



# C. R. SAGDEO & CO.

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

To the Members of Patwardhan Infrastructure Private Limited

#### Report on the Standalone Ind AS Financial Statements

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

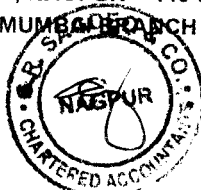
#### Management's Responsibility for the Financial Statements

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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 financial statements are free from material misstatement.

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





# C. R. SAGDEO & CO.

## CHARTERED ACCOUNTANTS

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

### Opinion

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

D. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

E. On the basis of written representations received from the directors as on 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 2" to this report;

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

i. The Company does not have any pending litigations on its financial position in its standalone Ind AS financial statements;





**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

ii. The Company has provided requisite disclosures in Note 6 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on 8 November 2016 and 30 December 2016 as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For C.R. Sagdeo & Co.  
Chartered Accountants  
Firm registration number: 108959W

CA Ajit A. Gokarn  
Partner  
Membership No.: 030608



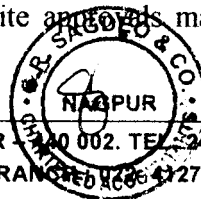
Place: Nagpur  
Date: 31<sup>th</sup> August, 2017



**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

ANNEXURE REFERRED TO IN PARAGRAPH OF THE AUDITORS REPORT TO THE MEMBERS OF PATWARDHAN INFRASTRUCTURE PRIVATE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2017.

1. All the fixed assets have been completely depreciated during the last year. The company does not have any fixed assets during the year.
2. As the company engages in the toll collection business therefore, no inventory required.
3. Company has not granted any loans, secured or unsecured to companies firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. Company has not made any loans and investments as per section 185 of the Companies Act. The company being rendering infrastructure facilities, section 186 of the act is not applicable.
5. The company has not accepted any deposits from the public.
6. According to the information and explanations given to us, the Central Government has not prescribe the maintenance of cost records under sub section (1) of section 128 of the Companies Act, 2013, in respect of service carried out by the company.
7. (i) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it.  
(ii) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2016 for a period of more than six months from the date of becoming payable.
8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks/debentures.
9. The Company did not raise any money by way of initial public offer or further public offer (Including debt instruments) and term Loans during the year. Accordingly paragraph 3 (ix) of the Order is not applicable.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company have been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the company, the company has not paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.






**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

12. In our opinion and according to information and explanations given to us, the Company is not a nidhi company. Accordingly Para 3 (xii) of the order is not applicable.
13. According to information and explanations given to us and based on examination of records of company transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been duly disclosed in the financial statements as required by the applicable accounting standards.
14. According to information and explanations given to us and based on examination of records of company the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to information and explanations given to us and based on examination of records of company, the company has not entered into non cash transactions with the directors or persons connected with him. Accordingly paragraph 3 (xv) of the Order is not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For C.R. Sagdeo & Co.  
Chartered Accountants  
Firm registration number: 108959W

  
CA Ajit A. Gokarn  
Partner  
Membership No.: 030608  
Place: Nagpur  
Date: 31th August, 2017





**C. R. SAGDEO & CO.**  
**CHARTERED ACCOUNTANTS**

**Annexure 2 to the Independent Auditor's Report Of even date on the Standalone Ind AS financial Statement of Patwardhan Infrastructure Private Limited**

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

We have audited the internal financial controls over financial reporting of Patwardhan Infrastructure Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

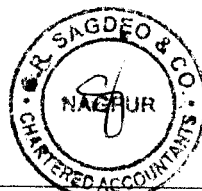
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

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





# C. R. SAGDEO & CO.

## CHARTERED ACCOUNTANTS

### 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 C.R. Sagdeo & Co.  
Chartered Accountants  
Firm registration number: 108959W

CA Ajit A. Gokarn  
Partner  
Membership No.: 030608  
Place: Nagpur  
Date: 31th August, 2017



