

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**DIVYA SOFTWARE SOLUTIONS PRIVATE LIMITED**

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

We have audited the accompanying Ind AS financial statements of **DIVYA SOFTWARE SOLUTIONS PRIVATE LIMITED** ('the company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of other comprehensive income, the Cash flow statement and the Statement of change 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 the 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 by the Companies (Indian Accounting Standards) Rules, 2017 under Section 133 of the Companies Act, 2013.

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.

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 financial statements are free from material misstatement.

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

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

### **Opinion**

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

### **Other Matters**

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening Balances Sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financials statements prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, which were audited by us and we had expressed the unmodified opinion vide audit reports dated 20.04.2017 and 05.05.2016 for the years ended 31st March, 2017 and 31st March, 2016 respectively. These financial statements have been considered in the Ind AS financial statements after adjustment of the differences in the accounting policies adopted by the Company on transition to the Ind AS as detailed in Note 18.9 of the Ind AS financial statements.

### **Report on Other Legal and Regulatory Requirements**

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



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

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet and the Statement of Profit and Loss including the statement of other comprehensive income, the Cash Flow statement and the 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
- 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 which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Place: New Delhi  
Date: 18.05.2018

**For S. Agarwal & Co.**  
Chartered Accountants  
FRN: 000808N

  
**S.N. Agarwal**  
(Partner)  
M. No. : 012103

## **“Annexure A” to the Independent Auditors’ Report**

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

- 1)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plants and equipment;
  - (b) The Fixed Asset have been physically verified by the management and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - (c) The title deeds of Lease Hold Land are held in the name of company.
- 2) As explained to us, Company is not carrying any inventory during the Period, therefore no particulars required to be given for (a), (b), and (c).
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7)
  - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date they become payable.
  - (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.



- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the Period.
- 11) Based upon the audit and the information and explanations given by the management, the company has not paid any remuneration to the management covered under section 197 read with Schedule V to the Companies Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment or private placement of shares during the Period under review.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.



Place: New Delhi  
Date: 18.05.2018

**For S. Agarwal & Co.**  
Chartered Accountants  
FRN: 000808N

**S.N. Agarwal**  
(Partner)  
M. No. : 012103



## **“Annexure B” to the Independent Auditors’ Report**

(Referred to in paragraph 2(f) of the independent auditor’s report of even date on the financial statements of the company for the year ended March 31, 2018.)

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 **Divya Software Solutions Private Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the Period 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” (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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’) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Place: New Delhi  
Date: 18.05.2018

**For S. Agarwal & Co.**  
Chartered Accountants  
FRN: 000808N

  
**S.N. Agarwal**  
(Partner)  
M. No. : 012103

# DIVYA SOFTWARE SOLUTIONS PRIVATE LIMITED

## BALANCE SHEET AS AT 31st MARCH, 2018

(Amount In Rupees)

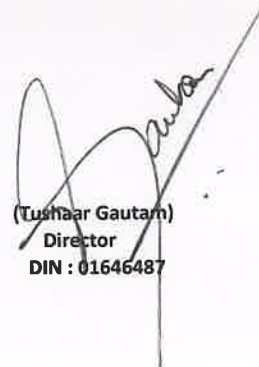
Particulars	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	53,953,903	27,135,573	27,427,738
Investment property	4	556,593,936	333,587,532	79,755,709
Financial assets				
- Loans	5	5,032,500	232,500	212,500
- Other non-current financial assets	6	-	-	4,953,000
Non-current tax assets (net)	7	337,391	44,850	2,095
		615,917,730	361,000,455	112,351,042
<b>Current assets</b>				
- Cash and cash equivalents	8	85,805,896	12,978,559	6,987,480
- Other current financial assets	9	1,683,152	2,426	19,504
Other current assets	10	7,122,083	46,220,283	4,310,525
		94,611,131	59,201,268	11,317,509
<b>TOTAL ASSETS</b>		<b>710,528,861</b>	<b>420,201,723</b>	<b>123,668,551</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	11	903,330	613,330	255,000
Other Equity	12	646,763,075	415,085,864	122,415,110
		647,666,405	415,699,194	122,670,110
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities (Net)	13	2,179,221	-	-
<b>Current liabilities</b>				
Financial Liabilities				
- Other current financial liabilities	14	47,879,480	3,655,709	340,943
Other current liabilities	15	12,803,755	846,820	657,498
		60,683,235	4,502,529	998,441
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>710,528,861</b>	<b>420,201,723</b>	<b>123,668,551</b>

Significant Accounting Policies' and 'Notes 1 to 20' form an Integral part of the Financial Statements.

For and on behalf of the Board of Directors.



(Rahul Gautam)  
Director  
DIN : 00192999



(Tushaar Gautam)  
Director  
DIN : 01646487



As per our Report of even date attached

**S. Agarwal & Co.**

Chartered Accountants

Firm Registration No. 000808N



(S N Agarwal)  
Partner

Membership No. 12103

Place: New Delhi  
Dated: 18.05.2018



# DIVYA SOFTWARE SOLUTIONS PRIVATE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(Amount In Rupees)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>INCOME :</b>			
Revenue from operations		-	-
Other income	16	945,716	448,533
<b>TOTAL INCOME</b>		<b>945,716</b>	<b>448,533</b>
<b>EXPENDITURE :</b>			
Employee benefits expenses	17	293,207	-
Finance costs	18	32,310	72,638
Depreciation and amortization expense	3	3,313,445	350,512
Other expenses	19	390,472	181,906
<b>TOTAL EXPENSES</b>		<b>4,029,434</b>	<b>605,056</b>
<b>Profit before tax</b>		<b>(3,083,718)</b>	<b>(156,523)</b>
<b>Tax expense</b>			
Current tax		-	-
Earlier Tax		47,850	-
Deferred tax		2,179,221	-
<b>Profit for the year</b>		<b>(5,310,789)</b>	<b>(156,523)</b>
<b>Other Comprehensive Income/(Loss):</b>			
a. Items that will not be reclassified as profit or loss		-	-
b. Income tax relating to items that will not be reclassified as profit or loss		-	-
c. Items that will be reclassified as profit or loss		-	-
d. Income tax relating to items that will not be reclassified as profit or loss		-	-
<b>Other Comprehensive Income/(Loss) for the year</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income / (Loss) for the year</b>		<b>(5,310,789)</b>	<b>(156,523)</b>
Earnings per share- Basic/Diluted in Rs.		(68.46)	(3.95)

Significant Accounting Policies' and 'Notes 1 to 20" form an integral part of the Financial Statements.

For and on behalf of the Board of Directors.



(Rahul Gautam)  
Director  
DIN : 00192999

(Tushaar Gautam)  
Director  
DIN : 01646487

As per our Report of even date attached  
**S. Agarwal & Co.**  
Chartered Accountants  
Firm Registration No. 000808N

(S N Agarwal)

Partner

Membership No. 12103

Place: New Delhi  
Date : 18.05.2018

**DIVYA SOFTWARE SOLUTIONS PRIVATE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018**

**(A) EQUITY SHARE CAPITAL**

For the year ended 31st March, 2018

(Amount In Rupees)

Balance as at 01st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
613,330	290,000	903,330

Balance as at 01st April, 2016	Changes in equity share capital during the year	Balance as at 31st March, 2017
255,000	358,330	613,330

**(B) OTHER EQUITY**

For the year ended 31st March, 2018

(Amount In Rupees)

Particulars	Retained Earnings	Security Premium	Total
Balance as at 01st April, 2017	(4,407,412)	419,493,276	415,085,864
Profit for the year	(5,310,789)	-	(5,310,789)
Addition During the Year	-	236,988,000	236,988,000
Balance as at 31st March, 2018	(9,718,201)	656,481,276	646,763,075

For the year ended 31st March, 2017

Particulars	Retained Earnings	Security Premium	Total
Balance as at 01st April, 2016	(4,250,890)	126,666,000	122,415,110
Profit for the year	(156,522)	-	(156,522)
Addition During the Year	-	292,827,276	292,827,276
Balance as at 31st March, 2017	(4,407,412)	419,493,276	415,085,864

Significant Accounting Policies' and 'Notes 1 to 20' form an integral part of the Financial Statements.

For and on behalf of the Board of Directors.



(Rahul Gautam)  
Director  
DIN : 00192999

(Tushaar Gautam)  
Director  
DIN : 01646487

As per our Report of even date attached  
S. Agarwal & Co.  
Chartered Accountants  
Firm Registration No. 000808N

(S N Agarwal)

Partner

Membership No. 12103

Place: New Delhi  
Date : 18.05.2018

# DIVYA SOFTWARE SOLUTIONS PRIVATE LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2018

(Amount In Rupees)

Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
	Amount	Total	Amount	Total
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax as per statement of profit and loss		(3,083,718)		(156,522)
Adjustments for:				
Depreciation and amortisation expense	3,313,445		350,512	
Finance costs	32,310		72,638	
Interest income	(11,492)		(448,533)	
Loss/(Profit) on sale of fixed assets (net)	(634,224)		-	
		2,700,039		(25,383)
Operating profit before working capital changes		(383,679)		(181,905)
Adjustment for working capital changes:				
Trade and other receivables	32,335,485		(37,019,513)	
Trade payable and other liabilities and provisions	56,180,706		3,504,088	
Cash Generated from Working Capital Changes		88,516,191		(33,515,425)
Cash generated from operations		88,132,512		(33,697,330)
Income Tax paid	(47,850)		-	
		(47,850)		-
Net Cash inflow from Operating Activities - A		88,084,662		(33,697,330)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets including capital work in progress	(415,710,586)		(253,890,170)	
Sale of fixed assets	163,206,631		-	
Interest income	940		465,611	
Net Cash outflow from Investing Activities - B		(252,503,015)		(253,424,559)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceed from Share Capital	290,000		358,330	
Proceed from Securities premium account	236,988,000		292,827,276	
Finance costs	(32,310)		(72,638)	
Net Cash outflow from Financing Activities - C		237,245,690		293,112,968
Net increase In cash and bank balances (A+B+C)		72,827,337		5,991,079
Cash and bank balances (Opening Balance)		12,978,559		6,987,480
Cash and bank balances (Closing Balance)		85,805,896		12,978,559
<b>Note to Statement of cash flows :</b>				
Cash and bank balances consists of cash and cash equivalents and cash and bank balances as under :				
Cash and cash equivalents				
- Balance with Banks	20,799,677		12,944,788	
- Cash on Hand	6,219		33,771	
- Deposit with original maturity less than 3 months	65,000,000	85,805,896		12,978,559
		85,805,896		12,978,559
- Figures in brackets indicate cash outflow.				
- The above Statement of cash flows has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows				

Significant Accounting Policies' and 'Notes 1 to 20' form an integral part of the Financial Statements.

For and on behalf of the Board of Directors.



(Rahul Gautam)  
Director  
DIN : 00192999

(Tushaar Gautam)  
Director  
DIN : 01646487

As per our Report of even date attached

S. Agarwal & Co.

Chartered Accountants

Firm Registration No.000808N

(S N Agarwal)  
Partner

Membership No. 12103

Place: New Delhi

Dated: 18.05.2018

# **DIVYA SOFTWARE SOLUTIONS PRIVATE LIMITED**

## **SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

### **1. COMPANY INFORMATION**

Divya Software Solutions Private Limited ('the Company') is a private limited Company incorporated in India, with its registered office in New Delhi. The Company is wholly owned subsidiary of "Sheela Foam Limited" which is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Company is into business of IT and ITES services and yet to start its operations.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorized for issue on May 18, 2018.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

##### **a. Compliance with Indian Accounting Standards (Ind - AS) :**

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Companies (India Accounting Standards) Rules, 2015. For all the periods upto and including year ended March 31, 2017, the Company prepared, its financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous Indian GAAP'). These financial statements are the first financial statements which have been prepared in accordance with the Ind AS. Reconciliation and explanations of the effect of the transition from Previous Indian GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit & Loss and Statement of Cash Flows are provided in Note No. 18.9 and the impact of the transition has been taken in the opening retained earnings on the date of transition i.e. 1st April, 2016.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the date of transition to Ind AS. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

##### **b. Historical Cost Convention**

The financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities that are measured at fair value.

##### **c. Functional and presentation currency**

The financial statements are prepared in Indian Rupees ('Rs.'), which is the Company's functional and presentation currency.





#### **d. Current versus 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 is: -

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

#### **Deferred tax assets and liabilities:**

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

#### **Operating Cycle:**

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

#### **e. Use of estimates and judgments**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that requires material adjustments to the carrying amount of the assets and liabilities in future period/s.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

#### **i. Useful lives of Property Plant and Equipment**

The Property, Plant and Equipment are depreciated on a written down value basis over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note- 3.1 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the profit in future years.





## **ii. Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

## **iii. Impairment of Financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## **iv. Impairment of non-Financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an assets's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

## **2.2 Property, Plant & Equipment**

Upon first time adoption of Ind AS, the Company has elected to measure all its property, plant & equipment, at the Previous Indian GAAP's carrying amount as its deemed cost on the date of transition to Ind AS i.e. April 1, 2016.

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.



Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of leasehold land is amortized over the period of lease.

Depreciation on property, plant & equipment is provided on a pro-rate basis on written down value basis, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto Rs. 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

<b>Asset</b>	<b>Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)</b>	<b>Useful life as assessed / estimated by the Company (No. of Years)</b>
Building	60	59
Furniture & Fixtures	10	15
Vehicles :		
- Motor car	8	10
Office Equipment	5	20
Date Processing Equipment :		
- Computer Equipment	3	6
Electrical Fittings	10	20

Based on usage pattern, internal assessment and technical evaluation carried out by the technicians, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".



## 2.3 Investment Property

Property that is held for long- term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Though the Company measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Since the company has made investment into property during the current year, hence the amount invested is considered as its Fair value.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to / from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

## 2.4 Financial Instruments

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

### (i) Financial Assets

#### (a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### (b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- a. Financial assets measured at amortized cost;
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- c. Financial assets measured at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.



(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- Business Model Test: The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- Cash Flow Characteristics Test: Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. 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. The EIR amortization is included in interest income is the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to deposits with banks, security deposits and cash and cash equivalents etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss. The Company as at the Balance Sheet date is not having any such instruments.



(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Comprehensive Income.

**(c) Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. deposits with banks and security deposits etc.
- Financial assets that are debt instruments, and are measured at FVTOCI, The Company as at the Statement of Financial Position date is not having any such instruments.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Statement of Financial Position date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Statement of Financial Position date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.





#### **(d) Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Statement of Financial Position) when:

- a. The rights to receive cash flows from the asset have been expired/transferred, or
- b. The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

#### **(ii) Financial Liabilities**

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

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings, security deposits and other payables.

##### **Subsequent measurement**

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

##### **Financial Liabilities at Fair Value through Profit or Loss (FVTPL)**

Financial liabilities at FVTPL 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.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of comprehensive income. The Company has not designated any financial liability as at fair value through profit and loss.

##### **Trade and other payables**

Trade and other payables are obligations incurred by the Company towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Statement of Financial Position date, if not, they are classified under non-current liabilities. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.



## **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

### **(iii) Offsetting of financial instruments:**

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

## **2.5 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

## **2.6 Impairment of Non-Financial Assets**

The Company assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior year/s.



## **2.7 Provisions and Contingent Liabilities**

### **a) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **b) Contingent Liabilities**

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

## **2.8 Revenue Recognition**

- a) Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.

## **2.9 Employee Benefits**

### **Short Term Employee Benefits**

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.

## **2.10 Operating leases**

Operating leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease rentals are recognized as an expense in the statement of profit and loss on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

## **2.11 Foreign Currency Transactions**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise.



Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Premium or discount on forward exchange contract is amortised as income or expense over the life of the contract. Exchange difference on such contract is recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expenditure during the period.

## **2.12 Taxation**

Tax expense for the year comprises of Current Tax and Deferred Tax.

### **a. Current Tax**

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

### **b. Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised 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 utilised. The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## **2.13 Earnings per Share:**

Basic earnings per share is calculated by dividing net profit of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.





Notes to the Financial Statements for the Year ended 31st March, 2018

NOTE-3 - PROPERTY, PLANT AND EQUIPMENT

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2017	Additions/transfers during the year	Sales/disposal/ adjustments / transfers during the year	As at 31.03.2018	As at 01.04.2017	For the year	Sales/disposal/ adjustments / transfers during the year	As at 31.03.2018	As at 31.03.2017
(i) Tangible Assets									
Land									
- Leasehold	27,427,738	-	-	27,427,738	342,144	342,144	-	26,743,450	27,085,594
Furniture & Fixtures	-	37,387,019	35,977,627	1,409,392	-	383,991	351,342	1,376,743	-
Vehicles	-	493,239	-	493,239	-	37,297	-	455,942	-
Office equipment	55,617	43,573,723	39,422,179	4,207,161	5,638	359,948	168,022	4,009,597	49,979
Communication Equipments	-	2,256,620	145,120	2,111,500	-	24,668	-	2,086,832	-
IT Equipments	2,730	15,216,304	6,159,987	9,059,047	2,730	268,090	93,245	8,881,472	-
Electrical Fittings	-	4,079,753	-	4,079,753	-	139,930	-	3,939,823	-
Electrical Equipments	-	7,324,788	-	7,324,788	-	864,744	-	6,460,044	-
Current year's total	27,486,085	110,331,446	81,704,913	56,112,618	350,512	2,420,812	612,609	53,953,903	27,135,573

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2016	Additions/transfers during the year	Sales/disposal/ adjustments / transfers during the year	As at 31.03.2017	As at 01.04.2016	For the year	Sales/disposal/ adjustments / transfers during the year	As at 31.03.2017	As at 31.03.2016
(i) Tangible Assets									
Land									
- Leasehold	27,427,738	-	-	27,427,738	-	342,144	-	27,085,594	27,427,738
Office equipment	-	55,617	-	55,617	-	5,638	-	49,979	-
IT Equipments	-	2,730	-	2,730	-	2,730	-	2,730,000	-
Current year's total	27,427,738	58,347	-	27,486,085	-	350,512	-	27,135,573	27,427,738

3.1 Refer 'Para-2.2' of Significant Accounting Policies' for depreciation on property, plant and equipment.

3.2 The leasehold land has been amortised during the year by Rs.3,42,144/- (Previous Year : Rs.3,42,144/-) as per the accounting policy in terms of the Ind AS-16 on 'Property, Plant and Equipment'.

3.3 Capital Work-in-progress includes under noted pre-operative expenditure pending allocation on commencement of commercial production.

Nature of Expense	Opening as on 01.04.2017	Additions during the year	Capitalisation/ adjustment during the year	Closing as on 31.03.2018	Opening as on 01.04.2016	Additions during the year	Capitalisation / adjustment during the year	Closing as on 31.03.2017
Travelling expenses	292,327	134,141	-	426,468	36,358	255,969	-	292,327
Testing Charges	90,000	-	-	90,000	90,000	-	-	90,000
Electricity & Power expenses	2,243,380	3,836,496	-	6,079,876	344,581	1,898,799	-	2,243,380
Other Finance Cost	4,918,171	71,404	-	4,989,575	4,822,695	95,476	-	4,918,171
Security Service charges	919,145	565,396	-	1,484,541	129,033	790,112	-	919,145
Legal & Professional charges	9,025,949	994,489	-	10,020,438	3,509,712	5,516,237	-	9,025,949
Total	17,488,972	5,601,926	-	23,090,898	8,932,379	8,556,593	-	17,488,972



3.4 Other finance cost includes bank charges & commissions charged by Bank in relation to Capital Work In Progress.



## NOTE-4 - INVESTMENT PROPERTY

(Amount in Rupees)

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Additions/transfers during the year	Sales/disposal/ adjustments/tra- nsfers during the year	As at 31.03.2018	As at 01.04.2017	Transfers during the year	For the year	Sales/disposal/ adjustments/tra- nsfers during the year	As at 31.03.2018 As at 31.03.2017
(i) Tangible Assets									
Building	-	72,402,462	-	72,402,462	-	-	892,633	-	71,509,829
CWIP- Building	333,587,532	233,610,902	82,114,327	485,084,107	-	-	-	-	485,084,107
Current year's total	333,587,532	306,013,364	82,114,327	557,486,569	-	-	892,633	-	556,593,936
									333,587,532
Description	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Additions/transfers during the year	Sales/disposal/ adjustments/tra- nsfers during the year	As at 31.03.2017	As at 01.04.2016	Transfers during the year	For the year	Sales/disposal/ adjustments/tra- nsfers during the year	As at 31.03.2017 As at 31.03.2016
(i) Tangible Assets									
CWIP- Buildings	79,755,709	253,831,823	-	333,587,532	-	-	-	-	333,587,532
Current year's total	79,755,709	253,831,823	-	333,587,532	-	-	-	-	79,755,709

4.1 Refer 'Para-2.3' of Significant Accounting Policies' for measurement of investment property.

4.2 CWIP Building represents the value of capital work in progress in relation to building under construction as on the year end, the value of portion completed is duly capitalised in the year of completion based on the architect certificate obtained by the company.



**NOTE-5 LOANS**

(Unsecured, considered good)  
Security Deposits

**TOTAL**

	As at 31st March, 2018	As at 31st March, 2017	(Amount In Rupees) As at 1st April, 2016
	5,032,500	232,500	212,500
<b>TOTAL</b>	<b>5,032,500</b>	<b>232,500</b>	<b>212,500</b>

**NOTE-6 OTHER NON-CURRENT FINANCIAL ASSETS**

(Unsecured, considered good)  
Margin money deposits with Banks

**TOTAL**

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	-	-	4,953,000
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>4,953,000</b>

**NOTE-7 NON CURRENT TAX ASSETS (NET)**

Advance income tax / TDS (Net of provisions)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	337,391	44,850	2,095
<b>TOTAL</b>	<b>337,391</b>	<b>44,850</b>	<b>2,095</b>

**NOTE-8 CASH AND CASH EQUIVALENTS**

Balances with banks  
Cash on hand  
Deposits with banks with original maturity of less than 3 months

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances with banks	20,799,677	12,944,788	6,944,927
Cash on hand	6,219	33,771	42,553
Deposits with banks with original maturity of less than 3 months	65,000,000	-	-
<b>TOTAL</b>	<b>85,805,896</b>	<b>12,978,559</b>	<b>6,987,480</b>

**NOTE-9 OTHER CURRENT FINANCIAL ASSETS**

(Unsecured, considered good)  
Interest accrued but not due on deposits with banks  
Other Receivable

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	12,978	2,426	19,504
	1,670,174	-	-
<b>TOTAL</b>	<b>1,683,152</b>	<b>2,426</b>	<b>19,504</b>

**NOTE-10 OTHER CURRENT ASSETS**

Advance to contractors/suppliers  
Prepaid Expenses  
**TOTAL**

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance to contractors/suppliers	6,726,980	46,145,648	4,310,525
Prepaid Expenses	395,103	74,635	-
<b>TOTAL</b>	<b>7,122,083</b>	<b>46,220,283</b>	<b>4,310,525</b>



## Notes to the Financial Statements for the Year ended 31st March, 2018

### NOTE-11 EQUITY SHARE CAPITAL

(Amount In Rupees)

#### Authorised:

Equity Shares of Rs.10 /- each

As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
No.	Amount	No.	Amount	No.	Amount
10,000,000	100,000,000	10,000,000	100,000,000	10,000,000	100,000,000

#### Issued, Subscribed and Fully Paid up:

Equity Shares of Rs. 10/- each

90,333	903,330	61,333	613,330	25,500	255,000
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#### 11.1 Right, Preferences and Restrictions attached to Shares:

The Company has one class of equity shares having a par value of Rs. 5 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, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

#### 11.2 Reconciliation of the number of shares outstanding:

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Nos.	Rs. In Rupees	Nos.	Rs. In Rupees	Nos.	Rs. In Rupees
At the beginning of the year	61,333	613,330	25,500	255,000	10,000	100,000
Add : Shares Issued during the year	29,000	290,000	35,833	358,330	15,500	155,000
At the end of the year	90,333	903,330	61,333	613,330	25,500	255,000

#### 11.3 Details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Sheela Foam Ltd	90,332	99.99%	61,332	99.99%	25,499	99.99%
Nominee shares of Sheela Foam Ltd	1	0.01%	1	0.01%	1	0.01%



**NOTE -12 OTHER EQUITY**

(Amount In Rupees)

Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Premium			
As per last account	419,493,276	126,666,000	-
Add : During the Year	236,988,000	656,481,276	126,666,000
		292,827,276	
Surplus			
As per last account	(4,407,412)	(4,250,890)	(2,763,062)
Add : Profit for the year	(5,310,789)	(9,718,201)	(1,487,828)
		(156,522)	
		(4,407,412)	
<b>TOTAL</b>	<b>646,763,075</b>	<b>415,085,864</b>	<b>122,415,110</b>

**12.1 Nature and purpose of reserves**

(a) **Security Premium** : The amount received in excess of face value of the equity shares is recognised in Security Premium Reserve .

(b) **Surplus**: Surplus are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distribution paid to shareholders

**NOTE-13 DEFERRED TAX LIABILITIES (NET)**

Note No.	As at 31st March, 2018	For the year 2017-18	As at 31st March, 2017	For the year 2016-17	As at 31st March, 2016
Deferred Tax Liability:					
-Depreciation:	2,179,221	2,179,221	-	-	-
<b>Net Deferred Tax Liability</b>	<b>2,179,221</b>	<b>2,179,221</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE-14 OTHER CURRENT FINANCIAL LIABILITIES**

Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Creditors for assets	26,014,267	3,415,096	-
Payable Other Expenses	21,773,809	-	-
Other liabilities	91,404	240,613	340,943
<b>TOTAL</b>	<b>47,879,480</b>	<b>3,655,709</b>	<b>340,943</b>

14.1 There is no amount due and outstanding to be credited to Investors Education & Protection Fund.

**NOTE-15 OTHER CURRENT LIABILITIES**

Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory liabilities	12,803,755	846,820	657,498
<b>TOTAL</b>	<b>12,803,755</b>	<b>846,820</b>	<b>657,498</b>





**NOTE-16 OTHER INCOME**

Rent Received	
Profit on sale of Property , Plant & Equipment	
Interest Received on Deposits	
Interest Received on Income Tax	

**TOTAL**

Year ended 31st March, 2018	Year ended 31st March, 2017
300,000	-
634,224	-
11,492	448,470
-	63
<b>945,716</b>	<b>448,533</b>

**NOTE-17 EMPLOYEE BENEFITS EXPENSES**

Salaries, wages, bonus, gratuity, allowances etc.
---

**TOTAL**

Year ended 31st March, 2018	Year ended 31st March, 2017
293,207	-
<b>293,207</b>	<b>-</b>

**NOTE-18 FINANCE COSTS**

Interest Expense
Bank Charges

**TOTAL**

Year ended 31st March, 2018	Year ended 31st March, 2017
10	648
32,300	71,990
<b>32,310</b>	<b>72,638</b>

**NOTE-19 OTHER EXPENSES**

Legal, Professional & Consultancy Charges
Rent, Rates and taxes
Insurance Expenses
Repair & Maintenance Expenses
Filing fees
General Expenses
Payments to auditors:
For Audit fees
For Taxation
Communication Expenses

**TOTAL**

Year ended 31st March, 2018	Year ended 31st March, 2017
19,005	13,008
20,070	18,000
65,071	-
900	-
21,179	376
208,999	89,133
35,000	40,250
15,000	-
5,248	21,139
<b>390,472</b>	<b>181,906</b>



## **DIVYA SOFTWARE SOLUTIONS PRIVATE LIMITED**

### **NOTE 20: OTHER NOTES TO ACCOUNTS**

#### **20.1 Contingent Liabilities and Commitments:-**

Sr. No.	Particulars	As at 31.03.2018	As at 31.03.2017
(i)	<b>Commitments</b>		
a	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	1,83,34,021	13,97,79,018
	<b>TOTAL</b>	<b>1,83,34,021</b>	<b>13,97,79,018</b>

20.2 No provision for gratuity has been made, as the provisions of Gratuity Act 1972 is not applicable on the Company in respect of total no. of employees.

20.3 As required Under the Micro, Small and Medium Enterprise Development Act, 2006 there have generally been no reported cases of delays in payments to Micro, Small and Medium Enterprise or of interest payments due to delays in such payments. They are in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprise Development Act, 2006.

20.4 Expenditure in Foreign Exchange:  
Capital Goods Rs. 1,91,12,540/- (P.Y. Rs. Nil)

20.5 Earnings in Foreign Exchange:  
Rs. Nil (P.Y. Rs. Nil)

#### **20.6 Earnings per Share:**

Particulars	Current Year	Previous Year
Net Profit/(Loss) as per Statement of Profit & Loss (in Rs.)	(53,10,789)	(1,56,522)
Basic/Diluted weighted average number of equity shares outstanding during the year	77,580	39,584
Nominal value of Equity Share (Rs.)	10.00	10.00
Basic/Diluted Profit /(Loss) per Share (Rs.)	(68.46)	(3.95)



- 20.7 Related party transactions during the year in terms of the provisions of Ind AS - 24 "Related Party Disclosure" are as under:

(Amt. in Rs.)

Name of Related Party	Relation	Nature of Transaction	Current Year Transactions	Previous Year Transactions
Sheela Foam Ltd	Holding Company	Rent Paid	18,000/-	18,000/-
Sheela Foam Ltd	-Do-	Rent Received	3,00,000/-	--
Sheela Foam Ltd	-Do-	Sales of Material / Capital Goods	9,99,99,311/-	--
Sheela Foam Ltd	-Do-	Purchase of Capital Goods	5,46,034/-	12,768/-

Outstanding balance as at 31<sup>st</sup> March'18: Nil (P.Y.: Nil)

- 20.8 The Company has taken Land under cancellable operating lease for the period of 90 years. The lease agreement is normally renewed on expiry. There are no restrictions placed upon the Company by entering into this lease and there is no sublease.

The company has provided Depreciation on the above Leased Land proportionally to the Period of Lease.

#### 20.9 First-time adoption of Ind AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

#### Exemptions availed and mandatory exceptions

Ind AS 101 - First-time Adoption of Indian Accounting Standards permits first-time adopters certain exemptions from retrospective application of certain requirements



under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**A. Ind AS optional exemptions**

The Company has elected to apply the following optional exemptions from retrospective application:

i) Deemed cost for Property, Plant and Equipment and Investment Properties

The Company has elected to measure all its property, plant and equipment and investment properties at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

**B. Ind AS mandatory exceptions**

i) Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company, wherever required for the relevant reporting dates reflecting conditions existing as at that date.

ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets bases on facts and circumstances that exist on the date of transition to Ind AS.

iii) De-recognition of financial assets and financial liabilities

The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

**C. Transition to Ind AS - Reconciliations**

The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Equity as at 1st April, 2016

II. A. Reconciliation of Equity as at 31st March, 2017

B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform to financial statements prepared under Ind AS.





**I. Reconciliation of Equity as at 1<sup>st</sup> April, 2016.**

	As per Previous Indian GAAP	Adjustments	As per Ind AS
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2,74,27,738	--	2,74,27,738
Capital work in progress	7,97,55,709	(7,97,55,709)	--
Investment property	--	7,97,55,709	7,97,55,709
<b>Financial Assets</b>			
- Loans	2,12,500	--	2,12,500
- Other non-current financial assets	49,53,000		49,53,000
Non-current tax assets (net)	2,095	--	2,095
<b>Total Non-current assets</b>	<b>11,23,51,042</b>	<b>--</b>	<b>11,23,51,042</b>
<b>Current assets</b>			
<b>Financial Assets</b>			
- Cash and cash equivalents	69,87,480	--	69,87,480
- Other current financial assets	19,504	--	19,504
Other current assets	43,10,525	--	43,10,525
<b>Total Current assets</b>	<b>1,13,17,509</b>	<b>--</b>	<b>1,13,17,509</b>
<b>Total Assets</b>	<b>12,36,68,551</b>	<b>--</b>	<b>12,36,68,551</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	2,55,000	--	2,55,000
Other Equity	12,24,15,110	--	12,24,15,110
<b>Total Equity</b>	<b>12,26,70,110</b>	<b>--</b>	<b>12,26,70,110</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities (Net)	--	--	--
<b>Total non-current liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Current liabilities</b>			
<b>Finance Liabilities</b>			
- Other current financial liabilities	3,40,943	--	3,40,943
Other current liabilities	6,57,498	--	6,57,498
<b>Total current liabilities</b>	<b>9,98,441</b>	<b>--</b>	<b>9,98,441</b>
<b>Total liabilities</b>	<b>9,98,441</b>	<b>--</b>	<b>9,98,441</b>
<b>Total equity and liabilities</b>	<b>12,36,68,551</b>	<b>--</b>	<b>12,36,68,551</b>



## II. Reconciliation of Equity as at 1<sup>st</sup> April, 2017.

	As per Previous Indian GAAP	Adjustments	As per Ind AS
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2,71,35,573	--	2,71,35,573
Capital work in progress	33,35,87,532	(33,35,87,532)	--
Investment property	--	33,35,87,532	33,35,87,532
<b>Financial Assets</b>			
- Loans	2,32,500	--	2,32,500
- Other non-current financial assets	--	--	--
Non-current tax assets (net)	44,850	--	44,850
<b>Total Non-current assets</b>	<b>36,10,00,455</b>	<b>--</b>	<b>36,10,00,455</b>
<b>Current assets</b>			
<b>Financial Assets</b>			
- Cash and cash equivalents	1,29,78,559	--	1,29,78,559
- Other current financial assets	2,426	--	2,426
Other current assets	4,62,20,283	--	4,62,20,283
<b>Total Current assets</b>	<b>5,92,01,268</b>	<b>--</b>	<b>5,92,01,268</b>
<b>Total Assets</b>	<b>42,02,01,723</b>	<b>--</b>	<b>42,02,01,723</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	6,13,330	--	6,13,330
Other Equity	41,50,85,864	--	41,50,85,864
<b>Total Equity</b>	<b>41,56,99,194</b>	<b>--</b>	<b>41,56,99,194</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities (Net)	--	--	--
<b>Total non-current liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Current liabilities</b>			
<b>Finance Liabilities</b>			
- Other current financial liabilities	36,55,709	--	36,55,709
Other current liabilities	8,46,820	--	8,46,820
<b>Total current liabilities</b>	<b>45,02,529</b>	<b>--</b>	<b>45,02,529</b>
<b>Total liabilities</b>	<b>45,02,529</b>	<b>--</b>	<b>45,02,529</b>
<b>Total equity and liabilities</b>	<b>42,02,01,723</b>	<b>--</b>	<b>42,02,01,723</b>



III. **Reconciliation of Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017.**

	For the year ended 31 <sup>st</sup> March, 2017			
	Previous Indian GAAP	Re-Classifications	IND-AS Adjustments	IND-AS
<b>Income</b>				
Revenue from operations	--	--	--	--
Other income	4,48,533	--	--	4,48,533
<b>Total Income</b>	<b>4,48,533</b>	--	--	<b>4,48,533</b>
<b>Expenditure</b>				
Employee benefits expense	--	--	--	--
Finance costs	72,638	--	--	72,638
Depreciation and amortization expense	3,50,512	--	--	3,50,512
Other expenses	1,81,906	--	--	1,81,906
<b>Total Expenditure</b>	<b>6,05,056</b>	--	--	<b>6,05,056</b>
<b>Profit before tax</b>	<b>(1,56,523)</b>	--	--	<b>(1,56,523)</b>
<b>Tax expense</b>				
- Current tax	--	--	--	--
- Earlier tax	--	--	--	--
- Deferred tax	--	--	--	--
<b>Profit for the year</b>	<b>(1,56,523)</b>	--	--	<b>(1,56,523)</b>
<b>Other Comprehensive Loss for the year</b>	--	--	--	--
<b>Total Comprehensive Income for the year</b>	<b>(1,56,523)</b>	--	--	<b>(1,56,523)</b>

**Notes to the reconciliation of equity as at 1<sup>st</sup> April, 2016 and 31<sup>st</sup> March, 2017 and total comprehensive income for the year ended 31<sup>st</sup> March, 2017.**

**a) Recognition of Investment Property (Ind AS – 40)**

Company has given some portion of assets held i.e. leasehold land and building at Noida to Sheela Foam Limited for Limited period; therefore, the said assets have been shown as Investment Property from 01.01.2018.

**b) Straight-Lining of Leases (Ind AS – 17)**

Under previous GAAP, rent/lease income/expense has been recognised based on actual payment made; however under IND AS, Lease income/expense has be recognised on a straight-line basis over the lease term. As, the Company already recognising lease income/expense on a straight-line basis, therefore no impact has been noted for the year ended March 31, 2018 and March 31, 2017.

**c) Deferred Taxes (Ind AS -12)**

Under the previous GAAP, deferred tax is calculated using the income statement approach, which focuses on difference between taxable profits and accounting profits for the period. Ind AS 12- "Income tax" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. As, the Company already calculating under balance sheet approach, therefore no impact has been noted for the year ended March 31, 2018 and March 31, 2017.



**d) Other comprehensive Income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit to profit as per Ind AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind AS.

- e)** Previous GAAP figures have been reclassified/regrouped wherever necessary to conform to financial statements prepared under Ind AS.

**D. Standards issued but not yet effective**

The standard issued, but not yet effective upto the date of the issuance of the Company financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

**Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued in February, 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 01, 2018. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.





## 20.10 Fair Value Measurements

The carrying amounts and fair values of the financial instruments by class are as follows:

Particulars	Carrying amount/Fair value		
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Financial assets</b>			
<b><u>Carrying amounts/fair value:</u></b>			
<b>a) <u>Measured at amortised cost</u></b>			
<b>Non-current assets</b>			
- Loans	50,32,500	2,32,500	2,12,500
- Other non-current financial assets	--	--	49,53,000
<b>Current assets</b>			
- Cash and cash equivalents	8,58,05,896	1,29,78,559	69,87,480
- Other current financial assets	16,83,152	2,426	19,504
<b>Total</b>	<b>9,25,21,548</b>	<b>1,32,13,485</b>	<b>1,21,72,484</b>
<b>Financial liabilities</b>			
<b><u>Carrying amounts/fair value:</u></b>			
<b>a) <u>Measured at amortised cost</u></b>			
<b>Current liabilities</b>			
- Other current financial liabilities	4,78,79,480	36,55,709	3,40,943
<b>Total</b>	<b>4,78,79,480</b>	<b>36,55,709</b>	<b>3,40,943</b>

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 between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.



## Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

**Disclosures of fair value measurement hierarchy for financial instruments are given below:**

Particulars	Carrying amount/Fair value								
	As at 31 <sup>st</sup> March, 2018			As at 31 <sup>st</sup> March, 2017			As at 1 <sup>st</sup> April, 2016		
	L-1	L-2	L-3	L-1	L-2	L-3	L-1	L-2	L-3
<b>Financial assets</b>									
<u>Carrying amounts/fair value:</u>									
<b>a) Measured at amortised cost</b>									
<b>Non-current assets</b>									
- Loans	--	--	50,32,500	--	--	2,32,500	--	--	2,12,500
- Other non-current financial assets	--	--	--	--	--	--	--	--	49,53,000
<b>Current assets</b>									
- Cash and cash equivalents	--	--	8,58,05,896	--	--	1,29,78,559	--	--	69,87,480
- Other current financial assets	--	--	16,83,152	--	--	2,426	--	--	19,504
<b>Total</b>	--	--	<b>9,25,21,548</b>	--	--	<b>1,32,13,485</b>	--	--	<b>1,21,72,484</b>
<b>Financial liabilities</b>									
<u>Carrying amounts/fair value:</u>									
<b>a) Measured at amortised cost</b>									
<b>Current liabilities</b>									
- Other current financial liabilities	--	--	4,78,79,480	--	--	36,55,709	--	--	3,40,943
<b>Total</b>	--	--	<b>4,78,79,480</b>	--	--	<b>36,55,709</b>	--	--	<b>3,40,943</b>



## 20.11 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

## 20.12 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of borrowings, security deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

### (a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2018. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2018.

### (i) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of interest bearing vehicle loans, loan and advance from related party and security deposits; however these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.



**(b) Credit Risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**i) Financial instruments and cash & bank deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Non-current assets</b>			
- Loans	50,32,500	2,32,500	2,12,500
- Other non-current financial assets	--	--	49,53,000
<b>Current assets</b>			
- Cash and cash equivalents	8,58,05,896	1,29,78,559	69,87,480
- Other current financial assets	16,83,152	2,426	19,504
<b>Total</b>	<b>9,25,21,548</b>	<b>1,32,13,485</b>	<b>1,21,72,484</b>

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.





### Maturity profile of financial liabilities

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

Particulars	Carrying Value	Less than 1 year	1 to 5 years
<b>As at 31<sup>st</sup> March, 2018</b>			
Other current financial liabilities	4,78,79,480	4,78,79,480	--
<b>Total</b>	<b>4,78,79,480</b>	<b>4,78,79,480</b>	<b>--</b>

Particulars	Carrying Value	Less than 1 year	1 to 5 years
<b>As at 31<sup>st</sup> March, 2017</b>			
Other current financial liabilities	36,55,709	36,55,709	--
<b>Total</b>	<b>36,55,709</b>	<b>36,55,709</b>	<b>--</b>

Particulars	Carrying Value	Less than 1 year	1 to 5 years
<b>As at 31<sup>st</sup> March, 2016</b>			
Other current financial liabilities	3,40,943	3,40,943	--
<b>Total</b>	<b>3,40,943</b>	<b>3,40,943</b>	<b>--</b>

20.13 Previous year figures have been regrouped / reclassified wherever it considered necessary.

### Signature to Notes 1 to 20 of the financial Statements.


**For S. AGARWAL & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 000808N

For & On Behalf of Board

  
**S.N Agarwal**  
(Partner)  
M. No. 012103



  
(RAHUL GAUTAM)  
Director  
DIN-00192999

  
(TUSHAAR GAUTAM)  
Director  
DIN-01646487

Place: New Delhi  
Date: 18.05.2018