Auditor's Report on Quarterly and Year to Date Ind AS Financial Results of Dhruvi Securities Private Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Dhruvi Securities Private Limited

1. We have audited the accompanying statement of Ind AS financial results of **Dhruvi Securities Private Limited** ('the Company') for the quarter and year ended March 31, 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The quarterly Ind AS financial results are the derived figures between the audited figures in respect of the year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The Ind AS financial results for the quarter and year ended March 31, 2019 have been prepared on the basis of the Ind AS financial results for the nine-month period ended December 31, 2018, the audited annual Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'), which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these Ind AS financial results based on our review of the Ind AS financial results for the nine-month period ended December 31, 2018 which were prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual Ind AS financial statements as at and for the year ended March 31, 2019 and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly and year to date Ind AS financial results :

   i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular')., in this regard; and

   ii. give a true and fair view of the net loss and other financial information for the quarter and the year ended March 31, 2019.

GURU & JANA ★ Chartered Accountants ★

4. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').

5. This report is furnished solely to enable GMR Infrastructure Limited (GIL) to prepare consolidated financial results for the quarter and year ended March 31, 2019 for submission to the Board of Directors of GIL in the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular') and their auditors in their audit of such consolidated financial results.

   Accordingly, this report is not for the use or benefit of any other party nor is it to be copied, made available to or otherwise disclosed to any other party and, we do not accept or assume any liability or duty of care to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For Guru & Jana
Chartered Accountants
Firm Registration number: 006826S

GURU & JANA ★ Chartered Accountants ★

Ananth Prasad BR
Partner
Membership No. : 218145

Place : Bengaluru
Date : 19th April'19

Dhruvi Securities Private Limited

(Amount in Rs)

Statement of unaudited standalone financial results for Nine Months ended March 31, 2019

	Particulars	Quarter ended			Year ended	Year ended
		31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
		Unaudited	Unaudited	Unaudited	Audited	Audited
A	**Continuing Operations**					
1	**Revenue**					
	a) Revenue from operations					
	i) Sales/income from operations	11,41,16,672	9,10,81,102	21,85,60,096	43,63,96,950	66,91,56,969
	b) Other income					
	i) Others	(52,451)	(1,25,944)	(58,79,411)	4,605	26,00,674
	Total revenue	**11,40,64,221**	**9,09,55,158**	**21,26,80,685**	**43,64,01,555**	**67,17,57,643**
2	**Expenses**					
	(a) Finance costs	11,72,13,155	10,41,48,753	20,36,95,123	46,63,92,716	67,44,52,061
	(b) Other expenses	(8,28,621)	70,44,683	(10,57,486)	1,69,59,077	5,00,04,110
	Total expenses	**11,63,84,534**	**11,11,93,436**	**20,26,37,637**	**48,33,51,793**	**72,44,56,172**
3	**Profit/(loss) from continuing operations before exceptional items and tax expense (1-2)**	**(23,20,313)**	**(2,02,38,277)**	**1,00,43,049**	**(4,69,50,238)**	**(5,26,98,528)**
4	Exceptional items	-	-	-	-	-
5	**Profit/(loss) from continuing operations before tax expenses (3 ± 4)**	**(23,20,313)**	**(2,02,38,277)**	**1,00,43,049**	**(4,69,50,238)**	**(5,26,98,528)**
6	**Tax expenses of continuing operations**					
	(a) Current tax	12,40,000	-	(23,38,815)	12,40,000	1,07,778
	(b) Earlier years	33,35,401			33,35,401	(24,46,593)
	(c) Deferred tax	(23,84,783)	(67,46,687)	36,94,903	(1,77,12,226)	(42,47,726)
7	**Profit/(loss) after tax from continuing operations (5 ± 6)**	**(45,10,931)**	**(1,34,91,590)**	**86,86,961**	**(3,38,13,413)**	**(4,61,11,987)**
8	**Other Comprehensive Income**					
	(A) (i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	(B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
9	**Total other comprehensive income, net of tax for the respective periods**	-	-	-	-	-
10	**Total comprehensive income for the respective periods (7 ± 9) [comprising Profit (loss) and Other comprehensive income (net of tax) for the respective periods]**	**(45,10,931)**	**(1,34,91,590)**	**86,86,961**	**(3,38,13,413)**	**(4,61,11,987)**
11	**Earnings per equity share**					
	i) Basic & diluted EPS	(0.03)	(0.08)	0.05	(0.20)	(0.27)

As per our report of even date attached
For Guru & Jana
Chartered Accountants
Firm Registration number: 006826S

Guru & Jana Chartered Accountants

Ananth Prasad BR
Partner
Membership No. : 218145

Place : Bengaluru
Date : 19th April'19

For and on behalf of board of directors
Dhruvi Securities Private Limited

Dhruvi Securities Pvt. Ltd.

Govindarajulu T
Director
DIN 02734169

SIS Ahmed
Director
DIN 06498734

Anisha Gupta
Company Secretary

Thandaveswaran NA
Chief Financial Officer

Place : New Delhi
Date : 19th April'19

Dhruvi Securities Private Limited

Statement of standalone assets and liabilities as at March 31,2019

(Amount in Rs)