**Patwardhan Infrastructure Private Limited**  
**Balance Sheet as at 31st March, 2017**

	Notes	31 March 2017	31 March 2016	1 April 2015
<b>Assets</b>				
<b>Non-current assets</b>				
<b>Financial assets</b>				
Investments	3	25,45,430.00	20,93,720.00	30,85,138.00
Loans	4	2,02,59,756.79	96,60,676.79	1,11,73,864.79
Other non-current assets	5	8,08,24,818.00	8,90,99,575.00	8,91,10,130.00
<b>Total Non-current assets</b>		<b>10,36,30,004.79</b>	<b>10,08,53,971.79</b>	<b>10,33,69,132.79</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Cash and cash equivalent	6	2,85,052.89	14,14,431.57	25,18,082.55
Other current assets		-	-	-
		2,85,052.89	14,14,431.57	25,18,082.55
Assets classified as held for Sale		-	-	-
<b>Total current assets</b>		<b>2,85,052.89</b>	<b>14,14,431.57</b>	<b>25,18,082.55</b>
<b>Total assets</b>		<b>10,39,15,057.68</b>	<b>10,22,68,403.36</b>	<b>10,58,87,215.34</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity Share Capital	7	49,22,000.00	49,22,000.00	49,22,000.00
<b>Other Equity</b>				
Reserve & surplus	8	9,80,42,791.69	9,72,07,683.37	9,75,39,115.35
Other reserves	9	5,45,430.00	93,720.00	2,91,465.00
<b>Total equity</b>		<b>10,35,10,221.69</b>	<b>10,22,23,403.37</b>	<b>10,27,52,580.35</b>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Other financial liabilities	10	49,000.00	40,500.00	46,800.00
Other current liabilities	11	3,55,836.00	4,500.00	30,87,835.00
		4,04,836.00	45,000.00	31,34,635.00
Liabilities directly associated with the		-	-	-
		4,04,836.00	45,000.00	31,34,635.00
<b>Total liabilities</b>		<b>4,04,836.00</b>	<b>45,000.00</b>	<b>31,34,635.00</b>
<b>Total equity and liabilities</b>		<b>10,39,15,057.69</b>	<b>10,22,68,403.37</b>	<b>10,58,87,215.35</b>

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For C. R. Sagdeo & Co.**

Chartered Accountants

Firm Registration No. :108959W

**For and on behalf of the Board of Directors**

*(Signature)*  
 CA AJIT A. GOKARN  
 PARTNER  
 Membership No. 030608

Place : Nagpur  
 Dated : 31/08/2017



*(Signature)*  
 DILIP B. SURANA  
 DIRECTOR  
 (00953495)

*(Signature)*  
 SUSHANT S. MUKHERJEE  
 DIRECTOR  
 (6791508)



**Patwardhan Infrastructure Private Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2017**

	Notes	31 March 2017	31 March 2016 (₹)
<b>Continuing operations</b>			
Other income	12	12,55,854.00	11,623.00
<b>Total income</b>		<u>12,55,854.00</u>	<u>11,623.00</u>
<b>Expenses</b>			
Finance costs	13	3,454.68	2,357.98
Other expenses	14	61,455.00	82,774.00
<b>Total expense</b>		<u>64,909.68</u>	<u>85,131.98</u>
<b>Profit/(loss) before share of (profit)/loss of an</b>		<u>11,90,944.32</u>	<u>-73,508.98</u>
Share of (profit)/loss of an associate and a joint venture		-	-
<b>Profit/(loss) before exceptional items and tax from</b>		<u>11,90,944.32</u>	<u>-73,508.98</u>
Exceptional items		-	-
<b>Profit/(loss) before tax from continuing operations</b>		<u>11,90,944.32</u>	<u>-73,508.98</u>
(1) Current tax		3,55,836.00	-
<b>Income tax expense</b>		<u>3,55,836.00</u>	<u>-</u>
<b>Profit for the year from continuing operations</b>		<u>8,35,108.32</u>	<u>-73,508.98</u>
<b>Discontinued operations</b>			
Profit/(loss) before tax for the year from discontinued operations		-	(2,57,923.00)
Tax Income/ (expense) of discontinued operations		-	(2,57,923.00)
<b>Profit/ (loss) for the year from discontinued operations</b>		<u>-</u>	<u>(2,57,923.00)</u>
<b>Profit/(loss) for the year</b>		<u>8,35,108.32</u>	<u>-3,31,431.98</u>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Revaluation of investment		4,51,710.00	(1,97,745.00)
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<u>4,51,710.00</u>	<u>-1,97,745.00</u>
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>			
		<u>-</u>	<u>-</u>
<b>Other comprehensive income for the year, net of tax</b>		<u>4,51,710.00</u>	<u>-1,97,745.00</u>
<b>Total comprehensive income for the year, net of tax</b>		<u>12,86,818.32</u>	<u>-5,29,176.98</u>
<b>Earnings per equity share before exceptional item (par value ₹ 100 per share) 15</b>			
Basic (₹)		16.97	-6.73
Diluted (₹)		16.97	-6.73

