-15	41,084	29,074
	Sales Tax (Penalty)	Commissioner (Appeals), Chennai	F.Y. 1989-90	-	1,041
Finance Act 1994 (Service Tax)	Service Tax	Commissioner Central Excise	October 2010 to March 2012	388	-
		Assistant Commissioner Central Excise	F.Y. 2007-08 to 2010-11.	1,170	-
Finance Act 1994 (Service Tax)	Service Tax (excluding interest and penalty)	Commissioner Central Excise	F.Y. 2009-10 to 2016-17	36,870	-
The Central Excise Act, 1944	Excise	Deputy Commissioner Central Excise	F.Y. 1992-93 to F.Y. 1995-96	388	-
		Commissioner Central Excise	F.Y. 1996-97, F. Y. 2014-15	3,780	-
		Assistant Commissioner Central Excise	F.Y. 1998-99 & 1999-2000	430	-
		Customs Excise and Service Tax Appellate Tribunal (CESTAT)	F.Y. 2011-12	327,896	3,000
		Customs Excise and Service Tax Appellate Tribunal (CESTAT)	December 2009 upto September 2010	1,503	500
		Additional Commissioner Central Excise	January, 2012 to November 2013 and December 2013 to October 2014	4,474	-
		Additional Commissioner Central Excise	November 2014 to July 2015	1,159	-
The Central Excise Act, 1944	Excise (Penalty)	Customs Excise and Service Tax Appellate Tribunal (CESTAT)	F.Y. 2007-08	4,780	-
The Central Excise Act, 1944	Excise (Including penalty)	Additional Director General DGCEI-Zonal Unit Mumbai	F.Y. 2006-09	32,078	2,500
The Income Tax Act, 1961	Income Tax	Income Tax Tribunal	A.Y. 2006-07 & 2010-11	114,897	-
		Commissioner Appeals	A.Y. 1996-97, 1997-98, 2000-01, 2001-02, 2011-12, 2012-13, 2013-14	237,441	-

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from the financial institution and government and has not issued debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company.
- (xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)
Sunil S Kothari
Partner
(Membership No. 208238)

Place : Pune
Date : July 17, 2017

Atlas Copco (India) Ltd.
Balance Sheet
As at 31st March 2017

Particulars	Note No.	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 1st April, 2015 Rs '000
ASSETS:				
Non-Current Assets				
(a) Property Plant and Equipment	2	2,683,406	2,737,123	2,558,142
(b) Capital work-in-progress		308,726	29,620	24,236
(c) Other Intangible Assets	3	51,487	40,843	56,272
(d) Intangible Assets under development		-	-	166,759
(e) Financial Assets				
(i) Other Non-Current Financial Assets	4	115,535	130,752	105,817
(f) Deferred Tax Asset (Net)	5	524,952	504,110	455,378
(g) Other Non-Current Assets	6	782,815	688,973	731,710
Total Non-Current Assets		4,466,921	4,131,421	4,098,314
Current Assets:				
(a) Inventories	7	5,318,793	5,043,085	4,614,123
(b) Financial Assets				
(i) Investments	8	1,060,362	284,135	5,729,780
(ii) Trade Receivables	9	6,608,766	6,221,809	5,213,165
(iii) Cash and bank balances	10	203,341	273,989	500,794
(iv) Bank balances other than (iii) above	10	102,243	111,400	8,454
(v) Other Current Financial Assets	4A	102,933	65,830	105,470
(c) Other Current Assets	6A	1,199,671	1,143,924	1,158,720
(d) Assets classified as held for sale	45	334,145	-	57,723
Total Current Assets		14,930,254	13,144,172	17,388,229
TOTAL ASSETS		19,397,175	17,275,593	21,486,543
EQUITY AND LIABILITIES:				
EQUITY				
(a) Equity Share Capital	11	225,616	225,616	225,616
(b) Other Equity	12	10,958,863	9,382,848	14,793,078
Total Equity attributable to owners of the Company		11,184,479	9,608,464	15,018,694
LIABILITIES				
Non-Current Liabilities:				
(a) Provisions	13	665,255	480,296	486,105
Total Non-Current Liabilities		665,255	480,296	486,105
Current Liabilities:				
(a) Financial Liabilities				
(i) Borrowings	14	740,055	685,859	365,981
(ii) Trade Payables	15	4,526,763	4,418,308	3,369,528
(iii) Other Current Financial Liabilities	16	130,794	135,058	35,950
(b) Provisions	13A	931,737	976,763	999,085
(c) Other Current Liabilities	17	916,149	852,370	1,090,713
(d) Current tax liabilities (net)		256,551	118,475	120,487
(e) Liabilities directly associated with assets classified as held for sale	45	45,392	-	-
TOTAL CURRENT LIABILITIES		7,547,441	7,186,833	5,981,744
TOTAL LIABILITIES		19,397,175	17,275,593	21,486,543

Significant accounting policies

See accompanying notes forming part of financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sunil S Kothari
Partner

For and on behalf of Board of Directors

A K Hirjee
Chairman
(DIN 44765)

G Valent
Managing Director
(DIN 7207866)

J Delvadavala
Director
(DIN 47470)

S H Ghotage
VP Holding & CFO

A N Bavare
Company Secretary

Date : July 17, 2017
Place : Mumbai

Date : July 17, 2017
Place : Mumbai

Atlas Copco (India) Ltd.
Statement of Profit and Loss
for the year ended 31st March 2017

Particulars	Note No.	For the year ended	For the year ended
		31st March, 2017	31st March, 2016
		Rs '000	Rs '000
Revenue from Operations	18	35,397,403	31,310,288
Other Income	19	242,738	433,633
Total Income		35,640,141	31,743,921
Expenses			
Cost of Material consumed	20	12,652,235	10,755,213
Purchases of Stock-in-Trade (Traded Goods)	21	7,231,999	6,857,310
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	22	(123,343)	(188,178)
Excise Duty		1,537,567	1,100,864
Employee Benefit Expenses	23	3,117,895	2,761,748
Finance Cost	24	40,846	35,838
Depreciation and amortisation expenses	2 & 3	375,881	425,424
Other Expenses	25	5,310,999	4,716,869
Total Expenses		30,144,079	26,465,088
Profit before Tax for the year		5,496,062	5,278,833
Tax Expense			
- Current tax expense		1,948,456	1,797,502
- Short / (Excess) provision for tax relating to prior years		128,338	123,179
- Deferred Tax		(35,617)	(48,732)
Total Tax Expense		2,041,177	1,871,949
Profit for the year		3,454,885	3,406,884
Other Comprehensive Income			
(a) Item that will not be reclassified to Profit and Loss			
- Reimbursement of defined benefit plans		(42,692)	-
(b) Income tax related to items that will not be reclassified to Profit and Loss		14,775	-
Total Other Comprehensive Income		(27,917)	-
Total Comprehensive Income		3,426,968	3,406,884
Earnings per equity share (Nominal value per share Rs. 10 each)			
Basic & Diluted (in Rs.)	38	151.89	151.00

See accompanying notes forming part of financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sunil S Kothari
Partner

For and on behalf of Board of Directors

A K Hirjee
Chairman
(DIN 44765)

S H Ghotage
VP Holding & CFO

G Valent
Managing Director
(DIN 7207866)

A N Bavare
Company Secretary

J Delvadavala
Director
(DIN 47470)

Date : July 17, 2017
Place : Mumbai

Date : July 17, 2017
Place : Mumbai

Atlas Copco (India) Ltd.
Cash Flow Statement
for the year ended 31st March 2017

	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax:		5,496,062		5,278,833
Adjustment for:				
Depreciation/Amortisation	375,881		425,424	
Unrealised exchange (Gain)/Loss	1,737		152	
Finance cost	40,846		35,838	
Gain on disposal of fixed assets	771		(5,427)	
Expenses in respect of share based payments	49,868		8,122	
Actuarial gain / loss on employee benefits reclassified to Other Comprehensive Income (OCI)	(27,917)		-	
Interest income	(1,886)		(23,900)	
Dividend Income	(51,452)		(199,030)	
		<u>387,848</u>		<u>241,179</u>
Operating profit before Working Capital changes		5,883,910		5,520,012
Adjustments for changes in Working capital				
(Increase) / Decrease in Trade Receivables	(386,957)		(1,008,644)	
(Increase) / Decrease in Inventories	(275,708)		(428,962)	
(Increase) / Decrease in Current Assets	(55,747)		14,796	
(Increase) / Decrease in Trade Payables	108,455		1,048,780	
(Increase) / Decrease in Non-Current provisions	184,959		(5,809)	
(Increase) / Decrease in Current provisions	(45,026)		(22,322)	
(Increase) / Decrease in Other current financial liabilities	(4,264)		99,108	
(Increase) / Decrease in Other current non-financial liabilities	63,779		(238,343)	
(Increase) / Decrease in Other Current financial assets	(37,103)		39,640	
(Increase) / Decrease in Other Non-Current financial assets	15,217		(24,935)	
(Increase) / Decrease in Other Non-Current assets	(93,842)		229,493	
(Increase) / Decrease in Assets held for sale	(334,145)		-	
(Increase) / Decrease in Liabilities held for sale	45,392		-	
		<u>(814,990)</u>		<u>(297,198)</u>
Cash generated from operations		5,068,920		5,222,814
Income taxes paid		(1,923,943)		(1,922,693)
Net Cash from Operating activities		<u>3,144,976</u>		<u>3,300,121</u>
B CASH FLOW FROM INVESTING ACTIVITIES				
Capital Expenditures on fixed assets, including capital advances	(627,374)		(625,636)	
Proceeds from sale of fixed assets	14,689		74,428	
Purchase of investments	(15,784,700)		(10,567,690)	
Proceeds from sale of investments	15,008,473		16,013,335	
Interest received	1,886		23,900	
Dividend received	51,452		199,030	
Net Cash from/used in investing activities		<u>(1,335,574)</u>		<u>5,117,367</u>

Atlas Copco (India) Ltd.
Cash Flow Statement
for the year ended 31st March 2017

	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
C CASH FLOW FROM FINANCING ACTIVITIES				
Short Term borrowings	54,196		319,878	
Finance cost paid	(40,846)		(35,838)	
Dividend paid	(1,579,310)		(7,332,509)	
Tax on Dividend	(321,510)		(1,492,726)	
Net Cash from/used in financing activities		(1,887,470)		(8,541,195)
D UNREALISED EXCHANGE GAIN / (LOSS) IN CASH AND BANK BALANCES		(1,737)		(152)
E NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES		(79,805)		(123,859)
Cash and Bank Balances (Opening balance)		385,389		509,248
Cash and Bank Balances (Closing balance)		305,584		385,389

Notes :

- 1 Figures in brackets represent outflows of cash and bank balances.
- 2 Cash and bank balances comprise of :

	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2015
	Rs.	Rs.	Rs.
A. Cash and Cash Equivalents			
Cash on hand	1,154	1,206	776
Cheques on hand	5,965	3,289	7,712
Bank Balance:			
In Current Accounts	120,536	99,426	78,607
In EEFC Accounts	75,686	170,068	203,617
In demand deposits	-	-	210,082
B. Other Bank Balances			
Unpaid Dividend Accounts (earmarked accounts)	102,243	111,400	8,454
	305,584	385,389	509,248

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sunil S Kothari
Partner

For and on behalf of Board of Directors

A K Hirjee
Chairman
(DIN 44765)

S H Ghotage
VP Holding & CFO

G Valent
Managing Director
(DIN 7207866)

A N Bavare
Company Secretary

J Delvadavala
Director
(DIN 47470)

Date : July 17, 2017
Place : Mumbai

Date : July 17, 2017
Place : Mumbai

Atlas Copco (India) Ltd.
Statement of Changes in Equity
for the year ended as at 31st March, 2017

A. Changes in Equity

	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 31st March, 2015 Rs '000
Balance at the beginning of the year	225,616	225,616	225,616
Shares issued during the year	-	-	-
Shares bought back during the year	-	-	-
Balance at the end of the year	225,616	225,616	225,616

B. Changes in Other Equity

Particulars	Securities Premium Account	General Reserve	Retained Earnings	Total Equity
Balance as at April 01, 2015	19,786	3,171,320	11,601,972	14,793,078
Profit for the year	-	-	3,406,884	3,406,884
Recognition of Share-based payments	-	-	8,122	8,122
Interim Dividend distributed to equity shareholders	-	-	(2,256,157)	(2,256,157)
Tax paid on Interim Dividend	-	-	(459,300)	(459,300)
Final Dividend distributed to equity shareholders	-	-	(5,076,352)	(5,076,352)
Tax on Final Dividend	-	-	(1,033,427)	(1,033,427)
Sub Total	-	-	(5,410,230)	(5,410,230)
Balance as at March 31,2016	19,786	3,171,320	6,191,742	9,382,848

Particulars	Securities Premium Account	General Reserve	Retained Earnings	Total Equity
Balance as at April 01, 2016	19,786	3,171,320	6,191,742	9,382,848
Profit for the year	-	-	3,454,885	3,454,885
Other comprehensive income for the year, net of income tax	-	-	(27,919)	(27,919)
Recognition of Share-based payments	-	-	49,868	49,868
Interim Dividend	-	-	(1,579,310)	(1,579,310)
Tax paid on Interim Dividend	-	-	(321,510)	(321,510)
Subtotal	-	-	1,576,014	1,576,014
Balance as at March 31,2017	19,786	3,171,320	7,767,756	10,958,862

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sunil S Kothari
Partner

For and on behalf of Board of Directors

A K Hirjee
Chairman
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S H Ghotage
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Company Secretary

J Delvadavala
Director
(DIN 47470)

Date : July 17, 2017
Place : Mumbai

Date : July 17, 2017
Place : Mumbai

Atlas Copco (India) Ltd.

Notes forming part of financial statements

1. CORPORATE INFORMATION

Atlas Copco (India) Limited ('the Company') was incorporated on 28th January 1960. It is a subsidiary of Atlas Copco AB, Sweden. The Atlas Copco Group is world leader in manufacturing of compressors, mining equipment, pneumatic tools and construction equipment. Atlas Copco (India) Limited has an extensive presence in India with four manufacturing locations and sales offices across all major cities in India.

Atlas Copco (India) Limited was a listed company till May 2011. Post delisting, the parent company Atlas Copco AB Sweden holds 96.32% of equity share capital and the rest is held by minority shareholders.

The financial statements for the year ended 31st March 2017 are approved by the Board of Directors and authorised for issue on 17th July 2017.

1.1 SIGNIFICANT ACCOUNTING POLICIES

1.1.1 STATEMENT OF COMPLIANCE

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as 'Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2016. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015 ('Transition Date'). Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ('Previous GAAP') to Ind AS of Shareholders' equity as at 31st March, 2016, and 1st April, 2015 and of the total comprehensive income for the year ended 31st March, 2016. Please refer to Note 46 for details on First Time Adoption Exemptions availed by the Company.

1.1.2 Basis of accounting preparation and presentation

These financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services.

1.1.3 Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of property, plant and equipment, useful lives of property, plant and equipment, provision for warranty, valuation of deferred tax assets and provisions and contingent liabilities. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

Impairment of property, plant and equipment

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. During the currently year, the Directors have determined that no changes are required to the useful lives of assets.

Product warranty expenses

The estimated liability for product warranties is accounted 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 actions on product failures.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 1.1.9.

Atlas Copco (India) Ltd.

Notes forming part of financial statements

Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

1.1.4 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

Sale of goods

The company recognizes revenue when the goods (including scrap) are delivered and titles have passed, at which time all the following conditions are satisfied:

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

Export of goods

Export revenue is recognised when the goods are delivered and titles have passed with respect to the revenue. Conditions enumerated above in 'sale of goods' section relating to recognition of sale are also followed in export of goods as well. The revenue is recognised based on inco-terms as per the terms of sale agreed with the buyer.

Rendering of services

Revenue from services is recognized as and when the services are rendered and the related costs are incurred.

Accounting for Construction Contracts

Revenue for fixed price construction contracts is recognised on percentage of completion method. The stage of completion is determined with reference to the costs incurred on the contracts and their estimated total costs ascertained based on technical and other estimates.

Revenue from Rental Equipment

Revenues from rental of equipment are recognized on a straight line basis over the lease period.

Interest income

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

Dividend Income

Dividend income is recognised when the right to receive it is established.

Export benefits

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

1.1.5 Leases

At the inception of a lease, the lease arrangement is classified either as a finance lease or an operating lease, based on the substance of the lease arrangement. 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.

Assets taken on finance lease

Assets held under finance leases are initially recognized as an asset and a lease obligation at the lower of the fair value of the asset and the present value of minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Minimum lease payments are apportioned between finance expense and reduction of the outstanding lease obligation. Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease obligation. Finance expense is recognized immediately in the Statement of Profit or Loss, unless they are directly attributable to qualifying asset, in which case they are capitalized in accordance with the policy on borrowing costs.

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Notes forming part of financial statements

Assets taken on operating lease

Rental expenses from operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease, unless the payments are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

1.1.6 Foreign Currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

Transactions in currencies other than the Company's functional currency are recognized at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date. Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at the date of initial recognition (in case measured at historical cost) or at the rate prevailing at the date when the fair value is determined (in case measured at fair value).

Foreign exchange differences are recognized in profit or loss in the period in which they arise except for exchange difference on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

1.1.7 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 recognized in profit or loss in the period in which they are incurred.

1.1.8 Employee benefits

Short-term employee benefits

A liability is recognized 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 benefit that is expected to be paid in exchange for that service.

Other employee benefits Compensated Absences

The liability for earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of unutilized compensated absence on the basis of an independent actuarial valuation.

A. Defined Contribution Plan:

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

Superannuation fund: The Employees are participants in a defined contribution plan and are entitled to receive benefits in respect of superannuation fund. The Company has no further obligations to the Plan beyond its monthly contributions at a specified percentage of employees' salary depending on the grade of the employee which are invested with the Life Insurance Corporation of India. The Company recognises such contributions as expense when incurred. Employees do not make any contributions to the fund.

Provident fund: The employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12 percent of employees' salary). The contributions as specified under the law are made partially to the provident fund and pension fund administered by the Regional Provident Fund Commissioner and partially to Atlas Copco Provident Fund Trust. The Company recognizes such contributions as an expense when incurred.

B. Defined Benefit Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit

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recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

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

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days, 22 days or 1 month of salary payable for each completed year of service, depending on the total period of service rendered by the employee. Vesting occurs upon completion of five years of service. The Company makes annual contribution to the fund established as a Gratuity Trust. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an independent actuarial valuation carried at each balance sheet date using the projected unit credit method. The gratuity plan is funded plan and the Company makes the contributions to the recognized fund.

C. Share based payment:

Certain employees of the Company receive remuneration in the form of Stock Options (SOPs) / Share Appreciation Rights (SARs) given by the ultimate holding company (Atlas Copco AB, Sweden), for rendering services over a defined vesting period. SOPs / SARs granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit and loss with a corresponding increase to the retained earnings, as a component of equity. SOPs / SARs generally vest in a graded manner over the vesting period. The fair value determined at end of each reporting period and at the date of settlement, with any change in the fair value recognized in Statement of Profit / Loss over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of SOPs / SARs that will eventually vest.

1.1.9 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income 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.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in

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which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

1.1.10 Property Plant and Equipment

Property Plant and Equipment (PPE) are stated at cost of acquisition or construction where cost includes amount added/ deducted on revaluation less accumulated depreciation / amortization and impairment loss, if any. All costs relating to the acquisition and installation of property plant and equipment are capitalized and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognized. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incurred.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is calculated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

- i) General Plant and machinery – 4 to 10 years
- ii) Vehicles – 5 years
- iii) Furniture and Fixtures – 6 years
- iv) Assets given on operating lease – 2 to 4 years
- v) Factory Building – 25 years

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.

An item of property, plant and equipment is derecognized 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, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date. Cost as on 1st April, 2015 does not include component on account of revaluation.

1.1.11 Intangible Assets

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.

Following summarizes the nature of intangible and the estimated useful life:

- (a) Software Costs - 3 years

An intangible asset is derecognized 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, and are recognized in the profit or loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date.

1.1.12 Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. Company performs credit assessment for customers on an annual basis. Company recognizes credit risk, on the basis of lifetime expected losses and where receivables are due for more than six months.

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For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-Financial Assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

1.1.13 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, stores and spare parts and packing materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

1.1.14 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and 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 measured on initial recognition of financial asset or financial liability, as appropriate. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

Offsetting of financial instruments

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

1.1.15 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the

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weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

1.1.16 Segment Reporting:

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of compressors, mining equipments, construction equipment and industrial & pneumatic tools, which in the context of Indian Accounting Standard 108 'Segment Information' represents four separate reportable business segments. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 1.1. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and the net profit of the each reportable segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

1.1.17 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

1.1.18 Current Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

Current liabilities include the current portion of long term financial liabilities. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

1.1.19 Critical Accounting Judgments and key sources of estimation, uncertainty

The preparation of financial statements and related notes in accordance with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date, and revenues and expenses.

Actual results could differ from those estimates due to those uncertainties on which assumptions are based. Estimates and assumptions are reviewed annually in order to verify they still reflect the best available knowledge of the Company's operations and of other factors deriving from actual circumstances. Changes, if any, are immediately accounted for in the income statement.

The present economic context, whose effects are spread into some businesses in which the Group operates, determined the need to make assumptions related to future development with a high degree of uncertainty. For this reason, it is not possible to exclude that, in the next or in subsequent financial years, actual results may differ from estimated results. These differences, at present unforeseeable and unpredictable, may require adjustments to book values. Estimates are used in many areas, including accounting for non-current assets, deferred tax assets, bad debt provisions on accounts receivable, inventory obsolescence, employee benefits, contingent liabilities and provisions for risks and contingencies.

1.1.20 Fair Value Measurement

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

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- In the principal market for the asset or liability.
- In the absence of principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) Financial Assets

The fair value of financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purpose.

2) Non-Derivative financial liabilities

Fair Value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

3) Investments in Mutual Funds

The fair value of available mutual funds held for trading is determined with reference to their net asset value as at the reporting date and is recorded as other income/expense. The Company invests its surplus funds in mutual funds. These investments have been classified as fair value through profit and loss by the management.

1.1.21 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

1.1.22 Dividend

Dividend on shares is recorded as a liability on the date of approval by the shareholders.

1.1.23 Recent accounting pronouncements

Standards issued but not yet effective

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'. The amendments are applicable to the group from 1st April, 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 the financial statements is being evaluated.

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NOTE 2 - PROPERTY PLANT AND EQUIPMENT

Rs. '000

Particulars	Freehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Leased Assets - Vehicles	Assets given on Lease - Plant & Machinery	Total
Gross carrying amount									
Balance as at April 1, 2015 (deemed cost)	545,495	904,218	903,044	95,041	53,344	11,367	7,709	37,924	2,558,142
Additions	192,791	39,516	276,388	12,095	10,644	-	-	38,849	570,283
Disposals	-	-	(6,260)	(550)	(2,130)	(9,674)	(1,623)	(88)	(20,325)
Reclassification/adjustments	-	-	581	-	(581)	5,563	(5,563)	-	-
Balance as at March 31, 2016	738,286	943,734	1,173,753	106,586	61,277	7,256	523	76,685	3,108,100
Accumulated depreciation and impairment									
Balance as at April 1, 2015	-	-	-	-	-	-	-	-	-
Depreciation / amortisation expense during the year	-	(48,142)	(248,212)	(28,710)	(21,416)	(9,686)	(1,228)	(22,531)	(379,925)
Elimination on disposal of assets	-	-	2,538	406	830	4,541	545	88	8,948
Elimination on reclassification/adjustment of assets	-	-	-	-	-	(645)	645	-	-
Balance as at March 31, 2016	-	(48,142)	(245,674)	(28,304)	(20,586)	(5,790)	(38)	(22,443)	(370,977)
Net carrying amount as at March 31, 2016	738,286	895,592	928,079	78,282	40,691	1,466	485	54,242	2,737,123
Gross carrying amount									
Balance as at April 1, 2016	738,286	943,734	1,173,753	106,586	61,277	7,256	523	76,685	3,108,100
Additions	-	21,549	156,937	20,127	7,541	-	-	150,175	356,329
Disposals / reclassification	-	-	(25,500)	(949)	(9,641)	(3,568)	-	(1,782)	(41,440)
Reclassified as held for sale	-	-	(69,440)	-	-	-	-	-	(69,440)
Reclassification/adjustments	-	-	3,861	325	(4,186)	523	(523)	-	-
Balance as at March 31, 2017	738,286	965,283	1,239,611	126,089	54,991	4,211	-	225,078	3,353,549
Accumulated depreciation and impairment									
Balance as at April 1, 2016	-	(48,142)	(245,674)	(28,304)	(20,586)	(5,790)	(38)	(22,443)	(370,977)
Depreciation / amortisation expense during the year	-	(45,102)	(229,958)	(25,085)	(20,334)	(894)	(462)	(30,273)	(352,108)
Eliminated on disposal / reclassification of assets	-	-	13,789	495	6,898	3,096	-	1,782	26,060
Elimination on assets reclassified as held for sale	-	-	26,882	-	-	-	-	-	26,882
Elimination on reclassification/adjustment of assets	-	-	(1,405)	(114)	1,519	(500)	500	-	-
Balance as at March 31, 2017	-	(93,244)	(436,366)	(53,008)	(32,503)	(4,088)	-	(50,934)	(670,143)
Net carrying amount as at March 31, 2017	738,286	872,039	803,245	73,081	22,488	123	-	174,144	2,683,406

Capital Work in progress

Particulars	Rs. in '000
March 31, 2017	308,726
March 31, 2016	29,620
March 31, 2015	24,236

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NOTE 3 - OTHER INTANGIBLE ASSETS

Rs. '000

Particulars	Goodwill	Design and Drawings	Software	Total
Gross carrying amount				
Balance as at April 1, 2015 (deemed cost)	-	6,941	49,331	56,272
Additions	-	-	30,068	30,068
Disposals	-	-	(85)	(85)
Reclassification / adjustments	-	-	-	-
Balance as at March 31, 2016	-	6,941	79,314	86,255
Accumulated depreciation and impairment				
Balance as at April 1, 2015	-	-	-	-
Depreciation / amortisation expense during the year	-	(6,940)	(38,556)	(45,496)
Elimination on disposal of assets	-	-	84	84
Elimination on reclassification / adjustment of assets	-	-	-	-
Balance as at March 31, 2016	-	(6,940)	(38,472)	(45,412)
Net carrying amount as at March 31, 2016	-	1	40,842	40,843
Gross carrying amount				
Balance as at April 1, 2016	-	6,941	79,314	86,255
Additions	-	-	34,417	34,417
Disposals / reclassification	-	-	-	-
Reclassified as held for sale	-	-	-	-
Reclassification / adjustments	-	-	-	-
Balance as at March 31, 2017	-	6,941	113,731	120,672
Accumulated depreciation and impairment				
Balance as at April 1, 2016	-	(6,940)	(38,472)	(45,412)
Depreciation / amortisation expense during the year	-	(1)	(23,772)	(23,773)
Eliminated on disposal / reclassification of assets	-	-	-	-
Elimination on assets reclassified as held for sale	-	-	-	-
Elimination on reclassification/adjustment of assets	-	-	-	-
Balance as at March 31, 2017	-	(6,941)	(62,244)	(69,185)
Net carrying amount as at March 31, 2017	-	-	51,487	51,487

Atlas Copco (India) Ltd.

Notes forming part of financial statements

	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 1st April, 2015 Rs '000
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NOTE 4 - OTHER NON-CURRENT FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

Security Deposits	124,551	136,945	108,682
(-) Provision for doubtful advances	(15,425)	(12,999)	(9,142)
Loans and Advances to Employees	5,970	6,367	5,838
Balances with Banks held as Margin Money against Bank Guarantees	439	439	439
Total	115,535	130,752	105,817

NOTE 4A- OTHER CURRENT FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

Security Deposits	33,582	30,975	56,817
Loans and advances to employees	69,351	34,855	48,653
Total	102,933	65,830	105,470

NOTE 5 - DEFERRED TAX ASSET (NET)

Deferred Tax Asset / (Liability):

Tax effects of items constituting deferred tax asset

Disallowances under section 43B of Income Tax Act, 1961	176,429	151,977	159,036
Provision for Doubtful debts / advances	376,654	374,715	357,266
Voluntary Retirement Compensation under section 35DD	-	1,149	2,256
	553,083	527,841	518,558

Tax effects of items constituting deferred tax liability

On difference between book balance and tax balance of property plant and equipment	28,131	23,563	62,905
Other Items	-	168	275
	28,131	23,731	63,180
Total	524,952	504,110	455,378

Recognized in Other Comprehensive income

14,775

-

Recognized in Statement of Profit and Loss

(35,617)

(48,732)

NOTE 6 - OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

Capital advances	119,936	28,739	57,088
Lease Prepayment	124	127	130
Prepaid Expenses	9,709	2,321	8,045
Balances with Government Authorities			
Customs Authorities	236,038	272,341	245,989
Sales Tax Authorities	-	-	28,971
Excise Authorities	7,054	41,246	25,611
Tax paid in advance less provisions (current tax and fringe benefits tax) (net of provisions Rs 10,199,095 ('000), as of 31st March 2016 Rs.9,768,958 ('000) and as at 1st April, 2015 Rs. 7,882,211 ('000))	409,954	344,199	365,876
Total	782,815	688,973	731,710

Atlas Copco (India) Ltd.

Notes forming part of financial statements

	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 1st April, 2015 Rs '000
NOTE 6A - OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)			
Prepaid expenses	59,260	46,351	45,877
Advance to suppliers and Others	178,828	228,876	468,282
Balances with government authorities			
Customs Authorities	384,372	405,222	313,717
Sales Tax & Other authorities	91,543	34,967	21,941
Excise Authorities	521,534	458,862	425,921
Provision for Doubtful Advances and Loans	(35,866)	(30,354)	(117,018)
Total	1,199,671	1,143,924	1,158,720

NOTE 7 - INVENTORIES

Raw materials and components	2,338,477	2,106,162	2,058,557
Goods in Transit	298,959	211,080	233,379
	<u>2,637,436</u>	<u>2,317,242</u>	<u>2,291,936</u>
Manufactured components	112,298	114,879	112,940
Work-in-progress	129,342	80,502	92,018
Finished goods	794,713	491,156	683,150
Stock-in-Trade (Acquired for trading)	1,357,804	1,608,307	1,218,557
Goods in Transit	287,200	430,999	215,522
	<u>1,645,004</u>	<u>2,039,306</u>	<u>1,434,079</u>
Total	5,318,793	5,043,085	4,614,123

The cost of inventories recognised as an expense includes Rs. 1,64,438 ('000) (March 31, 2016 Rs. 1,98,003 ('000)) in respect of write-down of inventories.

NOTE 8 - INVESTMENTS

Investments in Mutual Funds (Unquoted)

DSP BlackRock Liquidity Fund - Direct Plan - Daily Dividend Nil units (31st March 2016 - Nil units; 1st April 2015 - 477,826.625 units)	-	-	478,032
DSP BlackRock Banking and PSU Debt Fund - Dir - Daily Dividend Nil units (31st March 2016 - Nil units; 1st April 2015 - 9,865,134.760 units)	-	-	100,230
DSP BlackRock Ultra Short Term Fund - Direct Plan - Daily Dividend Nil units (31st March 2016 - Nil units; 1st April 2015 - 25,069,360.610 units)	-	-	251,732
Franklin India Treasury Management Account - Super Institutional Plan - Direct - Daily Dividend Nil units (31st March 2016 - Nil units; 1st April 2015 - 640,017.145 units)	-	-	641,202
HDFC FMP 91D February 2015 (1) Direct - Normal Dividend - Series-33 Nil units (31st March 2016 - Nil units; 1st April 2015 - 10,000,000.000 units)	-	-	100,883

Atlas Copco (India) Ltd.

Notes forming part of financial statements

	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 1st April, 2015 Rs '000
HDFC Medium Term Opportunities Fund - Direct Plan - Quarterly Dividend 4,839,859.421 units (31st March 2016 - Nil units; 1st April 2015 - Nil units)	49,914	-	-
HDFC Banking and PSU Debt Fund - Direct Dividend Option Nil units (31st March 2016 - Nil units; 1st April 2015 - 2,510,798.040 units)	-	-	25,529
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct - Dividend Reinve Nil units (31st March 2016 - Nil units; 1st April 2015 - 75,732,985.851 units)	-	-	763,457
RELIANCE LIQUID FUND - CASH PLAN - DIRECT PLAN DAILY DIVIDEND OPTION Nil units (31st March 2016 - Nil units; 1st April 2015 - 225,778.274 units)	-	-	251,551
RELIANCE MEDIUM TERM FUND - DAILY DIRECT DIVIDEND PLAN Nil units (31st March 2016 - Nil units; 1st April 2015 - 14,668,528.081 units)	-	-	250,772
RELIANCE QUARTERLY INTERVAL FUND - SERIES II - DIRECT DIVIDEND PLAN Nil units (31st March 2016 - Nil units; 1st April 2015 - 9,986,219.018 units)	-	-	101,241
RELIANCE MONEY MANAGER FUND - DAILY DIRECT DIVIDEND PLAN Nil units (31st March 2016 - Nil units; 1st April 2015 - 273,647.546 units)	-	-	274,396
Birla Sun Life Savings Fund - Daily Dividend-Direct Plan Nil units (31st March 2016 - Nil units; 1st April 2015 - 6,249,440.968 units)	-	-	626,800
Birla Sun Life Cash Plus - Daily Dividend-Direct Plan 7,440,665.519 units (31st March 2016 - Nil units; 1st April 2015 - 2,141,161.301 units)	745,538	-	214,534
ICICI Prudential Banking & PSU Debt Plan - Direct Plan - Daily Dividend 6,083,948.867 units (31st March 2016 - 10,049,566.814 units; 1st April 2015 - 39,970,343.299 units)	115,166	104,023	412,178
ICICI Prudential Liquid Plan - Direct Plan - Daily Dividend 999,516.015 units (31st March 2016 - 1,799,885.068 units; 1st April 2015 - 764,837.579 units)	100,020	180,112	76,527
ICICI Prudential Savings Fund - Direct Plan - Daily Dividend Nil units (31st March 2016 - Nil units; 1st April 2015 - 2,503,569.331 units)	-	-	251,638
ICICI Prudential Interval Fund III Quarterly Interval - Direct Plan - Dividend Payout Nil units (31st March 2016 - Nil units; 1st April 2015 - 9,822,700.000 units)	-	-	100,171
IDFC Cash Fund-Daily Dividend-(Direct Plan) 49,355.285 units (31st March 2016 - Nil units; 1st April 2015 - 808,353.556 units)	49,724	-	808,907
Total	1,060,362	284,135	5,729,780

Atlas Copco (India) Ltd.

Notes forming part of financial statements

	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 1st April, 2015 Rs '000
NOTE 9 - TRADE RECEIVABLES (Unsecured)			
Considered good	6,608,766	6,221,809	5,213,165
Considered doubtful	308,994	379,034	415,305
Less: Expected credit loss allowance	(308,994)	(379,034)	(415,305)
Total	6,608,766	6,221,809	5,213,165

Notes :

- 1] Includes unbilled revenue in respect of construction contracts Rs. 136,109 ('000) (31st March 2016 Rs 301,790 ('000), 31st March 2015 Rs. 215,093 ('000))
- 2] Transferred Receivables - During the financial year, the Company discounted trade receivables with an aggregate carrying amount of Rs. 1,141,062 ('000) (for financial year 2015-16 amount of Rs 1,256,884 ('000)) and out of this, as at the end of the year, Rs 176,307 ('000) (March 31, 2016 - Rs. 203,428 ('000)) was outstanding. The outstanding on this program as of 31.03.2015 was 241,836 ('000). If the trade receivable are not paid at maturity, the banks has right to request the Company to pay the unsettled balance. As the Company has not transferred the significant risks and rewards relating to these trade receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as unsecured short term borrowing.(Refer Note 14)
- 3] Trade Receivables include receivables from related parties. (Refer Note 35B and 35C)
- 4] Normal credit period allowed by the company ranges from 30-90 days.

	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 1st April, 2015 Rs '000
Movement in the allowance for expected credit loss			
Balance at the beginning of the year	379,034	415,305	359,492
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(70,040)	(36,271)	55,813
Amounts recovered during the year	-	-	-
Balance at the end of the year	308,994	379,034	415,305

Ageing of Expected credit loss allowance

Within the credit period	-	-	-
1-30 days past due	-	-	-
31-60 days past due	-	-	-
61-90 days past due	3,864	-	-
More than 90 days past due	305,130	379,034	415,305
Balance at the end of the year	308,994	379,034	415,305

NOTE 10 - CASH AND BANK BALANCES

A. Cash and Cash Equivalents

Cash on hand	1,154	1,206	776
Cheques on hand	5,965	3,289	7,712
Balance with banks in -			
Current Accounts	120,536	99,426	78,607
EEFC Accounts	75,686	170,068	203,617
In Demand Deposit Account	-	-	210,082
	203,341	273,989	500,794

B. Other Bank Balances

Unpaid Dividend Accounts (earmarked accounts)	102,243	111,400	8,454
	102,243	111,400	8,454
Total	305,584	385,389	509,248

Atlas Copco (India) Ltd.

Notes forming part of financial statements

10.1 Disclosure of Specified Bank Notes (SBN)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other denomination notes (ODN) as per the notification is given below:

Particulars	SBNs	Other Denomination Notes	Total
Opening cash in hand as on 08.11.2016	304,500	494,537	799,037
Add: Permitted Receipts	-	421,419	421,419
Less: Permitted Payments	(51,000)	(594,608)	(645,608)
Less: Amounts deposited in banks	(253,500)	-	(253,500)
Closing cash in hand as on 30.12.2016	-	321,348	321,348

As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 1st April, 2015 Rs '000
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NOTE 11 - SHARE CAPITAL

Authorised:

25,000,000 (March 31, 2016: 25,000,000, April 1, 2015: 25,000,000) equity shares of Rs 10 each	250,000	250,000	250,000
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Issued, subscribed and fully paid-up:

22,561,564 (March 31, 2016: 22,561,564, April 1, 2015: 22,561,564) equity shares of Rs 10 each	225,616	225,616	225,616
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a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	31st March, 2017		31st March, 2016		1st April, 2015	
	Number of Shares	Rs '000	Number of Shares	Rs '000	Number of Shares	Rs '000
Shares outstanding at the beginning of the year	22,561,564	225,616	22,561,564	225,616	22,561,564	225,616
Add: additional equity shares issued during the year	-	-	-	-	-	-
Less: equity shares forfeited / brought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	22,561,564	225,616	22,561,564	225,616	22,561,564	225,616

b. Equity shares held by Holding Company

Name of Shareholder	Relationship	31st March, 2017	31st March, 2016	1st April, 2015
Atlas Copco AB, Sweden	Holding Company	21,731,582	21,731,582	21,731,582

c. Rights, preferences and restrictions attached to the shares

The Company has one class of equity shares having a par value of Rs 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Atlas Copco (India) Ltd.

Notes forming part of financial statements

d. Particulars of shareholders holding more than 5% equity shares in the Company

Name of Shareholder	31st March, 2017		31st March, 2016		1st April, 2015	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
Atlas Copco AB, Sweden (Holding Company)	21,731,582	96.32%	21,731,582	96.32%	21,731,582	96.32%

NOTE 12 - OTHER EQUITY

	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000
Securities Premium Account :		
Balance at the beginning and at the end of year	19,786	19,786
General reserve		
Balance at the beginning of the year	3,171,320	3,171,320
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	6,191,742	11,601,972
Add: Profit for the year	3,454,885	3,406,884
Less: Remeasurement of defined benefit plans net of tax	27,917	
Add: Recognition of Share-based payments	49,868	8,122
Less: Interim Dividend distributed to equity shareholders	1,579,310	2,256,157
Less: Tax paid on Interim Dividend	321,510	459,300
Less: Final Dividend distributed to equity shareholders	-	5,076,352
Less: Tax paid on Final Dividend	-	1,033,427
Balance at the end of the year	<u>7,767,757</u>	<u>6,191,742</u>
Total	<u>10,958,863</u>	<u>9,382,848</u>

NOTE 13 - NON CURRENT PROVISIONS

	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 1st April, 2015 Rs '000
Provision Others			
Other Long term Provisions (refer note no. 41)	665,255	480,296	486,105
Total	<u>665,255</u>	<u>480,296</u>	<u>486,105</u>

NOTE 13A - CURRENT PROVISIONS

Provisions for Employee Benefits			
Provision for compensated absences	226,916	183,838	153,890
Employee Benefits (Gratuity) (Refer Note 33)	178,047	130,136	185,036
Provision Others			
Provision for Warranty	343,547	314,423	381,261
Other Short term Provisions (refer note no. 41)	183,227	348,366	278,898
Total	<u>931,737</u>	<u>976,763</u>	<u>999,085</u>

NOTE 14 - CURRENT BORROWINGS

Measured at amortized cost			
(A) Secured Borrowing from banks			
- Cash Credit (Secured) #	13,184	187,465	91,276
(B) Unsecured Borrowing from banks			
- Packing Credit	-	103,528	-
- Amounts due on Factoring	176,307	233,801	241,836
- Vendor bill discounting	550,564	161,065	32,869
Total	<u>740,055</u>	<u>685,859</u>	<u>365,981</u>

Notes : # Secured by hypothecation of the Company's Stock in Trade and Receivables (both present and future)

Atlas Copco (India) Ltd.

Notes forming part of financial statements

	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 1st April, 2015 Rs '000
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NOTE 15 - TRADE PAYABLES

Total outstanding dues of micro enterprise and small enterprise (Refer note 42)	28,668	14,081	106,646
Total outstanding dues to creditors other than micro enterprise and small enterprise	4,498,095	4,404,227	3,262,882
Total	4,526,763	4,418,308	3,369,528

NOTE 16 - OTHER CURRENT FINANCIAL LIABILITIES

Current Maturities of Finance Lease Obligations (Refer Note 36)	-	-	6,900
Security Deposit Received	14,156	11,978	11,335
Payables on purchase of property plant and equipment	14,395	11,680	9,261
Unclaimed dividends	102,243	111,400	8,454
Total	130,794	135,058	35,950

NOTE 17 - OTHER CURRENT LIABILITIES

Advance from customers	832,979	609,747	755,123
Statutory Remittances (Contribution to PF, withholding taxes, Excise duty, Service Tax, VAT etc.)	83,170	242,623	335,590
Total	916,149	852,370	1,090,713

NOTE 18 - REVENUE FROM OPERATIONS

	For the year ended 31st March, 2017 Rs '000	For the year ended 31st March, 2016 Rs '000
Sale of Products and revenues from Contracts (Refer note 18.01 below)	31,974,218	28,244,901
Sale of Services (Refer note 18.02 below)	2,692,357	2,528,314
Other operating revenues (Refer note 18.03 below)	730,828	537,073
Total	35,397,403	31,310,288

18.01 Breakup of Revenue from Sale of Products and revenues from Contracts

Manufactured Goods			
Compressors		6,677,251	5,991,295
Mining Equipment		4,404,726	3,057,636
Construction Technique		9,161,952	6,876,102
	A	20,243,928	15,925,033
Traded Goods			
Compressors		6,618,302	6,157,824
Mining Equipment		2,613,606	2,455,410
Construction Technique		1,756,115	1,963,916
	B	10,988,023	10,577,151
Construction Contract Revenue		742,267	1,742,718
	C	742,267	1,742,718
Sale of Products and revenues from Contracts (Gross)	A + B + C	31,974,218	28,244,901

Atlas Copco (India) Ltd.

Notes forming part of financial statements

For the year ended
31st March, 2017
Rs '000

For the year ended
31st March, 2016
Rs '000

18.02 Breakup of Sale of Services

Erection and Maintenance Service	1,249,497	1,190,257
Design and Drawings Service	1,185,477	1,211,933
Others	257,383	126,124
	<u>2,692,357</u>	<u>2,528,314</u>

18.03 Breakup of Other Operating Revenue

Indent Commission	304,023	321,806
Income from Rental of Equipments	153,504	66,008
Export benefits	241,133	111,437
Sale of scrap	32,168	37,822
	<u>730,828</u>	<u>537,073</u>

NOTE 19 - OTHER INCOME

(A) Interest Income		
Bank deposits etc.	1,886	23,900
On other financial assets at amortized cost	5,634	4,276
(B) Income from current investments	51,452	199,030
(C) Other non operating income		
Profit on sale of property plant and equipment (net)	-	5,427
Warranty Provision written back	-	66,837
Creditors / Liabilities / Provisions written back	64,536	27,514
Miscellaneous Income	68,775	74,100
(D) Net gain on foreign currency transactions and translation	50,455	32,549
Total	<u>242,738</u>	<u>433,633</u>

NOTE 20 - COST OF MATERIAL CONSUMED

Opening Stock :	2,106,162	2,058,557
Purchases	12,884,550	10,802,818
Closing Stock :	2,338,477	2,106,162
Total	<u>12,652,235</u>	<u>10,755,213</u>

Breakup of consumption of raw material and components

Casting and Forging	103,138	140,480
Semi Finished Blanks	81,250	41,996
Diesel Engines & Electric Motors	1,783,266	1,373,640
Elements	1,072,700	899,960
Others	9,611,881	8,299,137
	<u>12,652,235</u>	<u>10,755,213</u>

Atlas Copco (India) Ltd.
Notes forming part of financial statements

For the year ended 31st March, 2017
 For the year ended 31st March, 2016
 Rs '000 Rs '000

NOTE 21 - PURCHASES OF STOCK IN TRADE (TRADED GOODS)

Purchases of stock in trade (Traded Goods)

Compressor Spares	4,334,818	3,897,907
Mining Equipment Spares	1,754,477	1,823,306
Construction Technique Spares	1,142,704	1,136,098
	<u>7,231,999</u>	<u>6,857,310</u>

NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE

Inventory as at the beginning of the year :

Finished goods	491,156	502,615
Stock-in-Trade (Acquired for Trading)	1,608,307	1,218,558
Work-in-progress	80,502	272,553
Manufactured components	114,879	112,940
	<u>2,294,844</u>	<u>2,106,666</u>

Inventory as at the end of the year :

Finished goods	818,060	491,156
Stock-in-Trade (Acquired for Trading)	1,357,804	1,608,307
Work-in-progress	129,342	80,502
Manufactured components	112,981	114,879
	<u>2,418,187</u>	<u>2,294,844</u>
Net Decrease	<u>(123,343)</u>	<u>(188,178)</u>

NOTE 23 - EMPLOYEE BENEFIT EXPENSES

Salaries, wages and bonus	2,398,015	2,195,628
Contribution to provident and other funds	383,148	291,571
Shared based payments	49,868	8,122
Workmen and Staff welfare expenses	286,864	266,427
Total	<u>3,117,895</u>	<u>2,761,748</u>

NOTE 24 - FINANCE COST

Interest on		
Borrowings	1,753	517
Others	4,034	6,497
Bank Charges (including guarantee commission paid)	35,059	28,824
Total	<u>40,846</u>	<u>35,838</u>

Atlas Copco (India) Ltd.

Notes forming part of financial statements

	For the year ended 31st March, 2017 Rs '000	For the year ended 31st March, 2016 Rs '000
NOTE 25 - OTHER EXPENSES		
Stores and tools consumed	175,386	178,982
Excise duty relating to increase/decrease in finished goods	21,881	(23,554)
Excises duty - Others	420,365	241,893
Power and fuel	114,677	110,250
Rent	411,973	395,695
Repairs and Maintenance -		
Rented Premises	21,883	19,878
Buildings	11,277	14,773
Machinery	29,647	20,641
Others	30,610	34,043
	<u>93,417</u>	<u>89,335</u>
Insurance	40,919	36,488
Rates and taxes	86,860	32,595
Communication expenses	57,864	53,621
Traveling and conveyance expenses	492,945	489,137
Printing & Stationery	28,983	35,955
Freight, transport and packing	449,492	395,861
Commission	225,805	214,780
Sales Promotion Expenses	46,680	54,437
Corporate Social Responsibility Expenses	25,621	10,143
Legal and Professional Fees	574,287	583,269
Audit fees (Refer Note 26)	5,074	4,836
Provision for Penalties on late delivery written back	-	3,605
Provision for doubtful trade receivables and advances (net of receivables provision written back Rs 63,219 ('000) (previous year 36,271('000))	92,134	137,317
Loss on sale/write off of Fixed Assets (net)	770	-
Provision for Contingencies	156,183	177,113
Royalty (including cess thereon)	787,639	639,703
Warranty Provision	49,655	-
Software Development Expenses	191,754	123,052
Security Services	34,101	30,275
Expenses on Service Jobs	213,665	201,238
Conference and Training Costs	122,643	103,813
Other External and Sundry Services	349,688	318,862
Miscellaneous expenses	40,538	78,168
Total	<u>5,310,999</u>	<u>4,716,869</u>

NOTE 26 - PAYMENT TO AUDITORS (NET OF SERVICE TAX)

To Statutory Auditors

Audit fees	2,235	2,130
Audit fees for foreign reporting	2,235	2,131
Tax Audit Fees	604	575
	<u>5,074</u>	<u>4,836</u>

Payment to auditors excludes Rs.3,717 ('000) (Previous year Rs. 4,550 ('000)), towards taxation matters, paid to a firm, some of the partners whereof are also partners in the audit firm.

Atlas Copco (India) Ltd.

Notes forming part of financial statements

For the year ended
31st March, 2017
Rs '000

For the year ended
31st March, 2016
Rs '000

NOTE 27- CIF VALUE OF IMPORTS

Raw materials and Components	4,657,220	4,091,692
Capital Goods	207,473	43,085
Purchase of Stock in Trade (Traded Goods)	4,489,331	3,973,285
Total	9,354,024	8,108,062

NOTE 28 - EXPENDITURE IN FOREIGN CURRENCY

Royalty (net of TDS)	694,520	551,907
Charges paid for Technical / Professional Services	528,702	438,667
Commission on sales	66,454	59,340
Warranty	12,278	9,808
Guarantee Fees	11,797	10,818
Others	22,847	33,300
Total	1,336,598	1,103,840

NOTE 29 - VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Value (Rs. '000)	Percentage (%)	Value (Rs. '000)	Percentage (%)
Imported	4,849,974	38.33%	4,349,979	40.45%
Indigenously obtained	7,802,261	61.67%	6,405,234	59.55%
Total	12,652,235	100.00%	10,755,213	100.00%

Notes:

In giving the above information, the company has taken the view that spares and components as referred to in para 5 (viii) (c) of part II of Schedule III covers only such items as go directly on to production.

NOTE 30 - REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Particulars	Paid in Current Year		Paid in Previous Year	
	Final Rs. '000	Interim Rs. '000	Final Rs. '000	Interim Rs. '000
(a) Year to which dividend relates		2016-17	2014-15	2015-16
(b) Number of non-resident shareholders to whom remittance was made	-	5	5	5
(c) Number of shares on which remittance was made	-	21,731,622	21,731,622	21,731,622
(d) Amount remitted	-	1,521,211	4,889,615	2,173,162

NOTE 31- EARNINGS IN FOREIGN EXCHANGE

	For the year ended 31st March, 2017 Rs. '000	For the year ended 31st March, 2016 Rs. '000
Particulars		
Exports of Goods calculated on FOB basis	5,744,609	5,257,065
Commission	304,023	321,806
Service Income	1,443,861	1,338,757
Recovery of freight	148,914	143,313
Recovery of warranty	35,510	51,958
Total	7,676,917	7,112,899

Atlas Copco (India) Ltd.

Notes forming part of financial statements

NOTE 32 - THE NET EXCHANGE DIFFERENCES ARISING DURING THE YEAR

- (i) recognised appropriately in the Statement of Profit and Loss - net gain - Rs. 50,455 ('000) (31st March, 2016 - net gain - Rs 32,549 ('000))
(ii) adjusted in carrying amount of fixed assets - Rs. Nil (31st March, 2016 Rs. Nil)

NOTE 33 : EMPLOYEE BENEFITS

(A) Defined Contribution Plans

The Company has recognised the following amounts in the Statement of Profit and Loss

	Amount Rs. '000		
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Contribution to Employees' Superannuation Fund	68,787	64,936	64,249

(B) Defined benefit plans

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

i) Reconciliation of benefit obligation

	Amount Rs. '000		
	31st March, 2017	31st March, 2016	31st March, 2015
Present Value of Defined Benefit Obligations as on April 1	755,000	700,143	584,839
Current service cost	63,757	63,725	46,120
Employer Contributions			
Interest expense/(income)	56,765	53,022	51,063
Benefit payments from plan assets	(4,547)	(46)	(1,062)
Benefit payments from employer	(65,646)	(49,103)	(66,103)
Remeasurement			
(Gain)/loss from change in financial assumptions	39,664	(3,980)	84,156
(Gain)/loss from change in experience adjustments	6,115	(8,761)	1,130
Present Value of Defined Benefit Obligations as on March 31	<u>851,108</u>	<u>755,000</u>	<u>700,143</u>

ii) Reconciliation of fair value of plan assets

Present Value of Defined Benefit Obligations as on April 1	624,863	515,106	415,526
Interest income	48,603	42,451	35,538
Employer contribution	1,053	65,344	58,669
Employer direct benefit payments	65,646	49,103	66,103
Benefit payments from plan assets	(4,547)	(46)	(1,062)
Benefit payments from employer	(65,646)	(49,103)	(66,103)
Return on assets (excluding interest income)	3,087	2,008	6,435
Present Value of Defined Benefit Obligations as on March 31	<u>673,059</u>	<u>624,863</u>	<u>515,106</u>

iii) Amount to be recognized in Balance Sheet

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Present value of funded obligations	851,108	755,000	700,143
Fair value of plan assets	673,059	624,863	515,106
Amount to be recognized in Balance Sheet	<u>178,049</u>	<u>130,137</u>	<u>185,037</u>

iv) Expenses recognised in the Statement of Profit and Loss under the head employee benefits expense

Current Service Cost	63,757	63,725	46,120
Interest Cost	56,765	53,022	51,063
Expenses recognized in statement of profit and loss	<u>120,522</u>	<u>116,747</u>	<u>97,183</u>

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v) Remeasurement for the year & amount recognised in statement of other comprehensive income (OCI)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(Gain)/loss from change in financial assumptions	39,664	(3,980)	84,156
(Gain)/loss from change in experience adjustments	6,115	(8,761)	1,130
Return on assets (excluding interest income)	(3,087)	(2,008)	(6,435)
Expenses recognized in statement of profit and loss	42,692	(14,749)	78,851

Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

	7.80%	7.75%	7.75%
Discount rate	7.80%	7.75%	7.75%
Salary escalation	10.00%	10.00%	10.00%
Rate of return on plan assets	7.35%	7.80%	7.80%

- (a) The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated terms of the obligations.
- (b) Withdrawal rate is employee turnover rate based on the Company's past and expected employee turnover.
- (c) Salary escalation rate: The estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.
- (d) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the year ending:

	As at March 31, 2017
31st March 2018	58,950
31st March 2019	64,206
31st March 2020	66,164
31st March 2021	69,362
31st March 2022	81,571
31st March 2023 to 2027	473,992

Sensitivity analysis for significant assumptions are as follows:

	Amount Rs. '000
	Year ended March 31, 2017
Increase/(decrease) in present value of defined benefit obligation as at the end of the year	
(i) 0.5% increase in discount rate	898,757
(ii) 0.5% decrease in discount rate	807,442
(iii) 0.5% increase in rate of salary escalation	810,304
(iv) 0.5% decrease in rate of salary escalation	895,122

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

These plans typically expose the group to actuarial risk such as: Investment risk, 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. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on planned asset is below this rate, it will create a planned deficit. Currently, for the plan in India, it has relatively balanced mix of investment in government securities, and other debt instruments. Further, the overseas plan has a relatively balanced investment

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in equity securities, debt instruments and real estate due to the long term nature of plan liabilities, the board of overseas fund considers it appropriate that reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.

Interest Risk -

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plans debt investments.

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 plans liability.

Salary Risk -

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plans liability.

Description of Plan Characteristics and Associated Risks

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financials results are expected to be;

- 1) 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.
- 2) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.
- 3) Demographic risk: For example, as the plan is open to new entrants, an increase in membership will increase the defined benefit obligation. Also, the plan only provides benefits upon completion of a vesting criteria. Therefore, if turnover rates increase then the liability will tend to fall as fewer employees reach vesting period.

Possible reasons for Actuarial Gains or Losses on Plan Liabilities

- 1) If the actual attrition, retirement or mortality experience turns out to be higher or lower than expected based on the assumptions made at the start of the accounting period, it would lead to an Actuarial Gain or Loss on Plan Liabilities.
- 2) If the salary increases are higher or lower than expected based on the assumption made at start of the accounting period, it would lead to an Actuarial Gain or Loss on Plan Liabilities.
- 3) If the actuarial assumptions of salary increase, attrition rate and discount rate change from one valuation year to another, it may lead to Actuarial Gain or Loss on Plan Liabilities.
- 4) Any significant changes in the demographic profile may also lead to Actuarial Gain or Loss on Plan Liabilities such as a large growth of the employee count from new joiners.

Possible reasons for experience Gains or Losses on Plan Assets:

Return on plan assets greater/(lessor) than discount rate. For example, if the discount rate was 8% and the fund actually earned 7% it would result in an actuarial loss on assets.

Contributions expected to be paid to the plan during the next financial year Rs. 60,000 ('000) (previous period Rs 60,000 ('000))

(B) Provident Fund:

The Provident Fund assets and liabilities are managed by 'Atlas Copco (India) Limited Employees Provident Fund Trust' in line with The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The guidance on implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer established provident fund, which require interest shortfalls to be recompensated, are to be considered as defined benefit plans. The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below there was a shortfall of Rs 4,854 ('000) as at 31st March 17 (Previous Year 4,156 ('000)) and as at 31st March, 2015 Rs. 24,420 ('000) and the same has been provided for in the books. The company contributed Rs 111,080 ('000) and Rs 81,811 ('000) and Rs. 89,366 ('000) towards Provident Fund during the year ended 31st March, 2017, 31st March, 2016 and 31st March, 2015 respectively.

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Present value of benefit obligation at period end	1,367,650	1,226,420	1,094,320
Plan assets at fair value restricted to	1,362,796	1,222,264	1,069,900
Liability recognized in the Balance sheet	4,854	4,156	24,420

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The principal assumptions used in determining the present value of obligation of the interest rate guarantee under the projected Unit Credit Method (PUCM):

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Discounting rate	7.35%	7.80%	7.88%
Expected Guaranteed Interest rate	8.65%	8.80%	8.75%

(C) Compensated Absences charged to Statement of Profit and Loss Rs 77,836 ('000) (for year ended 31st March, 2016 29,937('000)) and for the year ended 31st March, 2015 Rs. 17,758 ('000) and liability as at 31st March, 2017 was Rs 226,732 ('000) (as at 31st March, 2016 Rs 183,838 ('000)) and as at 31st March, 2015 Rs. 153,890 (000).

NOTE 34 - SEGMENT INFORMATION
NOTE 34 (a) - PRIMARY SEGMENTS - BUSINESS SEGMENTS

PARTICULARS	Compressor Technique		Industrial Technique		Construction Technique Segment		Mining Segment		Total Amount	
	Current Year Rs. '000	Previous Period Rs. '000	Current Year Rs. '000	Previous Period Rs. '000	Current Year Rs. '000	Previous Period Rs. '000	Current Year Rs. '000	Previous Period Rs. '000	Current Year Rs. '000	Previous Period Rs. '000
a										
Segment Revenue	13,920,933	12,872,906	1,879,589	1,607,398	11,523,578	9,484,231	8,194,800	6,400,113	35,518,900	30,364,648
Sales to External Customers										
Inter Segment Revenue										
Total Segment Revenue	13,920,933	12,872,906	1,879,589	1,607,398	11,523,578	9,484,231	8,194,800	6,400,113	35,518,900	30,364,648
b										
Segment Results before exceptional items and tax	1,632,781	2,280,540	212,446	294,786	1,976,077	1,334,599	1,835,522	1,327,448	5,656,826	5,237,372
Unallocated Corporate expenses									(240,720)	(187,919)
Finance Cost									(40,846)	(35,838)
Interest income									0	20,636
Income / Profit from investments									51,452	199,030
Unallocated Other Income									69,351	54,467
Profit before Tax									5,496,063	5,287,748
Income taxes									1,931,198	1,797,502
Deferred Tax									79,452	(48,732)
Profit after tax									3,485,413	3,538,978
Excess / (short) provision for current taxation in respect of earlier years									(13,269)	(123,179)
Net profit									3,472,144	3,415,799
c										
Segment Assets	5,993,216	7,087,430	595,074	510,901	3,462,461	3,237,700	5,187,670	5,242,393	15,238,422	16,078,423
Unallocated Corporate Assets									3,045,755	722,474
Total Assets	3,541,660	3,528,996	350,477	420,197	2,251,477	2,230,815	1,489,802	1,289,642	18,284,176	16,800,897
d										
Segment Liabilities									7,633,415	7,469,649
Unallocated Corporate Liabilities									(550,975)	(279,362)
Total Liabilities	0	73,437	0	45,214	0	194,079	0	60,936	7,082,440	7,190,287
e										
Cost Incurred during the period to acquire Segment fixed assets										
Unallocable										
f										
Depreciation / Amortisation	98,036	115,897	22,582	28,127	129,619	115,256	98,653	136,185	348,890	395,466
Unallocable									29,958	29,958
g										
Non-cash expenses other than depreciation/ amortisation	221,904	338,463	26,871	31,954	62,583	89,134	48,799	39,705	378,848	425,424
									360,156	499,257

Note - Business segments of the Company are organised on the basis of four segments - Industrial Segment, Construction Technique Segment, Mining Segment and Others. Breakup of the business into four segments is based on products and customer base.

NOTE 34 (b) - SECONDARY SEGMENTS - GEOGRAPHICAL SEGMENTS

	India		Outside India *		Total	
	Current Year	Previous Period	Current Year	Previous Period	Current Year	Previous Period
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Segment revenue by geographical area based on geographical location of customers (including sales, services, export incentives, Other income etc.)	28,026,407	22,977,725	7,492,493	7,386,923	35,518,900	30,364,648

Note: The Company's operating facilities are located in India

Breakup of segment revenue outside India is as follows:

Country	Rs. '000	
	Current Year	Previous Period
Belgium	1,488,085	1,582,391
USA	809,028	978,195
Sweden	1,013,458	495,114
South Africa	430,311	405,658
Indonesia	353,551	93,439
Singapore	337,343	103,985
Thailand	266,754	275,001
Italy	278,417	46,471
China	322,982	209,708
Serbia	146,086	5,218
United Arab Emirates	141,672	245,454
Others	1,904,806	2,946,289
Total	7,492,493	7,386,923

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NOTE 35 - RELATED PARTY DISCLOSURES

NOTE 35 (a) - NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP WHERE CONTROL EXISTS

(i) Where Control Exists

Holding Company	Atlas Copco AB	Sweden
(ii) Other parties with whom there were transactions during the year, Common control Fellow Subsidiaries		
1	ABAC Aria Compressa S.p.A	Italy
2	ABAC France S.A.S.	France
3	American Pneumatic Tools	USA
4	Atlas Copco (China) Mining and Construction Equipment Trading Co Ltd	China
5	Atlas Copco (Malaysia) Sdn. Bhd.	Malaysia
6	Atlas Copco (N.Z.) Ltd.	New Zealand
7	Atlas Copco (Nanjing) Construction and Mining Equipment Ltd.	China
8	Atlas Copco (Philippines) Inc.	Philippines
9	Atlas Copco (Schweiz) AG	Switzerland
10	Atlas Copco (Shanghai) Process Equipment Co., Ltd.	China
11	Atlas Copco (Shanghai) Trading Co., Ltd.	China
12	Atlas Copco (Shenyang) Construction and Mining Equipment Ltd.	China
13	Atlas Copco (South East Asia) Pte. Ltd.	Singapore
14	Atlas Copco (Thailand) Limited	Thailand
15	Atlas Copco (Wuxi) Compressor Co., Ltd.	China
16	Atlas Copco (Zambia) Ltd.	Zambia
17	Atlas Copco (Zhangjiakou) Construction & Mining Equipment Ltd.	China
18	Atlas Copco A.D.	Serbia
19	Atlas Copco AB	Sweden
20	Atlas Copco ACE GmbH	Germany
21	Atlas Copco Afrique Centrale SA	Cameroon
22	Atlas Copco Airpower n.v.	Belgium
23	Atlas Copco Angola Lda	Angola
24	Atlas Copco Anlegg- og Gruvetechnik A/S	Norway
25	Atlas Copco Argentina S.A.C.I	Argentina
26	Atlas Copco Assembly Systems LLC	USA
27	Atlas Copco Australia Pty Limited	Australia
28	Atlas Copco Bangladesh Ltd.	Bangladesh
29	Atlas Copco Belgium n.v.	Belgium
30	Atlas Copco Berg-und Tunnelbautechnik GmbH	Germany
31	Atlas Copco BH D.O.O.	Bosnia and Herzegovina
32	Atlas Copco BLM S.r.l.	Italy
33	Atlas Copco Brasil Ltda	Brazil
34	Atlas Copco Bulgaria EOOD	Bulgaria
35	Atlas Copco Business Services n.v.	Belgium
36	Atlas Copco Canada Inc.	Canada
37	Atlas Copco Central America SA	Panama
38	Atlas Copco Central Asia LLP	Kazakhstan
39	Atlas Copco Chilena S.A.C.	Chile
40	Atlas Copco China/Hong Kong Ltd	Hong Kong
41	Atlas Copco CMT Sweden AB	Sweden
42	Atlas Copco Colombia Ltda	Colombia
43	Atlas Copco Compressor AB	Sweden
44	Atlas Copco Compressors and Mining Technique LLC	USA
45	Atlas Copco Compressors LLC	USA
46	Atlas Copco Comptec LLC	USA
47	Atlas Copco Construction Technique Brasil Ltda	Brazil
48	Atlas Copco Crepelle S.A.S.	France
49	Atlas Copco Customer Finance AB	Sweden
50	Atlas Copco Customer Finance Australia Pty Limited	Australia
51	Atlas Copco d.o.o.	Croatia
52	Atlas Copco Drilling Solutions LLC	USA

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Notes forming part of financial statements

Holding Company	Atlas Copco AB	Sweden
53	Atlas Copco Eastern Africa Limited	Kenya
54	Atlas Copco Energas GmbH	Germany
55	Atlas Copco Equipment Egypt S.A.E.	Egypt
56	Atlas Copco Finance Belgium BVBA	Belgium
57	Atlas Copco Forage et Construction S.A.S.	France
58	Atlas Copco Ghana Ltd.	Ghana
59	Atlas Copco Hellas AE	Greece
60	Atlas Copco Industrial Technique AB	Sweden
61	Atlas Copco Italia S.p.A.	Italy
62	Atlas Copco KK	Japan
63	Atlas Copco Kompressoren und Drucklufttechnik GmbH	Germany
64	Atlas Copco Kompressortechnik A/S	Denmark
65	Atlas Copco Korea Co., Ltd.	South Korea
66	Atlas Copco Ltd.	United Kingdom
67	Atlas Copco Mafi-Trench Company LLC	USA
68	Atlas Copco Makinalari Imalat AS	TURKEY
69	Atlas Copco Mali Sarl	Mali
70	Atlas Copco Maroc SA	Morocco
71	Atlas Copco MCT GMBH	Germany
72	Atlas Copco Medical Ltd	United Kingdom
73	Atlas Copco Mexicana S.A. de C.V.	Mexico
74	Atlas Copco Meyco AG	Switzerland
75	Atlas Copco Middle East FZE	United Arab Emirates
76	Atlas Copco Mongolia LLC	Mongolia
77	Atlas Copco Nederland B.V.	Netherlands
78	Atlas Copco Nigeria Ltd.	Nigeria
79	Atlas Copco North America LLC	USA
80	Atlas Copco Peruana SA	Peru
81	Atlas Copco Polska Sp. z o.o.	Poland
82	Atlas Copco Rental LLC	USA
83	Atlas Copco Rock Drills AB	Sweden
84	Atlas Copco Romania S.R.L.	Romania
85	Atlas Copco S.A.E.	Spain
86	Atlas Copco s.r.o.	Czech Republic
87	Atlas Copco Secoroc AB	Sweden
88	Atlas Copco Secoroc LLC	USA
89	Atlas Copco Services Middle East OMC	Bahrain
90	Atlas Copco Services Middle East SPC	United Arab Emirates
91	Atlas Copco South Africa (Pty) Ltd.	South Africa
92	Atlas Copco Specialty Rental LLC	USA
93	Atlas Copco Stonetec S.r.L	Italy
94	Atlas Copco Taiwan Ltd.	Taiwan
95	Atlas Copco Tanzania Limited	Tanzania
96	Atlas Copco Tools & Assembly Systems LLC	USA
97	Atlas Copco Tools Central Europe GmbH	Germany
98	Atlas Copco UK Holdings Ltd.	United Kingdom
99	Atlas Copco Venezuela SA	Venezuela
100	Atlas Copco Vietnam Company Ltd.	Vietnam
101	Atlas Copco Zimbabwe (Private) Ltd.	Zimbabwe
102	Atlas Industrial Equipment Company	Saudi Arabia
103	Atlas Industrial Equipment Company	United Arab Emirates
104	BeaconMedaes LLC	USA
105	Bolaite (Shanghai) Compressor Co., Ltd.	China
106	Ceccato Aria Compressa S.r.L	Italy
107	Chicago Pneumatic Brasil Ltda	Brazil
108	Chicago Pneumatic Tool Company LLC	USA
109	Compresseurs Worthington Creyssensac S.A.S.	France

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Notes forming part of financial statements

Holding Company	Atlas Copco AB	Sweden
110	Construction Tools GmbH	Germany
111	Construction Tools PC AB	Sweden
112	Desoutter GmbH	Germany
113	Dynapac (China) Compaction & Paving Eq Co., Ltd.	China
114	Dynapac Compaction Equipment AB	Sweden
115	Dynapac GmbH	Germany
116	EDMAC Europe n.v.	Belgium
117	Edwards High Vacuum International Ltd	United Kingdom
118	Edwards Korea Ltd	South Korea
119	Edwards Ltd	United Kingdom
120	Edwards s.r.o.	Czech Republic
121	Edwards Technologies Vacuum Engineering (Qingdao) Company Ltd	China
122	Edwards Vacuum, LLC	United Kingdom
123	Edwards Vacuum, LLC	USA
124	Ekompak Kompressoren GmbH	Germany
125	ETS Georges Renault S.A.S.	France
126	Fuji Industrial Technique Co., Ltd.	Japan
127	Gazcon A/S	Denmark
128	Grupos Electrogenos Europa, S.A	Spain
129	Houston Service Industries, Inc	USA
130	JSC Atlas Copco	Russia
131	Leybold France SAS Z. I. De Marcerolles	France
132	Leybold GmbH	Germany
133	Liuzhou Tech Machinery Co., Ltd.	China
134	LLC Atlas Copco Ukraine	Ukraine
135	Mining, Rock Excavation and Construction LLC	USA
136	Oy Atlas Copco Kompressorit Ab	Finland
137	Oy Atlas Copco Rotex Ab	Finland
138	Pan-Asia Gas Technology (Wuxi) Co., Ltd.	China
139	Power Tools Distribution n.v.	Belgium
140	PT Atlas Copco Indonesia	Indonesia
141	PT Atlas Copco Nusantara	Indonesia
142	Quincy Compressor LLC	USA
143	Saltus Industrial Technique GmbH	Germany
144	SCA Schucker GmbH & Co KG	Germany
145	Shandong Rock Drilling Tools Co Ltd	China
146	Shanghai Tooltec Industrial Tool Co., Ltd.	China
147	Sociedade Atlas Copco de Portugal Lda	Portugal
148	SPA Atlas Copco Algerie	Algeria
149	Synatec GmbH	Germany
150	Tentec Ltd.	United Kingdom
151	Varisco SPA	Italy
152	Wuxi Pneumatech Air/Gas Purity Equipment Co., Ltd.	China

(iii) Key Management Personnel
 G. Valent (from 15th June 2015 onwards)
 Suresh Ghotage
 C.M. Pandit (from 12th February 2015 till 15th June 2015)
 Anant Bavare

Managing Director
 Chief Financial Officer
 Manager
 Company Secretary

Atlas Copco (India) Ltd.

Notes forming part of financial statements

NOTE 35 (b) - RELATED PARTY TRANSACTIONS:

Nature of Transactions	Holding Company	Common Control	Key Management Personnel	Total
	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)
Purchase of goods	-	7,052,521	-	7,052,521
	-	(6,473,631)	-	(6,473,631)
Sale of goods		4,050,682	-	4,050,682
	-	(3,850,301)	-	(3,850,301)
Income from services	36,525	1,406,335	-	1,442,860
	(14,106)	(1,324,650)	-	(1,338,757)
Commission Income		304,023	-	304,023
	-	(321,489)	-	(321,489)
Commission paid		4,702	-	4,702
	-	(59,340)	-	(59,340)
Royalty		694,520	-	694,520
	-	(551,907)	-	(551,907)
Warranty charges paid		9,915	-	9,915
	-	(7,549)	-	(7,549)
Warranty Recovery		35,510	-	35,510
	-	(51,958)	-	(51,958)
Recovery of freight		80,141	-	80,141
	-	(78,976)	-	(78,976)
Travelling	2,194	12,769	-	14,963
	(121)	(15,045)	-	(15,166)
Charges paid for Technical / Professional Services	65,366	442,954	-	508,319
	(62,146)	(368,686)	-	(430,833)
Capital Goods purchases	-	107,349	-	107,349
	-	(42,701)	-	(42,701)
Remuneration	-	-	37,612	37,612
	-	-	(12,153)	(12,153)
Short Term Employee Benefits	-	-	37,612	37,612
	-	-	(12,153)	(12,153)
Other Long Term Benefits	-	-	-	-
	-	-	-	-
Post Employment Benefits	-	-	-	-
	-	-	-	-

Atlas Copco (India) Ltd.

Notes forming part of financial statements

Nature of Transactions	Holding Company	Common Control	Key Management Personnel	Total
	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)
Dividend paid	1,579,309	-	-	1,579,309
	(2,615,567)	-	-	(2,615,567)
Guarantee Charges Paid		11,797	-	11,797
	-	(10,818)	-	(10,818)
Other matters	838	2,286	-	3,124
	(1,197)	(10,241)	-	(11,438)
Amounts outstanding at year end				
-Receivables				
As on 31 March 2017	6,757	1,330,919	-	1,337,676
As on 31 March 2016	(4,744)	(1,300,716)	-	(1,305,460)
As on 31 March 2015		(1,445,553)	-	(1,445,553)
-Payable				
As on 31 March 2017	10,538	1,795,071	-	1,805,609
As on 31 March 2016	(14,054)	(2,012,487)	-	(2,026,541)
As on 31 March 2015	(10,143)	(1,196,372)	-	(1,206,515)

Note:-

- 1) Figures in brackets are in respect of the corresponding previous year.
- 2) The related parties included in the various categories above, where transactions have place are given below:

NOTE 35 (c) - DETAILS OF MATERIAL RELATED PARTY TRANSACTIONS WITH COMPANIES UNDER COMMON CONTROL WITH THE COMPANY

Name of the Related Party	Purchase of goods	Sale of goods	Income from services	Commission Income	Commission Paid	Royalty (net of TDS)	Warranty charges	Warranty Recovery	Recovery of freight	Charges paid for Technical / Professional Services	Other matters	Capital Goods Purchased	Travelling Expenses	Amount Receivable	Amount Payable
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Atlas Copco (Wuxi) Compressor Co., Ltd.	894,946	43,108	70,490	554	-	-	-	2,728	-	-	-	-	-	20,570	247,064
Atlas Copco Airpower n.v.	(633,593)	447,486	(40,740)	13,284	-	388,070	-	156	-	76,987	-	-	(184)	(18,613)	(248,636)
Power Tools Distribution n.v.	(2,505,245)	(408,005)	(344,504)	(17,582)	-	(277,024)	-	(28,656)	-	(32,912)	(2,484)	(4,845)	(211)	(132,396)	(835,343)
Atlas Copco Compressors LLC	(1,021,264)	536,898	137	124,987	-	-	-	-	5,173	-	64	18,632	119	136,353	278,666
Atlas Copco (Pty) Ltd.	(1,257)	(485,027)	(29,698)	-	-	-	-	(22)	(1,660)	(3,550)	-	-	-	(71,964)	(199)
Atlas Copco South Africa (Pty) Ltd.	9,115	430,306	5	-	-	-	-	-	4,199	-	-	-	(381)	107,034	148
Atlas Copco Drilling Solutions LLC	(409,506)	(601)	-	-	-	-	(592)	-	(7,580)	-	-	-	-	(114,281)	(27)
Atlas Copco Rock Drills AB	220,463	951	246,652	18,760	-	24,527	-	-	-	3,762	-	13,539	3,092	41,562	8,454
Atlas Copco (South East Asia) Pte. Ltd.	(89,492)	(17,592)	(216,587)	(1,587)	-	(22,109)	-	(3,254)	(2,646)	(6,090)	(43)	-	(382)	(204,474)	(29,439)
Atlas Copco Services Middle East OMC	790,145	667,308	194,239	47,770	-	84,267	(2,934)	635	3,495	46,038	1,875	7,616	7,405	318,941	256,281
Dynapac Compaction Equipment AB	(667,522)	(143,948)	(214,481)	(47,912)	(5,876)	(38,174)	319	(11,246)	(3,698)	(17,693)	(4,321)	(14,915)	(10,750)	(76,413)	(209,937)
Atlas Copco Ltd.	28,232	406	138	-	42,320	-	-	-	411	-	-	12,083	-	(21,252)	-
Atlas Copco Eastern Africa Limited	(44,748)	(79)	(79)	-	(15,571)	-	(840)	-	(2,815)	-	-	-	-	12,102	(6,063)
Atlas Copco Mexicana S.A. de C.V.	1,914	79,328	2,178	-	8,168	-	-	-	7,471	-	-	-	-	(3,583)	2,464
JSC Atlas Copco	-	-	(4,221)	-	(1,134)	-	(10)	-	(871)	(1,102)	-	-	-	(2,950)	(9,271)
Atlas Copco AB	(17,685)	(1,100)	(38,449)	(1,610)	-	(66,831)	-	-	(133)	(2,107)	-	-	(343)	(34,662)	(17,845)
Atlas Copco Business Services n.v.	(0)	(1,865)	-	-	-	-	(1,085)	-	(189)	-	-	-	-	(1,076)	-
Construction Tools GmbH	114,019	(93,391)	44	(3)	563	-	12,849	-	5,492	-	(724)	-	-	19,733	-
Atlas Copco Finance Belgium BVBA	-	(69,006)	(112)	-	(1,636)	-	-	-	(3,884)	-	-	-	-	(6,169)	(431)
Atlas Copco Energias GmbH	127,993	(138,749)	24	-	-	-	(187)	-	(5,604)	-	-	-	-	(39,628)	-
Atlas Copco Services Middle East SPC	-	-	36,525	-	-	-	-	-	8,281	-	-	-	-	44,176	-
Atlas Copco (Shanghai) Trading Co., Ltd.	-	-	-	-	-	-	-	-	(13,763)	-	-	-	-	(34,628)	-
Atlas Copco (Wuxi) Compressor Co., Ltd.	-	-	-	(14,054)	(4,744)	-	-	-	(14,106)	(60,278)	(1,197)	(1,869)	-	6,757	10,538
Atlas Copco Business Services n.v.	-	-	33,885	-	-	-	-	-	-	248,820	-	-	-	(73)	-
Atlas Copco Energias GmbH	-	-	(30,107)	-	-	-	-	-	-	(267,912)	-	(681)	-	(2,846)	(44,350)
Atlas Copco Finance Belgium BVBA	(168,770)	(256)	(2,254)	-	-	-	-	(5,079)	-	(2,723)	(202)	-	-	(628)	(25,683)
Atlas Copco Energias GmbH	-	-	-	-	-	-	-	-	-	-	11,797	-	-	-	-
Atlas Copco Energias GmbH	-	-	-	-	-	-	-	-	-	-	(10,818)	-	-	-	-
Atlas Copco Services Middle East SPC	(300,385)	(1,119)	(36,548)	(13,403)	-	(42,161)	-	-	-	-	-	-	-	(4,444)	(17,249)
Atlas Copco (Shanghai) Trading Co., Ltd.	41,157	(319,850)	422	-	-	121	-	-	121	-	-	35,342	-	9,032	18,232
Atlas Copco (Shanghai) Trading Co., Ltd.	(7)	(7)	(211)	-	(21,728)	-	(1,605)	-	(1,160)	(2,156)	-	-	-	(18,249)	-
Atlas Copco (Shanghai) Trading Co., Ltd.	(83)	(67,673)	(524)	-	-	-	-	-	(388)	(193)	-	-	-	(3,214)	(28)

Atlas Copco (India) Ltd.
Notes forming part of financial statements

NOTE 35 (C) - DETAILS OF MATERIAL RELATED PARTY TRANSACTIONS WITH COMPANIES UNDER COMMON CONTROL WITH THE COMPANY

Name of the Related Party	Purchase of goods	Sale of goods	Income from services	Commission Income	Commission Paid	Royalty (net of IDS)	Warranty charges	Warranty Recovery	Recovery of freight	Charges paid for Technical / Professional Services	Other matters	Capital Goods Purchased	Travelling Expenses	Amount Receivable	Amount Payable
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Atlas Copco China/Hong Kong Ltd.	-	-	(30)	-	-	-	-	-	-	(8,573)	-	-	-	(30)	(556)
Atlas Copco MCT GmbH	-	(11,742)	(42)	-	-	-	-	-	(188)	-	-	-	-	(11)	(464)
Atlas Copco Korea Co., Ltd.	111	18,657	1,835	4,071	-	-	(1,206)	-	637	-	-	13,862	-	(2,028)	-
	-	(3,498)	(2,937)	-	(3,258)	-	-	-	(110)	-	-	-	-	(73)	-
Atlas Copco Complex LLC	(326,404)	-	(9,869)	(9,437)	-	-	-	-	-	-	-	-	(32)	(66,878)	(3,923)
Atlas Copco Forage et Construction S.A.S.	(1)	(9,123)	(14)	-	-	-	(1,330)	-	(158)	-	-	-	-	1	-
Atlas Copco Maklatalari Imalat AS	-	(23,025)	(4)	-	-	-	-	-	(927)	-	-	-	(1,831)	-	-
Dynapac GmbH	(11,435)	-	(50,323)	-	-	-	-	(106)	-	-	-	(8,669)	-	(4,615)	(11,494)
Construction Tools PC AB	1,493	465	6,223	-	-	53,648	-	5,162	12	531	-	-	260	1,075	13,204
	(15)	(280)	(7,699)	-	-	(54,705)	-	(436)	(42)	(462)	-	-	(213)	(1,282)	(13,199)
Mining, Rock Excavation and Construction LLC	-	(109,526)	-	-	(1,107)	-	-	-	(7,524)	-	-	-	-	(8,240)	-
Atlas Copco A.D.	-	146,086	-	-	-	-	(275)	-	9,659	-	-	-	-	901	-
	-	(6,693)	-	-	-	-	-	-	(629)	-	-	-	(82)	(1,337)	-
Atlas Copco Meff Trench Company LLC	786	15,044	19,765	45,068	-	-	-	-	-	-	-	-	-	3,456	-
	-	(14,135)	(28,883)	(1,289)	-	-	-	-	-	-	-	-	-	(7,591)	-
Atlas Copco Specialty Rental LLC	(117)	-	28	-	-	-	-	-	-	58	693	-	-	-	-
	-	-	(16)	-	-	-	-	-	-	-	(100)	-	-	-	-
Grupos Electrogenos Europa, S.A	-	-	14,298	266	-	-	-	-	-	-	(341)	-	-	2,324	-
	-	-	(8,206)	-	-	-	-	-	-	-	-	-	-	(1,257)	-
ABAC Aria Compressa S.p.A	-	-	13,488	-	-	-	-	-	-	-	-	107	-	3,298	583
	-	-	(9,608)	-	-	-	-	-	-	-	-	-	-	(2,931)	-

Atlas Copco (India) Ltd.

Notes forming part of financial statements

NOTE 36 - OPERATING LEASE

A. PARTICULARS OR ASSETS TAKEN ON OPERATING LEASE

a) Total of future Minimum Lease Payments under non-cancellable Operating Lease

Particulars	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2015
	Rs. '000	Rs. '000	Rs. '000
(i) Not later than one year	35,611	86,873	71,941
(ii) Later than one year and not later than five years.	7,057	42,667	58,319
Total	42,668	129,540	130,260

b) Lease payments recognised in the Statement of Profit and Loss for the year from 1st April 2016 to 31st March 2017 Rs. 405,886 ('000)) (31st March 2016 Rs. 390,624 ('000))

c) The aforesaid leasing arrangements are in respect of vehicles with lease period of four years and in respect of buildings with lease period of 3 - 9 years.

B. PARTICULARS OF ASSETS GIVEN ON OPERATING LEASE

(iii) The aforesaid leasing arrangements are in respect of vehicles. The lease period is four years.

Particulars	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2015
	Rs. '000	Rs. '000	Rs. '000
i) Gross carrying amount	225,079	76,687	139,639
ii) Accumulated Depreciation	50,934	22,443	101,713
iii) Depreciation for the year	30,273	22,531	23,573

The aforesaid leased assets are equipment given on operating lease to customers. The period of lease generally is 1-3 months.

NOTE 37 - EFFECTIVE TAX RATE RECONCILIATION

(i) Profit or loss section

Particulars	Rs '000	
	Year ended March 31, 2017	Year ended March 31, 2016
Current tax expense	1,948,456	1,797,502
Deferred tax	(35,617)	(48,732)
Total income tax expense recognised in statement of Profit & Loss	1,912,839	1,748,770

(ii) OCI Section

Particulars	Rs '000	
	Year ended March 31, 2017	Year ended March 31, 2016
Net (gain)/Loss on remeasurement of defined benefit plans	(42,692)	-
Income tax charged to OCI	14,775	-

Atlas Copco (India) Ltd.

Notes forming part of financial statements

(b) Reconciliation of effective tax rate

Particulars	Rs '000	
	Year ended March 31, 2017	Year ended March 31, 2016
(A) Profit before tax	5,496,062	5,287,751
(B) Enacted tax rate in India	34.608%	34.608%
(C) Expected tax expenses	1,902,077	1,829,985
(D) Other than temporary difference		
Expenditure incurred on Corporate Social Responsibility	12,811	5,160
Share Based Payment	49,868	8,122
Dividend on Mutual Funds	(51,452)	(199,030)
Others	(22,821)	(48,923)
(E) Effect of income exempt from Tax	(11,595)	(234,671)
(F) Net Adjustment in Tax Expense (B * (D + E))	(4,014)	(81,215)
(G) Current tax expense to be recognised in statement of Profit & Loss (F - C)	1,898,064	1,748,770
(H) Income tax adjustment on income tax charged to other comprehensive income on remeasurement of defined benefit plans	14,775	-
(J) Net current tax expense recognised in statement of Profit & Loss	1,912,839	1,748,770

NOTE 38 - EARNING PER SHARE

Particulars	For the year	
	ended 31st March, 2017	ended 31st March, 2016
Net Profit After Tax Rs ('000)	3,426,968	3,406,884
Weighted Average Number of Equity Shares (Basic and Diluted)	22,561,564	22,561,564
Nominal Value of Equity Shares (in Rs)	10.00	10.00
Earnings per Share		
Basic	151.89	151.00
Diluted	151.89	151.00

NOTE 39 - CONTINGENT LIABILITY

Particulars	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2015
	Rs. '000	Rs. '000	Rs. '000
Income Tax matters	438,569	397,580	641,760
Sales Tax matters	117,734	423,387	381,679
Excise Duty / Service Tax	388,268	390,842	388,623
Claims against the company not acknowledged as debts	67,907	67,634	65,568
Total	1,012,478	1,279,442	1,477,530

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

Atlas Copco (India) Ltd.

Notes forming part of financial statements

NOTE 40 - COMMITMENTS

Particulars	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2015
	Rs. '000	Rs. '000	Rs. '000
Estimated amount of contracts remaining to be executed on capital account and not provided for:			
Tangible Assets	257,258	178,536	215,029
Intangible Assets	33,253	7,583	6,620
Total	290,511	186,119	221,649

NOTE 41 - DETAILS OF PROVISIONS AND MOVEMENTS IN EACH CLASS OF PROVISIONS AS REQUIRED BY THE ACCOUNTING STANDARD ON PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (ACCOUNTING STANDARD-29)

	Warranty	Provision - Others		
		Late Delivery	Provision for Performance Contracts	Provision for Contingencies
Carrying Amount at the beginning of the year	314,424	194,983	-	668,223
	(381,261)	(232,745)	(12,423)	(643,761)
Additional Provision made during the year	523,283	28,003	-	175,854
	(257,560)	(52,277)	(-)	(182,718)
Amounts Used/ Paid during the year	473,628	90,655	-	64,619
	(324,397)	(41,718)	(-)	(158,255)
Unused amounts reversed during the year	-	-	-	-
	-	-	-	(48,321)
Carrying Amounts at the end of the year	364,079	132,331	-	779,458
	(314,424)	(194,983)	(-)	(668,224)

Note : Figures in brackets are in respect of the corresponding previous year.

Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits :

1) Warranty Provision:

Warranty cost are accrued at the time products are sold, based on past experience. The provision is discharged over the warranty period of 12 months from the date of sale. Provision of Rs 20,531 ('000) has been transferred from provision for warranty to 'Liabilities directly associated with assets classified as held for sale'

2) Late Delivery :

These are accrued based on managements assessment of the expected late delivery damages payable by the Company to its customers.

3) Other expenses :

Represent provision towards cost to come which will be settled on realisation of dues.

4) Provision for Claims from Customers :

Provision for amounts expected to be paid against settlement of claim from customers.

5) Provision for Performance Contracts :

Performance contracts is the provision made towards the performance of supplied machinery to customers as per agreements. These are generally settled on completion of the agreement.

6) Provision for contingencies :

Other Provisions are provisions made for potential liabilities towards contingencies expected to be settled on completion of assessments/ appeals net of amounts paid.

Atlas Copco (India) Ltd.

Notes forming part of financial statements

NOTE 42 - DISCLOSURE UNDER SECTION 22 OF MICRO SMALL AND MEDIMUM ENTERPRISES DEVELOPMENT ACT 2006

Particulars	As at 31 March,	As at 31 March,
	2017	2016
	Rs '000	Rs '000
Principal amount payable to Micro And Small Enterprises (to the extent identified by the company from available information) as at 31st March.	28,668	14,081
Amounts due for more than 45 days and remains to be outstanding as at 31st March	7,505	24
Interest on Amounts due for more than 45 days and remains to be outstanding as at 31st March.	40	1
Amount of payments made to suppliers beyond 45 days during the year	231,774	75,545
Estimated interest due and payable on above	1,465	846
Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
Amount of interest accrued and remaining unpaid as at the end of the year	35,498	34,033
The amount of estimated interest due and payable for the period from 1st April to actual date of payment or 15th May	12	10
Principal amount payable to Micro And Small Enterprises (to the extent identified by the company from available information) as at 31st March	-	12,296
Interest on Amounts due for more than 45 days and remains to be outstanding as at 31st March	-	47

NOTE 43 - EMPLOYEE SHARE BASED PAYMENTS

Atlas Copco AB, Sweden, the holding company administers two share based payments to the employees across the group i.e. Stock Option Plan (SOPs) and Share Appreciation Rights (SARs) and in terms of which, has granted SOPs and SARs to certain employees of the Company

SOP — In terms of the SOPs, stock options are granted to the identified employees across the Group. The exercise price, term and other conditions applicable to each option granted are determined by the Remuneration Committee of the Board of Atlas Copco AB, Sweden in terms of the stock option plan. The exercise price of stock options is set on the grant date and may not be less than the fair market value per share of stock on that date. Options generally vest over a three-year period and expire after another three years. The fair value is recognized as an expense over the employee's requisite service period (generally the vesting period of the award).

SAR— In terms of the SARs granted hereunder entitles the Holder to receive from the Holding Company or from a party appointed by the Holding Company upon exercise of the SARs, or portion thereof, cash equal to the difference between the Issue Value and the closing price (the last transaction price for the day on the Stockholm Stock Exchange) of the Series A-Shares on Exercise Day less any administrative fees, multiplied by the number of SARs exercised, is paid to the employees.

SOP / SARs are calculated in SEK (Swedish Krona).

The following share-based payment arrangements were in existence during the current and prior years with respect of certain employees of Atlas Copco (India) Limited:

Options series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Equivalent fair value INR*
Stock Options						
2014	49,684	30-05-2015	30-04-2019	SEK 278.00	SEK 52.90	383.89
2015	16,618	20-03-2016	30-04-2020	SEK 196.00	SEK 33.90	246.01
2016	17,617	20-03-2017	03-04-2023	SEK 313.00	Not applicable	Not applicable
Share Appreciation Rights						
2014	62,105	30-05-2015	30-04-2019	SEK 278.00	Not applicable	Not applicable
2015	74,781	20-03-2016	30-04-2020	SEK 196.00	Not applicable	Not applicable
2016	176,170	20-03-2017	03-04-2023	SEK 313.00	Not applicable	Not applicable

* converted into INR using exchange rate 7.2569

Atlas Copco (India) Ltd.

Notes forming part of financial statements

Movements in SOPs / SARs granted to the employees of the Company	SOP		SAR	
	2016-17	2015-16	2016-17	2015-16
	No of Units	No of Units	No of Units	No of Units
Balance at beginning of year	102,016	85,398	198,456	123,675
Granted during the year	17,617	16,618	176,170	74,781
Forfeited during the year	-	-	-	-
Vested and exercised during the year	(35,714)	-	(61,570)	-
Expired during the year	-	-	-	-
Balance at end of year	83,919	102,016	313,056	198,456

Fair value of share options granted in the year:

The Company accounts for the SOPs / SARs granted to its employees, in terms of the above plan at their fair value estimated on the date of the grant using the Black-Scholes option pricing model and tune up to the amount of the underlying security as on the reporting date for the Cash Settled options and SARs.

Expected volatility is based on implied volatilities from traded options on common stock of Atlas Copco AB and historical volatility of common stock of Atlas Copco AB. The expected volatility has been determined by analyzing the historic development of the Atlas Copco A share price as well as other shares on the stock market. When determining the expected option life, assumptions have been made regarding the expected exercising behavior of different categories of optionees.

The inputs used in the measurement of the fair values at grant date of the Stock options / SARs were as follows:

Grant Date	30-Jun-16	29-May-15	28-May-14
Exercise price	SEK 309/211	SEK 196/134	SEK 278/190
*Exercise price in equivalent INR	Rs 2242 / 1531	Rs 1422 / 972	Rs 2017 / 1379
Expected volatility	30.00%	30.00%	30.00%
Option life (in years)	3.05	3.10	3.10
Expected Share price	SEK 280.80	SEK 207.90	SEK 292.20
Expected average grant value	SEK 39.70 / 70.50	SEK 33.90 / 63.20	SEK 52.90 / 96.30
Dividend yield	10.00%	10.00%	10.00%
Risk-free interest rate	-0.20%	-0.50%	-0.20%
Fair value per share	SEK 49.40	SEK 105.80	SEK 58.80
* Fair value per share in equivalent INR	358	768	427

* converted into INR using exchange rate 7.2569

Since the fair value of the options and payment under SARs are not crosscharged by the holding company to the Company, corresponding credit for the the expense recognised there on in the Statement of Profit or Loss is included in the as contribution from holding company in Other Equity.

The above information is presented to the extent has been provided by the Holding Company and available with the Company.

NOTE 44 FINANCIAL INSTRUMENTS AND RISK REVIEW

Financial Risk Management Framework

Atlas Copco India Limited is exposed primarily to exchange rates risk, credit risk which may adversely impact the fair value of its financial instruments. Due to the strong position in cash flow and a debt-free position for past three years company does not see much risk in terms of interest rate risk and liquidity risk.

Company assesses unpredictability and uncertainty in the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Atlas Copco (India) Ltd.

Notes forming part of financial statements

i) Capital Management

The Company's capital management objectives are to maintain a strong capital base so as to maintain confidence of its business partners and to sustain future development of the business. With parent company considering the debt free and positive surplus position of the company The Board of Directors does not see any major challenges in capital management in next one year.

The company manages capital risk by maintaining sound capital structure through monitoring of financial ratios. The company takes the positioning of the current ratio management as quite critical to continue to maintain itself debt-free and as a surplus organization.

In case of contingency if the Company needs to borrow, Company does have a borrowing policy is in place and if required to borrow Company goes with the lowest cost borrowing option that is available in the market like packing credit etc.

Investment position for past three years

	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 1st April, 2015 Rs '000
Investments	1,060,362	284,135	5,729,780

Current Ratio

	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 1st April, 2015 Rs '000
Total Current Assets	14,901,944	13,144,172	17,388,229
Total Current Liabilities	7,490,134	7,186,833	5,981,744
Current ratio	1.99	1.83	2.91

ii) Credit Risk

Credit risk is the risk of financial loss arising from failure to customer to repay according to the contractual terms or obligations. Credit risk includes primarily risk of default and a possibility of erosion in creditworthiness of the customer impacting the future business of the Company. Credit risk is managed by the customer center teams with specific policies for analysing credit limits and creditworthiness of customers. Such reviews are done on continuous basis. Such credit limits which are reviewed in line with the credit limits are also maintained in the ERP system as well wherein the sales beyond credit limits are held back by system unless specifically approved.

Financial instruments that are subject to concentration of credit risk principally consists of trade receivables. None of the financial instruments of the Company results in material concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 308,994 ('000), Rs. 379,034 ('000) and Rs. 415,305 ('000) as of 31st March, 2017, 31st March, 2016 and 1st April, 2015 respectively, being the total of the carrying amount of balances with trade receivables

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of financial statement whether a financial asset or a group of financial assets is impaired. Company provides a loss allowance on a trade receivable on case to case basis at the end of each reporting period. An impairment analysis at each reporting date on an individual basis for major customers. In addition a large number of customers that are outstanding for upto 90 days are assessed for impairment collectively.

	As at 31st March, 2017 Rs '000	As at 31st March, 2016 Rs '000	As at 1st April, 2015 Rs '000
Movement in the allowance for expected credit loss			
Balance at the beginning of the year	379,034	415,305	359,492
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(70,040)	(36,271)	55,813
Balance at the end of the year	308,994	379,034	415,305

Atlas Copco (India) Ltd.

Notes forming part of financial statements

iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

As mentioned above in point (i), Company has been in a surplus for past three years so the liquidity risk is extremely limited for Company. Unless some new unexpected capex is required to be done by Company due to business requirement, the Company expects to remain in cash surplus for at least one year. Accordingly the Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

a) Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

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.

Details of foreign currency exposure were as under.

DETAILS OF DERIVATIVE INSTRUMENTS (FOR HEDGING) - NIL

DETAILS OF FOREIGN CURRENCY EXPOSURES THAT ARE NOT HEDGED BY A DERIVATIVE INSTRUMENT OR OTHERWISE

Particulars	Currency	Amount in foreign currency			Equivalent amount in Rs. '000		
		Mar-17	Mar-16	Mar-15	Mar-17	Mar-16	Mar-15
Sundry creditors	EUR	21,373,278	22,470,872	14,853,686	1,480,037	1,688,959	1,000,417
	USD	1,490,430	1,767,927	2,190,172	96,284	117,421	137,162
	SEK	41,380,522	38,651,149	17,739,184	299,863	314,842	128,820
	GBP	95,721	89,749	69,021	7,730	8,535	6,388
	CAD	-	-	-	-	-	-
	NZD	120,417	16,867	18,472	5,456	785	863
	SGD	-	-	-	-	-	-
	JPY	7,351,046	7,765,154	2,963,831	4,261	4,581	1,546
	AUD	8,137	-	103	404	-	5
	ZAR	30,493	6,061	187,324	148	27	962
	HKD	60,109	65,047	-	502	556	-
	CHF	(30,077)	(5,203)	-	(2,016)	(346)	-
	NOK	520,294	-	-	3,931	-	-
Sundry Debtors *	EUR	14,769,942	7,910,625	11,141,938	1,023,006	594,572	780,204
	USD	8,878,508	13,406,140	16,577,908	577,586	889,096	1,032,985
	AUD	96,006	7,805	57,065	4,768	396	2,718
	SEK	483,773	1,248,428	669,718	3,511	10,158	4,864
	GBP	3,789	17,961	14,121	306	1,708	1,306
	SGD	-	-	39,737	-	-	1,808
	JPY	184,363	112,664	175,294	107	66	91
	ZAR	21,855,177	11,184,238	5,112,381	106,405	49,897	26,245
	CAD	6,976	8,411	21,676	339	430	1,065

Atlas Copco (India) Ltd.

Notes forming part of financial statements

Particulars	Currency	Amount in foreign currency			Equivalent amount in Rs. '000		
		Mar-17	Mar-16	Mar-15	Mar-17	Mar-16	Mar-15
	NOK	-	4,302	-	-	34	-
	SAR	-	92,000	-	-	1,626	-
	CNY	(4,146)	-	-	(39)	-	-
	HKD	322,328	-	-	2,689	-	-
Bank balances	EUR	279,838	421,465	1,392,615	19,382	31,677	93,873
	USD	729,642	1,251,018	1,259,998	47,304	82,930	78,850
	SEK	644,588	6,260,265	4,253,962	4,678	50,896	30,893

* Balances are net off advances

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and SEK exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to other foreign currencies is not material.

Rs. '000

	Currency	Change in rate	Effect on profit before tax - gain / (loss)
March 31, 2017	EURO	+10%	45,703
	EURO	-10%	(45,703)
	USD	+10%	(48,130)
	USD	-10%	48,130
	SEK	+10%	29,635
	SEK	-10%	(29,635)
March 31, 2016	EURO	+10%	109,439
	EURO	-10%	(109,439)
	USD	+10%	(77,167)
	USD	-10%	77,167
	SEK	+10%	30,468
	SEK	-10%	(30,468)
April 1, 2015	EURO	+10%	22,021
	EURO	-10%	(22,021)
	USD	+10%	(89,582)
	USD	-10%	89,582
	SEK	+10%	12,396
	SEK	-10%	(12,396)

Atlas Copco (India) Ltd.

Notes forming part of financial statements

NOTE 45 - ASSETS HELD FOR SALE

Atlas Copco Group has agreed to divest its Road Construction Equipment business which is part of Construction Technique business area to French Industrial and Construction Company Fayat Group.

The Board of Directors of the company in their meeting held on 12th May 2017, approved the transfer of certain assets and liabilities of Road Construction division to Dynapac Road Construction Equipment (India) Private Limited within the period of 12 months from the date of approval in the Board meeting at consideration equal to book values as on the date of transfer.

Accordingly, Road Construction Equipment business has been classified as Held for Sale in the financial statements the details of which as at the end of the year are as follows.

Rs. in '000

Particulars	31st March 2017
1 Non-current assets	
(a) Property, Plant and Equipment	42,558
Total Non - Current Assets	42,558
2 Current assets	
(a) Inventories	24,031
(b) Financial Assets	
(ii) Trade receivables	267,556
Total Current Assets	291,587
Assets classified as held for sale	334,145
3 Current liabilities	
(a) Financial Liabilities	
(ii) Trade payables	14,340
(b) Provisions	20,347
(c) Other Current Liabilities	10,705
Total Current Liabilities	45,392
Liabilities directly associated with assets classified as held for sale	45,392

However, the company has continued its operations of the said business and thus has entered into a separate contract with Dynapac Road Construction Equipment (India) Private Limited, for a period of three years, for manufacturing and supply of road construction equipment to Dynapac Road Construction Equipment (India) Private Limited.

NOTE 46: FIRST TIME ADOPTION OF IND AS

The adoption of INDAS was carried out in accordance with Ind AS 101 using Balance sheet as at 1st April, 2015 as the transition date. The transition was carried out from Indian GAAP, which was considered as the previous GAAP. All applicable Ind AS have been applied consistently and retrospectively, wherever, required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as of the transition date are recognised directly in equity (retained earnings) at the date of transition to Ind AS.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the periods ended on or after 1st April, 2015, together with the comparative period data as at 31st March, 2016 and year ended 31st March, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101.

The note below explains the principal adjustments made by the Company in restating its Indian GAAP financials statements, including the opening Balance sheet as at 1st April, 2015, the financial statements for the year ended 31st March, 2016.

Atlas Copco (India) Ltd.

Notes forming part of financial statements

Exemption from retrospective application:

The Company has applied the following exemptions

(a) Deemed Cost

The company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognised as at 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Exception to retrospective application

(a) Estimate

The estimates at 1st April, 2015 and at 31st March, 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the items where application of previous GAAP did not require estimation. The Company has elected to apply change in estimates prospectively from the date of transition to Ind AS in respect of allowance for doubtful debts and product warranty.

Reconciliation of equity as previously reported under Previous GAAP

(I GAAP) to Ind AS as at 1st April, 2015

Rs. in '000

Particulars	Notes	As on 1st April, 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS balance sheet
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	i	2,558,272	-130	2,558,142
(b) Capital work-in-progress		24,236	-	24,236
(c) Other Intangible assets		56,272	-	56,272
(d) Intangible assets under development		166,759	-	166,759
(e) Financial Assets				
(ii) Other Non-Current Financial Assets	ii	121,701	-15,884	105,817
(f) Deferred tax assets (net)		455,379	-	455,379
(g) Other non-current assets	i, ii	716,608	15,101	731,709
Total Non - Current Assets		4,099,227	-913	4,098,314
2 Current assets				
(a) Inventories		4,614,124	-	4,614,124
(b) Financial Assets				
(i) Investments		5,729,780	-	5,729,780
(ii) Trade receivables	iii	4,971,329	241,836	5,213,165
(iii) Cash and cash equivalents		501,233	-439	500,794
(iii) Bank balances other than (ii) above		8,454	-	8,454
(iv) Other Current Financial Assets		105,470	-	105,470
(c) Other current assets		1,216,443	-	1,216,443
Total Current Assets		17,146,833	241,397	17,388,230
Total Assets (1+2)		21,246,060	240,484	21,486,544

Atlas Copco (India) Ltd.
Notes forming part of financial statements

Particulars	Notes	As on 1st April, 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS balance sheet
EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital		225,616	-	225,616
(b) Other Equity excluding non-controlling interests	vi	8,684,650	6,108,427	14,793,077
Equity attributable to owners of the Company		8,910,266	6,108,427	15,018,693
2 LIABILITIES				
Non-current liabilities				
(a) Provisions		486,105	-	486,105
Total Non - Current Liabilities		486,105	-	486,105
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	iii	124,145	241,836	365,981
(ii) Trade payables		3,369,528	-	3,369,528
(iv) Other current financial liabilities		35,952	-	35,952
(b) Provisions	iv	7,108,863	-6,109,778	999,085
(c) Other Current Liabilities		1,090,713	-	1,090,713
(d) Current tax liabilities (net)		120,487	-	120,487
(e) Liabilities directly associated with assets classified as held for sale		-	-	-
Total Current Liabilities		11,849,688	-5,867,942	5,981,746
Total Equity and Liabilities (1+2+3)		21,246,060	240,484	21,486,544

Reconciliation of equity as previously reported under Previous GAAP

(I GAAP) as at 31st March, 2016

Rs. in '000

Particulars	Notes	As on 31st March, 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS balance sheet
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	i	2,737,250	-127	2,737,123
(b) Capital work-in-progress		29,620	-	29,620
(c) Other Intangible assets		40,843	-	40,843
(d) Intangible assets under development		-	-	-
(e) Financial Assets				
(ii) Other Non-Current Financial Assets	ii	142,779	-12,027	130,752
(f) Deferred tax assets (net)		504,110	-	504,110
(g) Other non-current assets	i, ii	676,030	12,943	688,973
Total Non - Current Assets		4,130,631	790	4,131,421

Atlas Copco (India) Ltd.
Notes forming part of financial statements

Particulars	Notes	As on 31st March, 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS balance sheet
2 Current assets				
(a) Inventories		5,043,085	-	5,043,085
(b) Financial Assets				
(i) Investments		284,135	-	284,135
(ii) Trade receivables	iii	5,988,008	233,801	6,221,809
(iii) Cash and cash equivalents		274,428	-439	273,989
(iii) Bank balances other than (ii) above		111,400	-	111,400
(iv) Other Current Financial Assets		68,453	-2,623	65,830
(c) Other current assets		1,143,797	127	1,143,924
Total Current Assets		12,913,305	230,867	13,144,172
Total Assets (1+2)		17,043,936	231,657	17,275,593
EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital		225,616	-	225,616
(b) Other Equity excluding non-controlling interests	vi	9,384,992	15,686.05	9,382,848
Equity attributable to owners of the Company		9,610,608	15,686	9,608,464
LIABILITIES				
2 Non-current liabilities				
(b) Provisions		480,296	-	480,296
Total Non current Liabilities		480,296	-	480,296
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	iii	452,058	233,801	685,859
(ii) Trade Payables		4,418,308	-	4,418,308
(iii) Other Current Financial Liabilities		135,058	-	135,058
(b) Provisions		976,763	-	976,763
(c) Other Current Liabilities		852,370	-	852,370
(d) Current tax liabilities (net)		118,475	-	118,475
(e) Liabilities directly associated with assets classified as held for sale		-	-	-
Total Current Liabilities		6,953,032	233,801	7,186,833
Total Equity and Liabilities (1+2+3)		17,043,936	249,487	17,275,593

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Notes forming part of financial statements

Reconciliation of Statement of Profit and Loss as previously reported under Previous GAAP (IGAAP) to Ind AS for the year ended 31st March, 2016

Rs. in '000

Particulars	Notes No	For the year ended		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
I Revenue From Operations		31,310,288	-	31,310,288
II Other Income	v	429,357	4,276	433,633
III Total Revenue (I+II)		31,739,645	4,276	31,743,921
IV Expenses				
Cost of materials consumed		10,755,213	-	10,755,213
Purchase of stock-in-trade		6,857,310	-	6,857,310
Changes in inventories of finished goods, Stock-in -Trade and work-in progress		-188,178	-	-188,178
Excise duty on sale of goods		1,100,864	-	1,100,864
Employee benefits expense	vi	2,753,626	8,122	2,761,748
Finance costs		425,424	-	425,424
Depreciation and amortization expense		35,841	-3	35,838
Other expenses	v	4,711,798	5,071	4,716,869
Total expenses		26,451,897	13,191	26,465,088
V Profit before tax (III-IV)		5,287,748	-8,915	5,278,833
VI Tax expense:				
Current tax		1,797,502	-	1,797,502
Short / (Excess) provision for tax relating to prior years		123,179	-	123,179
Deferred tax		-48,732	-	-48,732
Total tax expenses		1,871,949	-	1,871,949
VII Profit after tax (V-VI)		3,415,799	-8,915	3,406,884
VIII Other Comprehensive Income (OCI)				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit plans				
Income-tax relating to items that will not be reclassified to profit or loss				
IX Total Comprehensive income for the year		3,415,799	-8,915	3,406,884

Reconciliation of Cash Flow Statement as previously reported under Previous GAAP (IGAAP) to Ind AS for the year ended 31st March, 2016

Rs. '000

Particulars	Note No.	For the year ended		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
I Net Cash flow from operating activities	ii, iii & iv	3,420,280	(120,159)	3,300,121
II Net cash flow from investing activities		5,117,368	-	5,117,368
III Net cash flow from financing activities	ii	(8,764,301)	223,106	(8,541,195)
IV Net increases (decreases) in cash and Cash equivalents		(226,653)	102,947	(123,706)
V Cash and Cash equivalent at the beginning of the period		501,233	8,015	509,248
Effect of exchange rate change on the balance of cash held in foreign currency		(152)	-	(152)
VI Cash and Cash equivalent at the end of the period		274,428	110,961	385,389

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Notes forming part of financial statements

Reconciliation of equity as previously reported under Previous GAAP (I GAAP) as at 1st April, 2015 and 31st March, 2016

Rs. '000

Particulars	Note no	31st March, 2016	31st March, 2015
Balance as per previous GAAP		9,384,994	8,684,650
Ind AS Adjustments			
I Fair valuation of security deposits		(2,146)	(1,351)
II Dividend (including tax thereon)	iv		6,109,779
Effect of Ind AS adjustment			
Balance as per Ind AS		9,382,848	14,793,078

Reconciliation of Total Comprehensive income as previously reported under Previous GAAP (I GAAP) as at 1st April, 2015 and 31st March, 2016

Rs. '000

Particulars	Note no	Year ended 31st March, 2016
Net profit as reported under Previous GAAP		3,415,801
I Recognition of share based payments	vi	-8,122
II Fair valuation of security deposits	ii	-795
Net Profit for the period as per Ind AS		3,406,884
VI Other Comprehensive Income (net of tax)		
Total comprehensive income as per Ind AS		3,406,884

Notes to reconciliation of equity as at 1st April, 2015 and 31st March, 2016 and profit or loss for the year ended 31st March, 2016

i Leasehold Land

Company has leasehold land with a book value as of 31.3.2016 of 127 ('000) (130 ('000) as of 31.3.2015) its books of accounts. As per previous GAAP (IGAAP), leasehold land was considered as Lease hold asset and was amortised over the period of lease tenure. As per Ind AS, leasehold land is considered as operating lease. Accordingly, premium paid is considered as prepayment of lease charges and same is charged to Statement of Profit and Loss over the period of lease. The prepayment is disclosed under Other non current assets.

ii Financial Assets

Under the previous GAAP, interest free security deposits and rent deposits (that are refundable in cash on completion of the contract / lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit and rent deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs 12,465 ('000) Lacs as at March 31,2016 (April 01, 2015 - Rs 16,332 ('000)). The prepaid rent is increased accordingly under the heading other current assets.

iii Trade Receivables

As per Ind AS, the Company has recognised short term borrowing equal to the amount trade receivable discounted with banks and has continued to recognise the trade receivables since the Company retains substantially all the risk and reward of ownership of the related trade receivables. Under the previous GAAP, the trade receivable were derecognised at the time they were discounted with banks and a contingent liability was disclosed equal to the amount received from banks. The Company has availed exemption granted under Ind AS 101 in respect of financial assets derecognised prior to April 1, 2015. As a result, Receivables and Current borrowings as on 31st March, 2016 were restated to the tune of 233,801 ('000) (Rs. 241,836 ('000) as of 1st April, 2015).

iv Dividend

Under Ind AS, distributions would be accounted when they are declared. The dividend declared will be accounted for when the same is approved. Hence, dividend provision has been reversed and accounted in the year, when the same is approved. As a result, Other equity

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excluding non-controlling interests and current provisions as on 31st March, 2016 were restated to the tune of dividend amount of Rs nil (Rs. 5,076,352 ('000) as of 1st April, 2015) and tax on dividend of Rs nil ('000) (Rs 1,033,426 ('000) as of 1st April 2015).

v Effects of transition to Ind AS on retained earnings

Adjustments for equity effect of all the Ind AS adjustment entries.

vi Share based payments

Few employees of the company are eligible for Share Based Payments from the Parent company as per the terms of the incentive program. As required by IndAS, entries have been taken in the Retained earning as Contribution from Parent company towards such shares based payment. The value that is account for such program is to the tune of Rs 8,122 ('000) for 31st March 2016 (Rs 25,571 ('000) for 1st April 2015).

vii Excise duty on sale of goods

Under the previous GAAP, revenue from sale of products was presented net of excise duty. Under IndAS, revenue from sale of products is presented inclusive of Excised duty. The excise duty paid is presented on the face of the Statement of Profit and Loss.

viii Depreciation and amortization

Under the previous GAAP. Leasehold Land was considered as a part of property, plant and equipment, the same was amortized over a period of lease whereas under IND AS, Leasehold Land is treated operating lease and reclassified under prepayment. The amount is charged to lease rental on systematic basis over period of lease.

ix Excise duty on sale of goods

Under the previous GAAP, revenue from sale of products was presented net of excise duty. Under IndAS, revenue from sale of products is presented inclusive of Excised duty. The excise duty paid is presented on the face of the Statement of Profit and Loss.

NOTE 47: FAIR VALUE MEASUREMENT

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financial instruments

	CARRYING AMOUNT			FAIR VALUE		
	As at	As at	As at	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2017	31st March, 2016	31st March, 2015
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
FINANCIAL ASSETS						
Measured at Amortized Cost						
Security Deposits	124,551	136,945	108,682	138,775	149,410	125,004
Loans and Advances to Employees	5,970	6,367	5,838	5,970	6,367	5,838
Balances with Banks held as Margin Money against Bank Guarantees	439	439	439	439	439	439
(-) Provision for doubtful advances	(15,425)	(12,999)	(9,142)	(15,425)	(12,999)	(9,142)
Trade Receivables	6,608,766	6,221,809	5,213,165	6,608,766	6,221,809	5,213,165
Cash on hand	1,154	1,206	776	1,154	1,206	776
Cheques on hand	5,965	3,289	7,712	5,965	3,289	7,712
Balance with banks in -						
Current Accounts	120,536	99,426	78,607	120,536	99,426	78,607
EEFC Accounts	75,686	170,068	203,617	75,686	170,068	203,617
In Demand Deposit Account	-	-	210,082	-	-	210,082

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Notes forming part of financial statements

	CARRYING AMOUNT			FAIR VALUE		
	As at	As at	As at	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2017	31st March, 2016	31st March, 2015
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Unpaid Dividend Accounts (earmarked accounts)	102,243	111,400	8,454	102,243	111,400	8,454
Security Deposits	33,582	30,975	56,817	33,582	30,975	56,817
Loans and advances to employees	69,351	34,855	48,653	69,351	34,855	48,653
FINANCIAL ASSETS						
Measured at Fair value through Statement of Profit and Loss						
Investments	1,060,362	284,135	5,729,780	1,060,362	284,135	5,729,780
FINANCIAL LIABILITIES						
Measured at Amortized Cost						
(A) Secured Borrowing from banks						
- Cash Credit (Secured) #	13,184	187,465	91,276	13,184	187,465	91,276
(B) Unsecured Borrowing from banks						
- Packing Credit	-	103,528	-	-	103,528	-
- Amounts due on Factoring (Secured at amortised cost)	176,307	233,801	241,836	176,307	233,801	241,836
Trade Payables	4,518,556	4,418,308	3,369,528	4,518,556	4,418,308	3,369,528
Security Deposit Received	14,156	11,978	11,335	14,156	11,978	11,335
Payables on purchase of property plant and equipment	14,395	11,680	9,261	14,395	11,680	9,261
Current Maturities of Finance Lease Obligations	-	-	6,900	-	-	6,900
Unclaimed dividends	102,243	111,400	8,454	102,243	111,400	8,454

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the best possible borrowing rate of the borrower. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Atlas Copco (India) Ltd.

Notes forming part of financial statements

The following methods and assumptions were used to estimate fair value:

- Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.
- Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.
- The fair value of the Company's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data

The following table presents our assets and liabilities measured at fair value on recurring basis at 31st March, 2017 and 31st March, 2016 and 1st April, 2015.

Rs. '000

Particulars	Level 1	Level 2	Level 3
31st March, 2017			
Investments	1,060,362	-	-
31st March, 2016			
Investments	284,135	-	-
1st April, 2015			
Investments	5,729,780	-	-

During the year ended 31st March, 2017, there were no transfers between Level 1 and Level 2 fair value measurement and no transfer into and out of Level 3 fair value measurement.

Atlas Copco (India) Ltd.

Notes forming part of financial statements

NOTE 48 - DISCLOSURE UNDER ACCOUNTING STANDARD - 7 (REVISED) "CONSTRUCTION CONTRACTS"

- (a) i) Contract Revenue recognised for the year ended 31st March, 2017 Rs. 742,267('000) (31st March, 2016 Rs.1,597,807 ('000))
ii) Method used to determine the contract revenue recognized and the stage of completion of contracts in progress [Refer Note 1.1.4]
- (b) Disclosures in respect of contracts in progress at the year end:
- i) Aggregate amount of costs incurred and recognised profits (less recognised losses) Rs. 136,110(000) (31st March, 2016 Rs. 301,790 ('000))
ii) Advances received are Rs. 182,118 ('000) (31st March, 2016 Rs. 76,584)
iii) Retention money is Rs. Nil (31st March, 2016 Rs. Nil)
iv) Gross amount due from customer for contract work is Rs.136,110(000) (31st March, 2016 Rs. 301,790 ('000))

NOTE 49 - Pursuant to Companies Act 2013, Corporate Social Responsibility (CSR) committee has been formed on July 18, 2014 to undertake CSR projects. The CSR committee has identified various long term projects. The Company has spent Rs.25,621 ('000) (31st March, 2016 10.143 ('000)) on CSR activities during the year ended March 31, 2017 against required spend of Rs.83,438 ('000) (31st March, 2016 Rs. 70,941 ('000)).

NOTE 50 - Atlas Copco AB has decided and announced to split the global business of 'Mining and Rock Excavation Technique and Construction Tools' division into a new company. In terms of the said announcement, the Company is currently evaluating options and rolling out a plan to reorganize the said business.

NOTE 51 - The financial statements for the year ended 31st March, 2017 are approved by the Board of Directors and authorised for issue on 17th July, 2017.

Signature to Notes 1 to 51

For and on behalf of Atlas Copco (India) Limited

A K Hirjee
Chairman
(DIN 44765)

G Valent
Managing Director
(DIN 7207866)

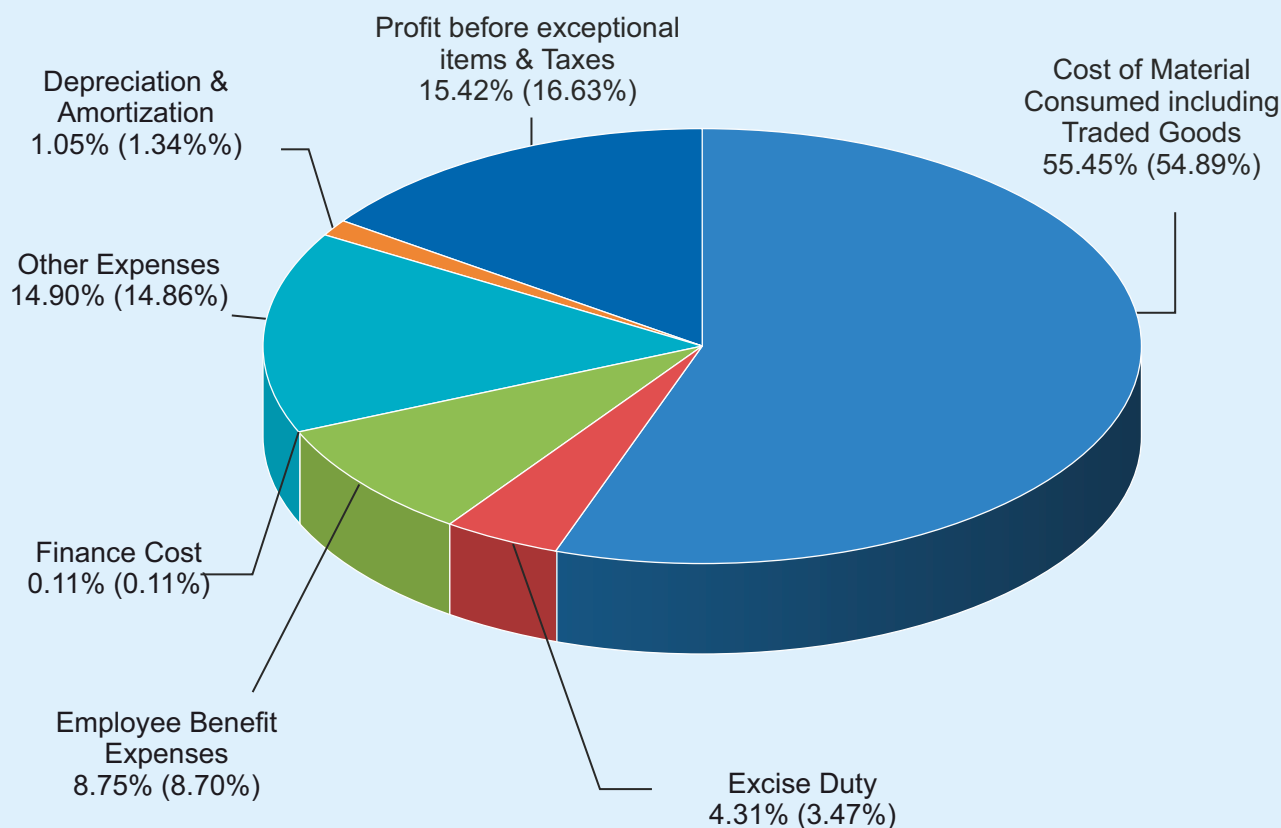
S H Ghotage
VP Holding & Chief Financial Officer

J Delvadavala
Director
(DIN 47470)

A N Bavare
Company Secretary

Date : July 17, 2017
Place : Mumbai

Distribution of Revenue - 2016-17



*Figures in bracket are for the previous year

FINANCIAL HIGHLIGHTS

(Rs. '000)

Particulars	2007	2008	2009	2010	2012 (15 months period)	2013	2014	2015	2016	2017
ASSETS EMPLOYED										
Net Fixed Assets	1,626,522	1,848,345	1,828,276	1,888,915	2,628,155	3,116,470	3,112,267	2,805,539	2,807,586	3,043,619
Investments	-	75,037	145,045	-	-	748,780	1,564,382	5,729,780	284,135	1,060,362
Deferred Tax Assets (Net)	92,235	124,695	133,988	176,055	214,070	327,539	368,627	455,379	504,110	524,952
Net Current Assets	3,007,556	4,054,009	3,464,649	4,272,741	6,779,348	6,742,776	7,836,415	17,744	6,698,492	7,295,601
Misc. Expenditure	-	-	-	-	-	-	-	-	-	-
TOTAL	4,726,313	6,102,086	5,571,958	6,337,711	9,621,573	10,935,565	12,881,691	9,008,442	10,294,323	11,924,534
FINANCED BY										
Equity Share Capital	225,616	225,616	225,616	225,616	225,616	225,616	225,616	225,616	225,616	225,616
Reserves	3,105,524	3,837,366	4,392,304	5,918,972	8,028,779	10,153,113	12,570,179	8,684,650	9,382,848	10,958,863
Borrowed Funds	1,395,173	2,039,104	954,038	193,123	1,367,178	97,213	85,896	98,176	685,859	740,055
TOTAL	4,726,313	6,102,086	5,571,958	6,337,711	9,621,573	10,475,942	12,881,691	9,008,442	10,294,323	11,924,534
PROFIT & LOSS										
Sales & other income	9,792,344	12,846,127	12,816,152	16,955,857	26,237,101	25,262,801	26,576,690	26,938,260	31,743,921	35,640,141
Profit before Depreciation & Tax	1,412,987	1,629,484	1,645,498	2,544,178	3,902,918	3,912,759	4,389,622	3,884,555	5,704,257	5,871,943
Depreciation	225,821	280,769	315,144	310,247	580,518	482,820	553,985	492,218	425,424	375,881
Profit before Exceptional items & Tax	1,187,166	1,348,715	1,330,354	2,233,931	3,322,400	3,429,939	3,835,637	3,392,337	5,278,833	5,496,062
Exceptional items (Net)	92,456	-	(16,708)	254,450	-	16,594	-	-	-	-
Taxation	(469,579)	(511,290)	(466,133)	(823,259)	(1,108,833)	(1,157,032)	1,286,591	1,163,612	1,871,949	2,041,177
Profit after Tax	810,043	837,425	847,513	1,665,122	2,240,915	2,256,313	2,549,046	2,228,725	3,406,884	3,454,885
Dividend	90,246	90,246	90,246	112,808	112,808	112,808	112,808	112,808	5,076,352	-
Interim Dividend	-	-	-	-	-	-	-	-	2,256,157	1,579,310
Dividend %	40	40	40	50	50	50	50	50	3,250	700
Corporate Tax on Dividend	15,337	15,337	15,337	19,172	17,865	18,300	19,172	19,172	1,492,726	321,510

Note: Dividend figures have been presented on payment basis as per IndAS requirements



Committed to sustainable productivity

We stand by our responsibilities towards our customers,
towards the environment and the people around us.
We make performance stand the test of time.
This is what we call – Sustainable Productivity.

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Atlas Copco