Particulars	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
1 ASSETS		
a) Non-current assets		
Financial assets		
Investments	2,60,34,30,113	2,60,34,30,113
Loans and advances	1,21,24,50,000	1,34,50,00,000
	3,81,58,80,113	**3,94,84,30,113**
b) Current assets		
Financial assets		
Investments	12,03,347	-
Loans and advances	70,02,50,000	4,00,00,000
Cash and cash equivalents	2,47,36,252	2,00,58,58,898
Other bank balances	1,00,00,00,000	1,15,30,63,269
Other financial assets	1,06,05,40,769	18,18,28,249
Current tax assets (net)	9,48,35,677	8,49,36,926
Other current assets	-	2,83,896
	2,88,15,66,045	3,46,59,71,238
TOTAL ASSETS (a+b)	6,69,74,46,158	7,41,44,01,351
2 EQUITY AND LIABILITIES		
a) Equity		
Equity share capital	1,68,05,97,940	1,68,05,97,940
Other equity	1,66,40,76,232	1,69,78,89,647
Total equity	**3,34,46,74,172**	**3,37,84,87,587**
b) Non-current liabilities		
Financial liabilities		
Borrowings	2,13,12,43,858	68,99,94,793
Provisions	76,50,801	55,40,000
Deferred tax liabilities (net)	1,19,11,989	2,96,24,215
	2,15,08,06,648	**72,51,59,008**
c) Current liabilities		
Financial liabilities		
Borrowings	-	7,97,15,477
Other financial liabilities	1,18,45,41,901	3,20,52,23,641
Other current liabilities	1,74,23,437	2,58,15,638
	1,20,19,65,338	**3,31,07,54,756**
TOTAL EQUITY AND LIABILITIES (a+b+c)	**6,69,74,46,158**	**7,41,44,01,351**

As per our report of even date attached
For Guru & Jana
Chartered Accountants
Firm Registration number [illegible]

Ananth Prasad BR
Partner
Membership No. : 2181

Place : Bengaluru
Date : 19th April'19

For and on behalf of board of directors
Dhruvi Securities Private Limited

Govindarajulu T
Director
DIN 02734169

SIS Ahmed
Director
DIN 06498734

Anisha Gupta
Company Secretary

Thandaveswaran NA
Chief Financial Officer

Place : New Delhi
Date : 19th April'19

Dhruvi Securities Private Limited
Special Purpose Balance Sheet as at March 31, 2019 (as per Ind AS)

(Amount in Rs)

	Note no.	As at 31-Mar-19	As at 31-Mar-18
ASSETS			
Non - current assets			
Financial Assets			
(i) Investments	1	2,60,34,30,113	2,60,34,30,113
(ii) Loans	2	1,21,24,50,000	1,34,50,00,000
		3,81,58,80,113	**3,94,84,30,113**
Current Assets			
(a) Financial Assets			
(i) Investments	3	12,03,347	-
(ii) Cash and Bank equivalents	4	2,47,36,252	2,00,58,58,898
(iii) Bank Balances other than above	5	1,00,00,00,000	1,15,30,63,269
(iv) Loans	6	70,02,50,000	4,00,00,000
(v) Other financial Assets	7	1,06,05,40,769	18,18,28,249
(b) Current tax Assets (Net of Provisions)	8	9,48,35,677	8,49,36,926
(c) Other Current Assets	9	-	2,83,896
		2,88,15,66,045	**3,46,59,71,238**
TOTAL		**6,69,74,46,158**	**7,41,44,01,351**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	1,68,05,97,940	1,68,05,97,940
(b) Other Equity	11	1,66,40,76,232	1,69,78,89,647
		3,34,46,74,172	**3,37,84,87,587**
Non Current Liabilities			
(a) Financial Liablities			
(i) Borrowings	12	2,13,12,43,858	68,99,94,793
(b) Deferred Tax Liablities	13	1,19,11,989	2,96,24,215
(c) Provisions	14	76,50,801	55,40,000
		2,15,08,06,648	**72,51,59,008**
Current Liabilities			
(a) Financial Liablities			
(i) Borrowings	15	-	7,97,15,477
(ii) Other Financial Liabilities	16	1,18,45,41,901	3,20,52,23,641
(b) Other Current Liabilities	17	1,74,23,437	2,58,15,638
		1,20,19,65,338	**3,31,07,54,756**
TOTAL		**6,69,74,46,158**	**7,41,44,01,351**

Notes to accounts are an integral part of the financial statements.

As per our report of even date attached
For Guru & Jana
Chartered Accountants
Firm Registration number: 00[illegible]

Ananth Prasad BR
Partner
Membership No. : 218145

Place : Bengaluru
Date : 19th April'19

For and on behalf of board of directors
Dhruvi Securities Private Limited

Govindarajulu T
Director
DIN 02734169

SIS Ahmed
Director
DIN 06498734

Anisha Gupta
Company Secretary

Thandaveswaran NA
Chief Financial Officer

Place : New Delhi
Date : 19th April'19

Dhruvi Securities Private Limited
Special Purpose Statement of Profit and Loss For Period Ended March 31, 2019 (as per Ind AS)

(Amount in Rs)

	Note no.	As at 31-Mar-19	As at 31-Mar-18
Revenue			
Revenue from Operations	18	43,63,96,950	66,91,56,969
Other Income	19	4,605	26,00,674
		43,64,01,555	**67,17,57,643**
Expenses			
Finance costs	20	46,63,92,716	67,44,52,061
Other expenses	21	1,69,59,077	5,00,04,110
Total Expenses		**48,33,51,793**	**72,44,56,172**
Profit/(loss) before exceptional items and tax from continuing operations		**(4,69,50,238)**	**(5,26,98,528)**
Exceptional items		-	-
Profit/(loss) before tax from continuing operations		**(4,69,50,238)**	**(5,26,98,528)**
Tax expenses:			
Current tax		12,40,000	1,07,778
Earlier years		33,35,401	(24,46,593)
Deferred tax		(1,77,12,226)	(42,47,726)
Total Tax expense		**(1,31,36,825)**	**(65,86,541)**
Profit/(loss) for the year from continuing operations		**(3,38,13,413)**	**(4,61,11,987)**
Profit/(loss) for the period		**(3,38,13,413)**	**(4,61,11,987)**
Other Comprehensive Income			
A Items that will be reclassified to profit or loss		-	-
B Items that will not be reclassified to profit or loss		-	-
Income tax effect		-	-
Total other Comprehensive Income		-	-
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**(3,38,13,413)**	**(4,61,11,987)**
Earning per equity share:(of Rs. 10/- each)			
(1) Basic		**(0.20)**	**(0.27)**
(2) Diluted		**(0.20)**	**(0.27)**

Notes to accounts are an integral part of the financial statements

As per our report of even date attached
For Guru & Jana
Chartered Accountants
Firm Registration number: 006826S

Ananth Prasad BR
Partner
Membership No.: 218145

Place : Bengaluru
Date : 19th April'19

For and on behalf of board of directors
Dhruvi Securities Private Limited

Govindarajulu T
Director
DIN : 02734169

SIS Ahmed
Director
DIN 06498734

Anisha Gupta
Company Secretary

Thandaveswaran NA
Chief Financial Officer

Place : New Delhi
Date : 19th April'19

Dhruvi Securities Private Limited

Special Purpose Cashflow Statement for year ended March 31'2019

Particulars	March 31, 2019		March 31, 2018	
	Amount in Rs		Amount in Rs	
Cash flows from operating activities				
Profit before taxation		(4,69,50,238)		(5,26,98,528)
Adjustments for				
Provision for diminution in value of investments			1,00,000	
Loss on Sale of Investment	-		1,95,00,000	
Interest received	(43,40,22,394)		(65,36,62,264)	
Dividends received	(84)		(84)	
Interest expenses	42,01,82,802		63,40,69,683	
Interest expenses on liability part of Pref Shares	4,62,07,604		4,03,82,378	
Fair valuation of Investments in Mutual Funds	(3,347)			
Provision for standard asset	21,10,800		(6,11,893)	
Profit on Redemption of Mutual Fund	(23,74,471)		(1,74,83,402)	
		3,21,00,909		2,22,94,417
		(1,48,49,329)		(3,04,04,111)
(Increase)/ decrease in Other Assets	(87,84,28,624)			
(Increase)/ decrease in Tax Assests	(1,44,74,152)			
Increase/ (decrease) in other Current Liabilities	(83,92,201)			
Increase/ (decrease) in other Financial Liabilities	(2,02,06,81,740)		(80,32,42,903)	
		(2,92,19,76,717)		(80,32,42,903)
		(2,93,68,26,046)		(83,36,47,014)
Income taxes paid		-		(5,03,64,266)
Net cash from operating activities		(2,93,68,26,046)		(88,40,11,280)
Cash flows from investing activities				
Sale of Mutual Fund investments	1,15,78,94,471		1,48,05,00,100	
Puchase of Mutual Fund investments	(1,15,67,20,000)			
Equity share Capital				
Proceeds from purchase of mutual fund investments				
Loans Given	(52,77,00,000)		29,34,82,587	
Interest received	43,40,22,394.46		65,36,62,264	
Dividend received	84		84	
Profit on Sale of Mutual Fund			1,74,83,402	
Short Term Fixed Deposits(Maturity Period having more than 3 Months)	15,30,63,269		30,29,36,731	
			-	
Net cash from investing activities		6,05,60,219		2,74,80,65,168
Cash flows from financing activities				
Proceeds from issue of equity share capital	-		-	
Redemption of preference share capital with premium	-		-	
Proceeds/Repayment from long term borrowings	1,39,50,41,460		(1,32,53,31,460)	
Proceeds (Repayment) from short term borrowings	(7,97,15,477)		3,70,899	
Interest paid	(42,01,82,802)		(63,40,69,683)	
Net cash from financing activities		89,51,43,181		(1,95,90,30,244)
Net increase/(decrease) in cash and cash equivalents		(1,98,11,22,646)		(9,49,76,356)
Cash and cash equivalents at beginning of reporting period		2,00,58,58,899		2,10,08,35,255
Cash and cash equivalents at end of reporting period		2,47,36,252		2,00,58,58,899

Cash & Cash equivalents:

Cash and cash equivalents consist of cash on hand and balances with banks; and investments in money market instruments. Cash and cash equivalents included in the

	March 31, 2019	March 31, 2018
Bank Balances - in current A/cs	2,47,36,252	2,00,58,58,898

Reconciliation to liabilities whose cash flow movements are disclosed as part of financing activities:	Long Term Borrowings	Short Term Borrowings
Balance as on 1 April '18	68,99,94,793	7,97,15,477
Cashflows	1,39,50,41,460	(7,97,15,477)
Non Cash Changes:		
Acquisition	-	-
Dilution	-	-
Foreign exchange movements	-	-
Fair Value changes	4,62,07,604	-
Balance as on 31'March '19	2,13,12,43,857	-

As per our report of even date attached

For Guru & Jana
Chartered Accountants
Firm Registration Number: 006826S

Ajith Prasad B
Partner
Membership No

Place: Bengaluru
Date: 19th April'19

For and on behalf of board of directors

Govindarajulu T
Director
DIN 02734169

SIS Ahmed
Director
DIN 06498734

Anisha Gupta
Company Secretary

Thandaveswaran N A
Chief Financial Officer

Place: New Delhi
Date: 19th April'19

Dhruvi Securities Private Limited
Statement of changes in equity for the period ended 31st March, 2019

a. Equity share capital:
(16,80,59,794 equity shares of Rs 10 each)

Particulars	No.s	Amount in Rs.
At 1 April 2018	16,80,59,794	1,68,05,97,940
Add: Issued during the year	-	-
At 31 March 2019	16,80,59,794	1,68,05,97,940

b. Other equity :

(Amount in Rs.)

Particulars	Share Application pending allotment	Equity component of other financial instruments	Reserves and surplus					Other Comprehensive Income	Total equity
			General reserve	Securities premium	Debenture redemption reserve	Special Reserve u/s 45IC of RBI Act	Retained earnings		
At 1 April 2018	-	20,40,11,069	-	1,99,43,51,967	-	4,38,98,771	(54,43,72,160)	-	1,69,78,89,647
(Loss)/Profit for the period	-	-	-	-	-	-	(1,61,01,186)	-	(1,61,01,186)
Deferred Tax Adustments							(1,77,12,226)		(1,77,12,226)
Additions during the year	-	-	-	-	-	-			
Other Comprehensive Income							-	-	-
Total comprehensive income	-	**20,40,11,069**	-	**1,99,43,51,967**	-	**4,38,98,771**	**(57,81,85,573)**	-	**1,66,40,76,234**
Dividends	-	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-	-	-	-
Deemed dividend	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	**20,40,11,069**	-	**1,99,43,51,967**	-	**4,38,98,771**	**(57,81,85,573)**	-	**1,66,40,76,234**

Notes to accounts are an integral part of the financial statements

As per our report of even date attached
For Guru & Jana
Chartered Accountants
Firm Registration number: 006826S

GURU & JANA Chartered Accountants

Anand Prasad BR
Partner
Membership No. : 218145

Place : Bengaluru
Date : 19th April'19

For and on behalf of board of directors
Dhruvi Securities Private Limited

T.G

Govindarajulu T
Director
DIN : 02734169

SIS Ahmed
Director
DIN 06498734

A gupta

Anisha Gupta
Company Secretary

Thandaveswaran NA
Chief Financial Officer

Place : New Delhi
Date : 19th April'19

1 Corporate information

Dhruvi Securities Private Limited ('DSPL' or 'the Company') is a private limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The company is wholly owned subsidiary of GMR Infrastructure limited.The Company has been incorporated with the objective of accepting public deposits (NBFC) and group investment company of its holding GMR Infrastructure Limited (GIL), which primarily supporting other group companies involved in development of infrastructure assets. Dhruvi holds a valid certificate of registration dated February 8, 2010 issued by the Reserve Bank of India. The company has received registration as NBFC-NDSI under Non-Banking Financial Company Non Deposit Systematic Institution (NBFC-NDSI) directions 2007.

The registered office of the company is located at 25/1, Skip Complex,Museum Road, Bangalore Karnataka - 560025, India, CIN : U65900KA2007PTC050828.

2 Significant Accounting Policies

Basis of preparation

The special pupose financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. These financial statements have been prepared to facilitate the holding company in preparation of Consolidated Ind AS financial statements.

For all periods up to and including the year ended 31 March 2015, 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 (Indian GAAP). These financial statements for the period ended 31 March 2018.

The stand-alone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) which have been measured at fair value

The stand-alone financial statements are presented in INR , except when otherwise indicated.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
a) It is expected to be settled in normal operating cycle
b) It is held primarily for the purpose of trading
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
All other liabilities as non-current.

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

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

DHRUVI SECURITIES PVT. LTD.

GURU & JANA Chartered Accountants

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 asset's recoverable amount is the higher of an asset's orcashgenerating units' (CGUs) net selling price and its value in use. The recoverable amount 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 of assets. When the carrying amount of an asset or CGU 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 net selling price, recent market transactions are taken into account, if available. 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.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Provisions

Provisions are recognised when the Comapny has a present obligation (legal or constructive) as a result of a past event, 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 the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Financial Instruments

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

4 Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
a. Debt instruments at amortised cost
b. Debt instruments at fair value through other comprehensive income (FVTOCI)
c. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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Debt instruments at amortised cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the 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 the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables

Debt instrument at FVTOCI: A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

c) Loan commitments which are not measured as at FVTPL

d) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on;

a) Trade receivables or contract revenue receivables; and

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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-month 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 entity reverts to recognising impairment loss allowance based on 12-month ECL

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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 a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

4 Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss : Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.Gains or losses on liabilities held for trading are recognised 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 OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings : This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts: Financial guarantee contracts issued by the comapny are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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Derecognition

A financial liability is derecognised 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 recognised in the statement of profit or loss.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

a) In the principal market for the asset or liability, or

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

DHRUVI SECURITIES PVT. LTD.

GURU & JANA Chartered Accountants

The Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Valuation Committee, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
a) Disclosures for valuation methods, significant estimates and assumptions

b) Quantitative disclosures of fair value measurement hierarchy

c) Financial instruments (including those carried at amortised cost)

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

The Company follows the following five step model as prescribed in Ind AS 115 "Revenue with contracts with customers " in recognizing the
1.Identify the contracts with the customers
2. Identify the performance obligations in the contract
3. Determine the transaction price
4.Allocate the transaction price to the performane obligations
5.Recognize the revenue when the entity satidifies its performance obligation

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

Dividends: Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Taxes on income

9 Current income tax

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
Minimum Alternate Tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The entities in the Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the entities in the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the entities in the Group recognises MAT credit as an asset in accordance with the Guidance Note on 'Accounting for Credit Available in respect of Minimum Alternative Tax' under IT Act, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement." The entities in the Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the entities in the Group does not have convincing evidence that it will pay normal tax during the specified period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

DHRUVI SECURITIES PVT. LTD.

GURU & JANA Chartered Accountants

9 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 liabilities are recognised for all taxable temporary differences, except:
a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets 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, except:
a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

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Dhruvi Securities Private Limited
Notes to Special Purpose Financial Statements as at March 31, 2019

Non-Current Assets
1. Investments:

(Amount in Rs)

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
a) Investments in Equity Instruments:		
Fully paid up-unquoted Equity Shares		
GMR Highways Ltd 20,00,00,003 Equity shares of Rs. 10 each (31st March 2018: 20,00,00,003)	2,00,00,00,030	2,00,00,00,030
GMR Airports Ltd 6989926 Equity Shares of Rs 10 each (31st March 2018: Nil)	47,82,98,787	-
a) Investments in Equity Component of Preference Shares:		
GMR Airports Ltd Nil (31st March 2018: 84,398 CCPS of Rs. 5,667.18 each)	-	47,82,98,787
GMR Highways Ltd (Equity portion of Unquoted preference shares reinstated)	12,51,31,296	12,51,31,296
Total:	**2,60,34,30,113**	**2,60,34,30,113**
Aggregate amount of unquoted investments	**2,60,34,30,113**	**2,60,34,30,113**
Aggregate amount of quoted investments	-	-

2. Loans (Non Current)

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Loans to related parties *		
Unsecured, considered good	1,21,24,50,000	1,34,50,00,000
Total	**1,21,24,50,000**	**1,34,50,00,000**

*Loans made to group companies carry interest rate @ 12.25%, interest has been accrued during the period of loan and will be received at the end of the loan term along with Principle or annually as per the terms of the agreement.

DHRUVI SECURITIES PVT. LTD.

GURU & JANA Chartered Accountants

Dhruvi Securities Private Limited
Notes to Special Purpose Financial Statements as at March 31, 2019

Current Assets

3. Current Investments

(Amount in Rs)

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Quoted mutual fund		
ICICI Liquid fund - Growth		
(4369.154 Units at NAV of Rs.275.4187 per unit)	12,03,347	-
	12,03,347	-
Aggregate of Qouted Investments	12,03,347	-
Aggregate of Unqouted Investments	-	-

4. Cash & Cash Equivalents:

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Cash and Cash Equivalent		
- cash on hand	-	-
- in current accounts	1,12,36,252	10,58,58,898
- in deposit with less than 3 months maturity	1,35,00,000	1,90,00,00,000
	2,47,36,252	**2,00,58,58,898**

5. Bank Balance other than above:

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Other Bank Balance		
-Bank Deposits with maturity is more than 3 months and less than 12 months	1,00,00,00,000	1,15,30,63,269
	1,00,00,00,000	**1,15,30,63,269**

6. Loans (Current)

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Loans to related parties *		
Unsecured, considered good	70,02,50,000	4,00,00,000
	70,02,50,000	**4,00,00,000**

*Loans made to group companies carry interest rate @ 12.25%, interest has been accrued during the period of loan and will be received at the end of the loan term along with interest or annually as per the terms of the agreement.

7. Other Current Financial Assets:

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Interest receivable on Deposits with banks	74,69,942	4,86,62,900
Interest receivable from related parties	5,30,70,827	13,31,65,349
Other Advances#	1,00,00,00,000	-
	1,06,05,40,769	**18,18,28,249**

#1. The Company has entered into Memorandum of Understanding (MoU) with Edelweiss Asset Reconstruction Company Ltd ("EARC") , pursuant to which the Company has deposited Rs 100 Crores with EARC. As per the MoU GMR Rajamundry Energy Limited ("GREL") - an associate of GMR Infrastructure Limited ("GIL" or "Holding Company"), in order to restructure its debts with various banks and Financial institution intends to allot/issue Cumulative Redeemable Preference shares ("CRPS") of Face Value of Rs. 183.12 crores to EARC which will subsequently be purchased by the Company within 30 days of said allotment/issue to EARC for a consideration of Rs 130 Crore. However, if the Company fails to purchase CRPS from EARC within the said period, the deposit will be forfeited by EARC and will have an impact in the Statement of Profit and Loss of the Company.

8. Current Tax Assets:

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Prepaid Tax (Net of Provisions)	9,48,35,677	8,49,36,926
	9,48,35,677	**8,49,36,926**

9. Other Current Assets:

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Balance with Revenue Authorities	-	2,83,896
	-	**2,83,896**

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10. Share Capital:

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
		(Amount in Rs.)
Authorized:		
17,60,00,000 (March 2018: 17,60,00,000) Equity shares of Rs.10/- each	1,76,00,00,000	1,76,00,00,000
4,40,00,000 (March 2018: 4,40,00,000) 8% Compulsory Convertible Preference Shares of Rs.10/- each	44,00,00,000	44,00,00,000
	2,20,00,00,000	**2,20,00,00,000**
Issued, subscribed and fully paid up:		
16,80,59,794 (March 2018: 16,80,59,794) Equity shares of Rs.10/- each	1,68,05,97,940	1,68,05,97,940
	1,68,05,97,940	**1,68,05,97,940**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	31-Mar-19 No.	31-Mar-19 Amount	31-Mar-18 No.	31-Mar-18 Amount
At the beginning of the reporting period	16,80,59,794	1,68,05,97,940	16,80,59,794	1,68,05,97,940
Issued during the reporting period	-	-	-	-
Outstanding at the end of the period	**16,80,59,794**	**1,68,05,97,940**	**16,80,59,794**	**1,68,05,97,940**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

In the event of liquidation of the company the holders of Equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Share holders.

8% Compulsory Convertible Preference shares

	31-Mar-19 No.	31-Mar-19 Amount	31-Mar-18 No.	31-Mar-18 Amount
At the beginning of the reporting period	4,20,00,000	42,00,00,000	4,20,00,000	42,00,00,000
Issued during the reporting period	-	-	-	-
Redeemed during the reporting period	-	-	-	-
Outstanding at the end of the period	**4,20,00,000**	**42,00,00,000**	**4,20,00,000**	**42,00,00,000**

Terms/ rights attached to 8% Compulsory Convertible Preference shares

The Company has only one class of preference shares having a par value of Rs. 10 per share. Each holder of preference share is entitled to conversion from the year ended 31st March, 2020.

b) Details of shareholders holding more than 5% shares in the company

Equity Shares	31-Mar-19 No.	31-Mar-19 % holding	31-Mar-18 No.	31-Mar-18 % holding
GMR Infrastructure Ltd	16,80,59,694	99.99%	16,80,59,694	99.99%

8% Compulsory Convertible Preference shares	31-Mar-19 No.	31-Mar-19 % holding	31-Mar-18 No.	31-Mar-18 % holding
GMR Infrastructure Ltd	4,20,00,000	100.00%	4,20,00,000	100.00%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

DHRUVI SECURITIES PVT. LTD.

GURU & JANA Chartered Accountants

Dhruvi Securities Private Limited
Notes to Special Purpose Financial Statements as at March 31, 2019

11. Other Equity

(Amount in Rs.)

Particualrs		Ind AS 31-Mar-19	Ind AS 31-Mar-18
Equity component of other financial instruments			
At 1 April 2018			
-Equity component of Preference shares		20,40,11,069	20,40,11,069
Securities Premium			
Balance as per last financial statements		1,99,43,51,967	1,99,43,51,967
Add: Premium on issue of Equity shares			-
Closing Balance	(A)	**1,99,43,51,967**	**1,99,43,51,967**
Special Reserve u/s 45IC of RBI Act			
Balance as per last financial statements		4,38,98,771	4,38,98,771
Add: Transferred from surplus in the statement of proft and loss		-	-
	(B)	**4,38,98,771**	**4,38,98,771**
Surplus / (deficit) in the statement of profit and loss			
Balance as per last financial statements		(54,43,72,161)	(49,96,24,220)
Profit/(Loss) for the year		(3,38,13,413)	(4,61,11,987)
Less : Transferred to Special reserve u/s 45IC of RBI Act		-	-
Deferred tax		-	13,64,047
	(C)	**(57,81,85,574)**	**(54,43,72,160)**
Total Other Equity [A+B+C]		**1,66,40,76,233**	**1,69,78,89,647**

DHRUVI SECURITIES PVT. LTD.

GURU & JANA Chartered Accountants

Dhruvi Securities Private Limited
Notes to Special Purpose Financial Statements as at March 31, 2019

Financial Liabilities - Non- Current

12) Long Term Borrowings-Non Current Portion

(Amount in Rs)

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Unsecured Borrowings		
Liability component of Preference Shares	36,65,33,858	32,03,26,253
Loan From Group Company **	1,76,47,10,000	36,96,68,540
	2,13,12,43,858	**68,99,94,793**

Long Term Borrowings-Current Maturities

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Unsecured Borrowings		
Loan From Group Company **	87,82,99,995	2,49,06,19,995
Less : Disclosed under other current liabilities (refer note 16)	(87,82,99,995)	(2,49,06,19,995)
	-	-

**Loan from Group Companies carry interest at 6% to 12.5%. Interest accrued shall be payable at the end of the tenure along with principal.

13. Deferred Tax Liability

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Deferred tax liability		
On equity component of Preference shares	1,39,01,197	3,07,99,188
Deferred tax asset		
Provision for standard assets	(19,89,208)	(11,74,973)
	1,19,11,989	**2,96,24,215**

14. Long term provisions

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Provision Against standard Assets (u/s 45JA of RBI Act)		
Opening Balance	55,40,000	61,51,893
Add: Provision for the year	21,10,801	(6,11,893)
Closing Balance	**76,50,801**	**55,40,000**

DHRUVI SECURITIES PVT. LTD.

GURU & JANA Chartered Accountants

Dhruvi Securities Private Limited
Notes to Special Purpose Financial Statements as at March 31, 2019

Financial Liabilities - Current

15. Borrowings

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Secured Borrowing		
Overdraft facilities from bank	-	7,97,15,477
	-	7,97,15,477

16. Other Financial liabilities:

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Current maturities of long term borrowings (refer note 12)	87,82,99,995	2,49,06,19,995
Interest accrued on Group Company borrowings	30,62,41,906	71,46,03,646
	1,18,45,41,901	3,20,52,23,641

17. Other Current liabilities:

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Other payables		
Statutory dues payable	1,56,80,617	2,39,04,862
Payable for Expenses		
- to group company	11,80,000	17,37,105
- to others	5,62,820	1,73,671
	-	
	1,74,23,437	2,58,15,638

DHRUVI SECURITIES PVT. LTD.

GURU & JANA Chartered Accountants

Dhruvi Securities Private Limited

Notes to Special Purpose Financial Statements as at March 31, 2019

18. Revenue from operations:

(Amount in Rs)

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Interest Income		
- Loan portfolio and related charges	21,83,83,401	45,47,22,448
- Deposits with Bank	21,56,38,993	19,69,51,035
Gain on redemption / sale of investments in Mutual Funds	23,74,471	1,74,83,402
Dividend	84	84
	43,63,96,950	**66,91,56,969**

19. Other Incomes:

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Miscellaneous Income	1,258	-
Gain of Fair Valuation of Investments	3,347	-
Interest for Income Tax refund	-	19,88,781
Provisions for Standard Assets u/s 45JA of RBI Act written back (refer note 14)	-	6,11,893
	4,605	**26,00,674**

20. Finance Costs:

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Interest expense		
- Loan from banks	56,69,484	2,03,69,041
- Other loans and deposits	46,07,20,922	65,40,70,470
Bank charges	2,310	12,550
	46,63,92,716	**67,44,52,061**

21. Other expenses:

Particulars	Ind AS 31-Mar-19	Ind AS 31-Mar-18
Donations & Corporate Social Responsibility Expenditure *	55,00,000	2,17,05,000
Provisions for Standard Assets u/s 45JA of RBI Act (refer note 14)	21,10,800	-
Legal and professional charges	50,80,173	20,21,948
Miscellaneous expenses	10,47,407	57,822
Business Promotion Expenses	10,00,665	68,740
Corporate Allocation Expenses	10,00,000	10,00,000
Rates & Taxes	8,50,032	-
Sitting Fees	1,15,000	1,65,000
Payment to auditors	2,55,000	2,82,552
Loss on Sale of Investments	-	1,95,00,000
Security Charges	-	51,03,048
Loss on Dimunition in Investments	-	1,00,000
	1,69,59,077	**5,00,04,110**

* Donation of Rs 50,00,000 is made to Rajkamal Rikhavchand Mehta Charitable Trust and Rs 5,00,000 to GMR Varalakshmi Foundation as per the board approval.

Payment to Auditors (Excluding Service Tax/GST)

	31-Mar-19	31-Mar-18
Statutory&tax audit	1,60,000	1,40,000
Other services	95,000	1,42,552
	2,55,000	**2,82,552**

GURU & JANA Chartered Accountants

22 Earnings Per Share (EPS)

Amount in Rs.

	31-Mar-19	31-Mar-18
Basic Earnings per Share		
Total Comprehensive Income for the year	(3,38,13,413)	(4,61,11,987)
Less : Preference dividend payable including dividend tax	-	-
	(3,38,13,413)	(4,61,11,987)
Number of Equity of shares at the beginning of the year	16,80,59,794	16,80,59,794
Number of Equity of shares issued during the year	-	-
	16,80,59,794	16,80,59,794
Weighted average number of equity shares	16,80,59,794	16,80,59,794
Nominal value of Equity shares	10	10
Earnings Per Share	(0.20)	(0.27)
Diluted Earnings Per share		
Total Comprehensive Income for the year	(3,38,13,413)	(4,61,11,987)
Adjustment for Extraordinary item (net of tax)	-	-
	(3,38,13,413)	(4,61,11,987)
Less: Preference dividend payable including dividend tax	-	-
	(3,38,13,413)	(4,61,11,987)
Weighted average number of equity shares	16,80,59,794	16,80,59,794
Earning per share	(0.20)	(0.27)

23 Contingent Liabilities

	31-Mar-19	31-Mar-18
a) Claims against the Company not acknowledged as debt		
- Income tax (relating to disallowances) #		
Financial Year 2013-14	64,04,030	-
Financial Year 2014-15	2,43,44,110	-
	3,07,48,140	-

The company has filed appeal to the Income Tax Appelate Tribunal for the said years and the management is of the opinion there will not be any possible future outflows.
However , outflows if any arising out of these claims would depend upon the outcome of the decision of the Income Tax appellate tribunal and the Companies right for future appeals before Judiciary.

24 Pending Litigation

	31-Mar-19	31-Mar-18
Income Tax Payable		
Financial Year 2014-15		
- Demand raised	64,04,030	-
- Demand adjusted against refund of other years	64,04,030	-
Financial Year 2015-16		
- Demand raised	2,43,44,110	-
- Demand Paid agaisnt Protest	-	-

GURU & JANA Chartered Accountants

Dhruvi Securities Private Limited

Notes to Special Purpose Financial Statements as at March 31, 2019

25.Income tax expenses in the statement of profit and loss consist of the following:

Tax expenses	31-Mar-19	31-Mar-18
(a) Current tax	12,40,000	1,07,778
(b) Adjustments of tax relating to earlier periods	33,35,401	(24,46,593)
(c) Deferred tax expense / (credit)	(1,77,12,226)	(42,47,726)
	-	-
Total taxes	**(1,31,36,825)**	**(65,86,541)**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

	31-Mar-19	31-Mar-18
Profit before tax	(4,69,50,238)	(5,26,98,528)
Applicable tax rates in India (% Rate)	26.00%	30.90%
Computed tax charge	**(1,22,07,062)**	**(1,62,83,845)**
Tax effect of income that are not taxable in determining taxable profit:		
a) Exempt income (dividend) not included in calculation of tax	-	(26)
b) Profit on sale of mutual fund and investment	(5,24,315)	6,23,129
c) Provisions for Standard Assets u/s 45JA of RBI Act written back	-	(1,89,075)
Tax effect of expenses that are not deductible in determining taxable profit:		
(a) Items not deductible (donation)	13,64,738	34,48,541
(b) Others (Ind AS Adjustments)	1,20,13,107	1,24,78,155
(c) Others (Temporary Differences previously disallowed , allowed in current year)	(13,416)	-
(d) Rounding Difference	27	-
(e) Loss in dimuntaion of investment		30,900
(f)Provisions for Standard Assets u/s 45JA of RBI Act	5,48,808	-
(g)Other Permanent Differences (Prior Period Expense)	26,000	-
(h)Other Permanent Differences (Penalties)	32,114	-
Tax expense as reported	**12,40,001**	**1,07,778**

26.Deferred tax (liability)/ asset comprises mainly of the following:

	31-Mar-19	31-Mar-18
Deferred tax liability :		
On Equity portion on Preference Shares	7,67,62,486	9,12,29,262
	7,67,62,486	**9,12,29,262**
Deferred tax asset :		
On liability portion on preference Shares	6,28,61,289	6,04,30,075
On provision on doubtful debts	-	-
On provision on standard asset	19,89,208	(1,89,075)
On opening provision on standard asset	-	13,64,047
	6,48,50,497	**6,16,05,047**
Net deferred tax assets/(liabilities)	**1,19,11,989**	**2,96,24,215**

Reconciliations of net deferred tax liabilities / (assets)		
Opening balance as at beginning of the year	2,96,24,215	4,43,58,915
Tax income (expense) during the period recognised in profit or loss	(1,77,12,226)	(1,33,70,652)
Tax income (expense) during the period recognised in OCI		(13,64,047)
Closing balance as at March 31, 2019	**1,19,11,989**	**2,96,24,215**

GURU & JANA Chartered Accountants

DHRUVI SECURITIES PVT. LTD.

Dhruvi Securities Private Limited

Notes to Special Purpose Financial Statements as at March 31, 2019

27. Significant accounting judgements, estimates and assumptions

ESTIMATES AND ASSUMPTIONS

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

Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 25 for further disclosures.

28(A).Standard issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance in Ind AS 17 and is a far reaching change in accounting by lessees in particular.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

Ind AS 116 is effective for the company in the first quarter of fiscal year 2019 using either one of two methods:

(a) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 116 (the full retrospective method); or

(b) retrospectively with the cumulative effect of initially applying Ind AS 116 recognized at the date of initial application (April 01, 2019) and providing certain additional disclosures as defined in Ind AS 116 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 116 related to leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

GURU & JANA Chartered Accountants

28(B). Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.
On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending

Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12, 'Income taxes'

The appendix corresponds to IFRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee.
This amendment clarifies how the recognition and measurement requirements of Ind AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. The amendment applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.
The interpretation is effective for annual periods beginning on or after April 1, 2019.
The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109, Financial Instruments.

This amendment enables entities to measure certain pre-payable financials assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation' must be 'reasonable compensation for early termination of the
That is, when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective
The interpretation is effective for annual periods beginning on or after April 1, 2019.
The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19, Employee Benefits.

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:
- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change
- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling
- separately recognise any changes in the asset ceiling through other comprehensive income.

The interpretation is effective for annual periods beginning on or after April 1, 2019.
The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

Annual Improvements to Ind AS

- **Ind AS 23, 'Borrowing Cost'**- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

- **Ind AS 103, 'Business Combination'**- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

- **Ind AS 111, 'Joint arrangements'**- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.

- **Ind AS 12, 'Income Taxes'**- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences Previously, it was unclear whether the income tax consequences of dividend should be recognised in profit or loss, or in equity, and the scope of the existing

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

GURU & JANA Chartered Accountants

29. Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policies, to the financial statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019 and March 31, 2018.

As at March 31, 2019

(Amount in Rs.)

Particulars	Fair value through consolidated statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Investments (other than investments in associates and joint ventures)	-	-	2,60,34,30,113	2,60,34,30,113	2,60,34,30,113
(ii) Loans	-	-	1,91,27,00,000	1,91,27,00,000	1,91,27,00,000
(iii) Current Investments	12,03,347	-	-	12,03,347	12,03,347
(iv) Cash and cash equivalents	-	-	2,47,36,252	2,47,36,252	2,47,36,252
(v) Bank balances other than cash and cash equivalents	-	-	-	-	-
(vi) Other financial assets	-	-	1,06,05,40,769	1,06,05,40,769	1,06,05,40,769
Total	**12,03,347**	-	**5,60,14,07,134**	**5,60,26,10,481**	**5,60,26,10,481**
Financial liabilities					
(i) Borrowings	-	-	2,13,12,43,858	2,13,12,43,858	2,13,12,43,858
(ii) Trade payables	-	-	-	-	-
(iii) Foreign exchange forward contracts	-	-	-	-	-
(iv) Principal and interest rate swap	-	-	-	-	-
(v) Call spread option	-	-	-	-	-
(vi) Other financial liabilities	-	-	1,74,23,437	1,74,23,437	1,74,23,437
(vii) Financial guarantee contracts	-	-	-	-	-
Total	-	-	**2,14,86,67,295**	**2,14,86,67,295**	**2,14,86,67,295**

As at March 31, 2018

(Amount in Rs.)

Particulars	Fair value through consolidated statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Investments (other than investments in associates and joint ventures)	-	-	2,60,34,30,113	2,60,34,30,113	2,60,34,30,113
(ii) Loans	-	-	1,38,50,00,000	1,38,50,00,000	1,38,50,00,000
(iii) Trade receivables	-	-	-	-	-
(iv) Cash and cash equivalents	-	-	2,00,58,58,898	2,00,58,58,898	2,00,58,58,898
(v) Bank balances other than cash and cash equivalents	-	-	1,15,30,63,269	1,15,30,63,269	1,15,30,63,269
(vi) Other financial assets	-	-	18,21,12,145	18,21,12,145	18,21,12,145
Total	-	-	7,32,94,64,425	7,32,94,64,425	7,32,94,64,425
Financial liabilities					
(i) Borrowings	-	-	**3,26,03,30,265**	**3,26,03,30,265**	**3,26,03,30,265**
(ii) Trade payables	-	-	-	-	-
(iii) Foreign exchange forward contracts	-	-	-	-	-
(iv) Principal and interest rate swap	-	-	-	-	-
(v) Call spread option	-	-	-	-	-
(vi) Other financial liabilities	-	-	71,46,03,646	71,46,03,646	71,46,03,646
(vii) Financial guarantee contracts	-	-	-	-	-
Total	-	-	**3,97,49,33,912**	**3,97,49,33,912**	**3,97,49,33,912**

GURU & JANA Chartered Accountants

30. Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

31. Financial risk management objectives and policies

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk

(a) Market risk- Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term debt obligations with floating interest rates.
The Company does not have any exposure to Interest rate risk since the company does not have any variable rate Loans and borrowings.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	**Effect on profit before tax**
March 31, 2019		Amt in lacs
INR	+50	-
INR	-50	-
March 31, 2018		
INR	+50	-
INR	-50	-

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

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Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Financial instruments and cash deposits- Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through convertible debentures, non-convertible debentures, bonds and other debt instruments. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carries no or low market risk.

The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, sale of assets and strategic partnership with investors etc.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

	On demand In Rs.	Less than 3 months In Rs.	3 to 12 months In Rs.	1 to 5 years In Rs.	> 5 years In Rs.	Total In Rs.
Year ended						
31-Mar-19						
Borrowings (other than convertible preference shares)				1,76,47,10,000.00		1,76,47,10,000.00
Convertible preference shares				36,65,33,858.23		36,65,33,858.23
Other financial liabilities			76,50,801.00			76,50,801.00
Trade payables						
	-	-	**76,50,801.00**	**2,13,12,43,858.23**	-	**2,13,88,94,659.23**
Year ended						
31-Mar-18						
Borrowings (other than convertible preference shares)				2,94,00,04,012.00		2,94,00,04,012.00
Convertible preference shares				32,03,26,253.29		32,03,26,253.29
Other financial liabilities			71,46,03,646.49			71,46,03,646.49
Trade payables						
	-	-	**71,46,03,646.49**	**3,26,03,30,265.29**	-	**3,97,49,33,911.78**

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the policies and procedures of the Company include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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32. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long-term and short-term bank borrowings and issue of non-convertible / convertible debt securities and strategic partnership with investors.

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference share, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Borrowings other than convertible preference shares (refer notes 11 and 14)	3,00,95,43,853.00	3,26,03,30,265.29
Total debt (i)	**3,00,95,43,853.00**	**3,26,03,30,265.29**
Capital components		
Equity share capital	1,68,05,97,940.00	1,68,05,97,940.00
Other equity	1,46,00,65,162.90	1,49,94,18,576.84
Non-controlling interests	-	-
Convertible preference shares (refer note 10)	20,40,11,069.10	20,40,11,069.10
Total Capital (ii)	**3,34,46,74,172.00**	**3,38,40,27,585.95**
Capital and borrowings (iii = i + ii)	**6,35,42,18,025.00**	**6,64,43,57,851.24**
Gearing ratio (%) (i / iii)	47.36%	49.07%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no material breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

As per our report of even date attached
For Guru & Jana
Chartered Accountants
Firm Registration number: 006826S

Manish Prasad BR
Partner
Membership No.: 218145

Place : Bengaluru
Date : 19th April'19

For and on behalf of board of directors

Govindarajulu T
Director
DIN 02734169

SIS Ahmed
Director
DIN 06498734

Anisha Gupta
Company Secretary

Thandaveswaran NA
Chief Financial Officer

Place : New Delhi
Date : 19th April'19