Summary of significant accounting policies  
The accompanying notes are an integral part of the financial statements.  
As per our report of even date

**For C. R. Sagdeo & Co.**  
Chartered Accountants  
Firm Registration No. :108959W

CA. AJIT A. GOKARN  
PARTNER  
Membership No. 030608  
Place : Nagpur  
Dated : 31/08/2017



**For and on behalf of the Board of Directors**

*(Signature)*

DILIP B. SURANA  
DIRECTOR  
(00953495)

*(Signature)*

SUSHANT MUKHERJEE  
DIRECTOR  
(6791508)

**Patwardhan Infrastructure Private Limited**  
**Statement of Changes in Equity for the year ended 31st March, 2017**

**A. EQUITY SHARE CAPITAL**

Particulars	(₹)	
	Number of Shares	Amount
<b>As at 1 April 2015</b>	49,220	49,22,000.00
Changes in equity share capital	-	-
<b>As at 31 March 2016</b>	49,220	49,22,000.00
Changes in equity share capital	-	-
<b>As at 31 March 2017</b>	49,220	49,22,000.00

**B. OTHER EQUITY**

Particulars	Reserves and Surplus		Items of OCI	Total Equity
	General Reserve	Retained earnings	Investment revaluation reserve	
<b>As at 1 April 2015</b>	2,86,14,286.64	6,89,24,828.71	2,91,465.00	9,78,30,580.35
Profit for the period		(3,31,431.98)		(3,31,431.98)
Other comprehensive income		-	(1,97,745.00)	(1,97,745.00)
<b>Total comprehensive income</b>	2,86,14,286.64	6,85,93,396.73	93,720.00	9,73,01,403.37
Interim Dividend paid	-	-	-	-
<b>At 31 March 2016</b>	2,86,14,286.64	6,85,93,396.73	93,720.00	9,73,01,403.37
<b>As at 1 April 2016</b>	2,86,14,286.64	6,85,93,396.73	93,720.00	9,73,01,403.37
Profit for the period		8,35,108.32		8,35,108.32
Other comprehensive income			4,51,710.00	4,51,710.00
<b>Total comprehensive income</b>	2,86,14,286.64	6,94,28,505.05	5,45,430.00	9,85,88,221.69
<b>At 31 March 2017</b>	2,86,14,286.64	6,94,28,505.05	5,45,430.00	9,85,88,221.69

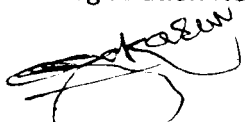
As per our report of even date

**For C. R. Sagdeo & Co.**


Chartered Accountants

Firm Registration No. :108959W

**For and on behalf of the Board of Directors**

  
**CA. AJIT A. GOKARN**  
 PARTNER  
 Membership No. 030608



  
**DILIP B. SURANA**  
 DIRECTOR  
 (00953495)

  
**SUSHANT MUKHERJEE**  
 DIRECTOR  
 (6791508)

Place : Nagpur

Dated : 31/08/2017

**Patwardhan Infrastructure Private Limited**  
**Cash Flow Statement for the year ended 31 March 2017**

(₹)

	31 March 2017	31 March 2016
<b>Cash flow from operating activities</b>		
Profit before tax from continuing and discontinuing operations	8,35,108.32	(3,31,431.98)
<b>Adjustment for</b>		
Interest income	(12,55,854.00)	-
Operating profit before working capital changes	(4,20,745.68)	(3,31,431.98)
<b>Adjustment for</b>		
Increase/(decrease) in other reserve	4,51,710.00	-1,97,745.00
Increase/(decrease) in other financial liabilities	8,500.00	-
Increase/(decrease) in other current financial liabilities	3,51,336.00	(6,300.00)
Increase/(decrease) in other current liabilities	-	(30,83,335.00)
Decrease / (increase) in long-term loans and advances	(1,05,99,080.00)	15,13,188.00
Decrease / (increase) in other current assets	-	-
Decrease / (increase) in other non-current assets	82,74,757.00	10,555.00
Cash generated from / (used in) operations	(19,33,522.68)	(20,95,068.98)
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(19,33,522.68)</b>	<b>(20,95,068.98)</b>
<b>Cash flow from investing activities</b>		
Interest received	12,55,854.00	-
Decrease / (increase) in Investment	(4,51,710.00)	9,91,418.00
Interest paid	-	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>8,04,144.00</b>	<b>9,91,418.00</b>
<b>Cash flow from financing activities</b>		
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(11,29,378.68)	(11,03,650.98)
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	14,14,431.57	25,18,082.55
<b>Cash and cash equivalents at the end of the year</b>	<b>2,85,052.89</b>	<b>14,14,431.57</b>

Summary of significant accounting policies

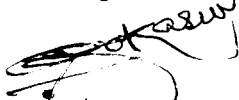
The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For C. R. Sagdeo & Co.**

Chartered Accountants

Firm Registration No. :108959W



CA AJIT A. GOKARN  
PARTNER

Membership No. 030608

Place : Nagpur

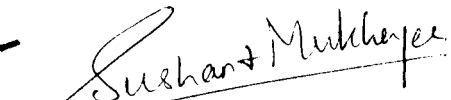
Dated : 31/08/2017



**For and on behalf of the Board of Directors**



DILIP B. SURANA  
DIRECTOR  
(00953495)



SUSHANT S. MUKHERJEE  
DIRECTOR  
(6791508)

## **Notes to the Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2017**

### **1. Corporate Information**

The financial statements comprise financial statements of Patwardhan Infrastructure Private Limited (the company) for the year ended 31 March 2017. The company is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at 267, Ganesh Phadnavis Bhavan, Near Trangular Park, Dharampeth Nagpur-440010 Maharashtra (India).

### **2. Significant Accounting Policies:**

#### **2.1 Basis of preparation**

The financial statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [ Companies ( Indian Accounting Standards ) Rules, 2014], read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2016 are the first the company has prepared in accordance with Ind AS and other relevant provisions of the Act.

#### **2.2 Accounting Estimates**

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

#### **2.3 Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.



## 2.2 Summary of significant accounting policies

### a) Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

- An asset as current when it is:
- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- 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 twelve months after the reporting period, or

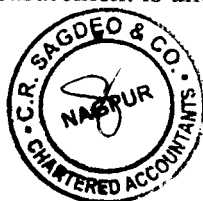
### b) Fair value measurement

The company measures financial instruments, such as, investment at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements 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) market prices in active markets for identical 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



**c) Revenue recognition**  
**Interest income**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**d) Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

**e) Cash and Cash Equivalents**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances.

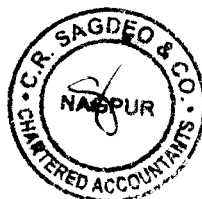
**f) Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**g) Earnings per share:**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the



weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

**h) Financial instruments:**

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

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

**Subsequent measurement**

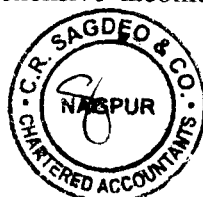
**Financial assets at amortized cost:** Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified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

**Financial assets at fair value through other comprehensive income:** Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets 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 at fair value through profit or loss are immediately recognised in statement of profit and loss.

**Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair



value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### **De-recognition of Financial Assets:**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated





