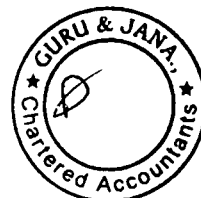


Independent Auditors Report

**The Board of Directors
Dhruvi Securities Private Limited**

1. We have audited the accompanying special purpose financial statement of **Dhruvi Securities Private Limited** ("the company") comprising of Balance Sheet as at 31st March 2017 and the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ('Special Purpose Financial Statements') prepared by the Company for the purpose of preparation of consolidated Ind AS financial Statement of GMR Infrastructure Limited ('GIL') for the year ended March 31, 2017 for the purpose of submission to the Board of Directors of GIL. This special purpose financial statement has been prepared in accordance with Basis of Preparation as detailed in note 1 and 2 to the accompanying Special Purpose Financial statement. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Special Purpose Financial statement based on our audit.
2. We conducted our audit in accordance with the Standard on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
3. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Special Purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Special Purpose financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the special purpose financial statements.
4. Based on our audit conducted as above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Financial statement prepared in accordance with Basis of Preparation as detailed in note 1 and 2 to the accompanying special purpose financial statement has not disclosed the information required to be disclosed in the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We have performed the audit at the request of the Directors of the Company, solely for the purpose of submission to the Board of Directors of the Company and for the purpose of preparation of consolidated Ind AS financial Statement of GIL for the year ended March 31, 2017 and their auditors in their Audit of such consolidated financial results.

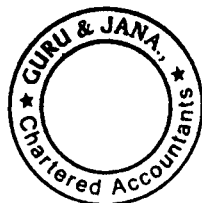


6. Accordingly, this report is not for the use or benefit of any other party nor is it to be copied, made available to or otherwise disclosed to any other party and, we do not accept or assume any liability or duty of care to any other person to whom this report is shown or into whose hands it may come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

**For Guru & Jana,
Chartered Accountants
Firm Registration No.006826S**

J. Neelima

**J. Neelima
Partner
Membership No. 222625**



**Place: Bangalore
Date: 19th April 2017**

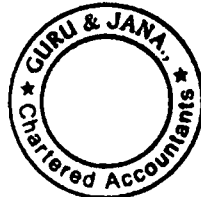
Dhruvi Securities Private Limited
Balance sheet as at March 31, 2017 - Ind AS

		Amount In INR		
Particulars	Notes	Ind AS	Ind AS	Ind AS
		March 31, 2017	March 31, 2016	April 01, 2015
I ASSETS				
(1) Non Current assets				
Financial assets				
(i) Investments	1	4,103,530,213.07	2,521,697,062.89	479,061,378.75
(ii) Loans	2	1,395,891,304.00	5,891,304.00	98,630,733.75
		5,499,421,517.07	2,527,588,366.89	577,692,112.50
(2) Current assets				
(a) Financial assets				
(i) Investments	3	-	54,869,938.00	240,358,167.00
(ii) Loans	4	367,683,507.00	810,516,764.00	3,776,100,000.00
(iii) Other financial asset	7	101,447,469.60	70,295,550.51	454,415,114.14
(b) Cash and cash equivalents	5	2,100,835,254.72	1,246,342,601.00	135,006,594.00
(c) Bank balances other than above	6	1,456,000,000.00	1,925,000,000.00	5,600,000,000.00
(d) Current Tax Assets (Net of Provision)	8	32,233,841.00	50,091,516.01	59,435,174.00
		4,058,200,072.32	4,157,116,377.52	10,265,315,049.14
TOTAL ASSETS		9,557,621,589.39	6,684,704,744.41	10,843,007,161.64
II EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	9	1,680,597,940.00	1,680,597,940.00	1,680,597,940.00
(b) Other Equity	10	1,739,666,554.90	1,659,614,129.46	1,576,020,569.00
Total equity		3,420,264,494.90	3,340,212,069.46	3,256,618,509.00
Liabilities				
(1) Non-Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	1,974,943,874.88	744,652,357.65	213,730,995.15
(b) Deferred tax liability	12	44,358,914.81	56,049,617.41	67,898,274.05
(c) Provisions	13	5,891,304.00	5,891,304.00	5,891,304.00
		2,025,194,093.69	806,593,279.06	287,520,573.20
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	3,426,964,578.00	2,062,981,927.00	6,588,820,000.00
(ii) Other financial Liabilities	15	677,423,684.46	465,120,022.56	697,773,972.96
(b) Other Current Liabilities	16	7,774,738.34	9,797,446.33	12,274,106.48
(c) Short term Provisions	17	-	-	-
		4,112,163,000.80	2,537,899,395.89	7,298,868,079.44
TOTAL EQUITY AND LIABILITIES		9,557,621,589.39	6,684,704,744.41	10,843,007,161.64

Significant accounting policies and notes to accounts forming an integral part of the financial statements

As per our report of even date attached
For Guru & Jana
Chartered Accountants
Firm Registration number: 0068265

J. Neelima
Partner
Membership No.222625



Place: Bangalore
Date: 19th April 2017

For and on behalf of board of directors
DHRUVI SECURITIES PRIVATE LIMITED

Govindarajulu T
Director
DIN 02734169

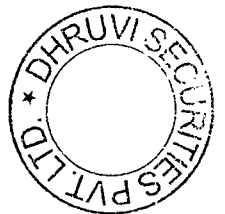
Company Secretary

Place: Delhi
Date: 19.04.2017

SIS Ahmed
Director
DIN 06498734

Chief Financial Officer

Place: Delhi
Date: 19.04.2017



Dhruvi Securities Private Limited
Statement of profit and loss for the year ended March 31, 2017

Particulars	Notes	Amount in INR	
		Ind AS March 31, 2017	Ind AS March 31, 2016
I REVENUE			
Revenue From Operations	18	45,04,54,403.82	59,44,49,116.65
Total Revenue		45,04,54,403.82	59,44,49,116.65
II EXPENSES			
Finance costs	19	35,96,55,919.48	50,44,17,834.39
Other expenses	20	1,52,74,816.55	1,64,76,379.29
Total Expenses		37,49,30,736.03	52,08,94,213.68
III Profit/(loss) before exceptional items and tax from		7,55,23,667.79	7,35,54,902.97
IV Exceptional items		-	-
V Profit/(loss) before and tax from continuing operations		7,55,23,667.79	7,35,54,902.97
(1) Current tax		95,60,000	2,13,50,000.00
(2) Adjustment of tax relating to earlier periods		(23,98,057)	(1,95,40,000)
(3) Deferred tax		(1,16,90,703)	(1,18,48,657)
Income tax expense		(45,28,759.61)	(1,00,38,656.64)
Profit/(loss) for the year from continuing operations		8,00,52,427.40	8,35,93,559.61
VI Other Comprehensive Income			
A Items that will be reclassified to profit or loss		-	-
B Items that will not be reclassified to profit or loss		-	-
Re-measurement gains (losses) on defined benefit plans		-	-
Income tax effect		-	-
IX Total Comprehensive Income for the period (VII + VIII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		8,00,52,427.40	8,35,93,559.61
X Earnings per equity share:			
(1) Basic	24	0.48	0.50
(2) Diluted			

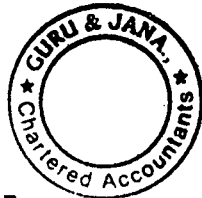
Significant accounting policies and notes to accounts forming an integral part of the financial statements

As per our report of even date

For Guru & Jana
Chartered Accountants
Firm Registration number: 0068265

J. Neelima

J. Neelima
Partner
Membership No.222625



Place: Bangalore
Date: 19th April 2017

For and on behalf of the Board of Directors of
Dhruvi Securities Private Limited

T. Govindarajulu T *SIS Ahmed*

Govindarajulu T
Director
DIN 02734169

SIS Ahmed
Director
DIN 06498734

Agupta
Company Secretary

Sharma
Chief Financial Officer

Place: Delhi
Date: 19.04.2017

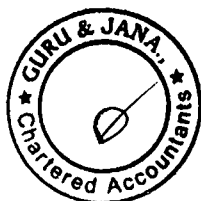
Place: Delhi
Date: 19.04.2017



Dhruvi Securities Private Limited

Notes to the financial statements as at March 31, 2017 - Ind AS

Financial assets	Amount in INR		
	Ind AS March 31, 2017	Ind AS March 31, 2016	Ind AS April 01, 2015
1 Non Current Investment			
Unquoted equity instruments			
GMR Highways Ltd (3 Fully paid up-un quoted Equity Shares of Rs.10/- each)	30.00	30.00	-
Vemagiri Power Services Ltd (5000 Fully paid up-un quoted Equity Shares of Rs.10/- each)	50,000.00	50,000.00	50,000.00
Business India Publications Ltd (5000 Fully paid up-un quoted Equity Shares of Rs.10/- each)	50,000.00	212,591.75	212,591.75
GMR Generation Assets Ltd. (15,00,00,010 fully paid up un quoted equity shares of Rs. 10 each)	1,500,000,100.00	-	-
Ujjivan Financial Services Pvt Ltd (50,000 Fully paid up-un quoted Equity Shares of Rs.10/- each)	-	-	500,000.00
Equity Component of Preference Shares			
GMR Airports Ltd (84,398 Fully paid up-un quoted Preference Shares of Rs.1000/- each)	478,298,787.00	478,298,787.00	478,298,787.00
GMR Highways Ltd (20,000,000 Fully paid up-un quoted Preference Shares of Rs.100/- each)	1,275,566,527.04	1,275,566,527.04	-
Unquoted preference shares			
GMR Airports Ltd (84,398 Fully paid up-un quoted Preference Shares of Rs.1000/- each)	-	-	-
GMR Highways Ltd (20,000,000 Fully paid up-un quoted Preference Shares of Rs.100/- each)	849,564,769.04	767,569,127.10	-
	4,103,530,213.07	2,521,697,062.89	479,061,378.75
Aggregate amount of unquoted investments	4,103,530,213.07	2,521,697,062.89	479,061,378.75
2 Other non-current financial asset			
Long term loans and advances			
Unsecured, considered good	1,390,000,000.00	-	-
Other Loans and Advances			
Others Advances	5,891,304.00	5,891,304.00	98,630,733.75
	1,395,891,304.00	5,891,304.00	98,630,733.75
3 Current Investment			
Investments in Venture Capital funds			
Birla Sunlife Cash Plus	-	54,869,938.00	-
Faering Capital India Evolving Fund (90,358 units)	-	-	90,358,167.00
Bharat Nirman Fund (1,500,000 units)	-	-	150,000,000.00
	-	54,869,938.00	240,358,167.00
4 Loans-short term			
Loans to related parties			
	367,683,507.00	810,516,764.00	3,776,100,000.00
	367,683,507.00	810,516,764.00	3,776,100,000.00
5 Cash and cash equivalents			
Particulars	Ind AS March 31, 2017	Ind AS March 31, 2016	Ind AS April 01, 2015
Balances with banks:			
- in current accounts	835,254.72	6,342,601.00	5,006,594.00
- in deposit with less than 3 months maturity	2,100,000,000.00	1,240,000,000.00	130,000,000.00
total Cash and Cash equivalents	2,100,835,254.72	1,246,342,601.00	135,006,594.00
6 Bank balances other than above			
Deposits with maturity for more than 3 months but less than 12 months			
	1,456,000,000.00	1,925,000,000.00	5,600,000,000.00
	1,456,000,000.00	1,925,000,000.00	5,600,000,000.00
7 Other Financial Assets			
Interest receivable on FDs with banks			
	50,709,696.43	39,073,616.51	454,415,114.14
Interest receivable from others			
	50,737,773.17	31,221,942.00	-
	101,447,469.60	70,295,558.51	454,415,114.14



Notes to the financial statements as at March 31, 2017 - Ind AS

Financial assets

Amount in INR

8 Current Tax Assets (Net of Provision)

	Ind AS March 31, 2017	Ind AS March 31, 2016	Ind AS April 01, 2015
Prepaid taxes	32,233,841	50,091,516	59,435,174
	32,233,841.00	50,091,516	59,435,174
Net	32,233,841.00	50,091,516.01	59,435,174.00

9 Share capital

Authorised share

	Equity Shares Number	Preference Shares In Rs.
Equity shares of Rs.10/- each	176,000,000	
Compulsory Convertible Preference Shares of Rs.10		440,000,000.00

Issued, subscribed and fully paid-up shares

	March 31, 2017 Number	March 31, 2017 In Rs. (Ind AS)	March 31, 2016 In Rs. (Ind AS)	April 01, 2015 In Rs. (Ind AS)
Equity shares of Rs.10/- each	168,059,794	1,680,597,940.00	1,680,597,940.00	1,680,597,940.00
8% Compulsory Convertible Preference shares of Rs.10	42,000,000	-	-	-
At 1 April 2015		1,680,597,940.00	1,680,597,940.00	1,680,597,940.00

Other Information:

(i) Equity shares include:

a. Shares held by the holding company, in aggregate

Equity Shares Number
168,059,794

(ii) Preference shares include:

a. Shares held by the holding company in aggregate

42,000,000

b. Preference shares shall be Compulsory Convertible on or before 31st March 202

42,000,000

(iii) Particulars of equity share holders holding more than 5% of the total number of equity share capital:

GMR Infrastructure Ltd	168,059,694
GMR SEZ & Port Holding Pvt Ltd	100

(iv) Particulars of preference share holders holding more than 5% of the total number of preference share capital

GMR Infrastructure Ltd	42,000,000
------------------------	------------

(v) Securities convertible into equity /preference shares

10 Other equity

Equity component of other financial instruments

At 1 April 2015

	Ind AS March 31, 2017	Ind AS March 31, 2016	Ind AS April 01, 2015
-Equity component of Preference shares	194,888,142.86	194,888,142.86	194,888,142.86
-Equity component of Related Party Loans	-	-	-

Securities Premium Reserve

Opening Balance	1,994,351,967.00	1,994,351,967.00	1,994,351,967.00
Addition to Reserve			
Balance as at 31 March 2017	1,994,351,967.00	1,994,351,967.00	1,994,351,967.00

Surplus in the statement of profit and loss

At 1 April 2016	(571,206,055.11)	(650,696,537.01)	(650,696,537.01)
(Loss)/Profit for the year	80,052,427.40	83,593,559.61	-
Less : Transferred to Special reserve u/s 45IC of RBI Act	(4,344,990.22)	(11,769,024.00)	-
Less : Provisions for Standard Assets u/s 45JA of RBI Act	(4,125,601.00)	7,665,947.59	-
Net surplus in the statement of profit and loss as at March 31, 2017	(499,624,218.93)	(571,206,053.81)	(650,696,537.01)

Special Reserve u/s 45IC of RBI Act

Opening Balance	39,553,781.26	27,784,757.00	27,784,756.95
Add: Transferred from surplus/ (deficit) in the statement of profit and loss	4,344,990.22	11,769,024.00	-
Balance as at 31 March 2017	43,898,771.48	39,553,781.00	27,784,756.95

Provision Against standard Assets(u/s 45JA of RBI Act)

Opening Balance	2,026,291.50	9,692,240.00	9,692,239.20
Add: Transferred from surplus/ (deficit) in the statement of profit and loss	4,125,601.00	(7,665,947.59)	-
Balance as at 31 March 2017	6,151,892.50	2,026,292.41	9,692,239.20
	1,739,666,554.90	1,659,614,129.46	1,576,020,569.00



Notes to the financial statements as at March 31, 2017 - Ind AS

Financial assets

Amount in INR

Financial Liabilities - Non- Current

11 Long term Borrowings

	Ind AS March 31, 2017	Ind AS March 31, 2016	Ind AS April 01, 2015
Liability component of Preference Shares	279,943,874.88	244,652,357.65	213,730,995.15
Borrowings from Group company	1,695,000,000.00	500,000,000.00	-
	1,974,943,874.88	744,652,357.65	213,730,995.15

Loan from Group Company (Kirti Timber Private Limited) @ the rate 12.00% for a period of three years ,interest on the same will be accrued for the period of the loan and shall be payable at the end of the tenure along with principal.

12 Deferred Tax Liability

	Ind AS March 31, 2017	Ind AS March 31, 2016	Ind AS April 01, 2015
Deferred tax liability			
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	44,358,914.81	56,049,617.41	67,898,274.05
Deferred tax asset			
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis*	-	-	-
	44,358,914.81	56,049,617.41	67,898,274.05

13 Long term provisions

	Ind AS March 31, 2017	Ind AS March 31, 2016	Ind AS April 01, 2015
Provision for diminution in value of investments	-	-	-
Provision for doubtful debts	5,891,304.00	5,891,304.00	5,891,304.00
	5,891,304.00	5,891,304.00	5,891,304.00

Financial Liabilities - Current

14 Borrowings

	Ind AS March 31, 2017	Ind AS March 31, 2016	Ind AS April 01, 2015
Loan from banks*	79,344,578.00	556,861,927.00	682,800,000.00
Loan from related parties:			
a. Loan From Holding Company**	-	145,600,000.00	4,545,500,000.00
b. Loan From Group Company***	3,347,620,000.00	1,360,520,000.00	1,360,520,000.00
	3,426,964,578.00	2,062,981,927.00	6,588,820,000.00

*Loans from banks include loan from Oriental bank secured against the fixed deposits ,and carrying interest rates 8.55%

*** Loans from group companies bearing interest from 6% to 12.25%,interest payable along with principal at the end of the loan period.

15 Other financial liabilities

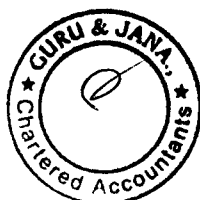
	Ind AS March 31, 2017	Ind AS March 31, 2016	Ind AS April 01, 2015
Interest Payable	677,423,684.46	465,120,022.56	697,773,972.96
	677,423,684.46	465,120,022.56	697,773,972.96

16 Other current liabilities

	Ind AS March 31, 2017	Ind AS March 31, 2016	Ind AS April 01, 2015
Others payable	2,610,761.71	4,815,846.00	7,047,747.00
Statutory dues payable	5,163,976.63	4,981,600.33	5,226,359.48
	7,774,738.34	9,797,446.33	12,274,106.48

17 Short Term Provisions

	Ind AS March 31, 2017	Ind AS March 31, 2016	Ind AS April 01, 2015
Provision for Income Tax A Y 13-14	-	-	-
Provision for Income Tax A Y 14-15	-	-	-
Provision for Income Tax A Y 15-16	-	-	-
Provision for Income Tax A Y 16-17	-	-	-
Provision for Income Tax A Y 17-18	-	-	-



	Amount In Rupees	
	Ind AS March 31, 2017	Ind AS March 31, 2016
18 Revenue from operations:		
Dividend		25,084
Interest Income	444,573,531	579,452,056
Profit on redemption of investments in Mutual Funds	5,880,873	7,994,126
Profits on sale of Investments		6,437,600
Provision for diminution in value of investments		540,250
	<u>450,454,404</u>	<u>594,449,117</u>
19 Finance Costs:		
Interest expense	359,643,352	504,408,047
Bank charges	12,567	9,788
	<u>359,655,919</u>	<u>504,417,834</u>
20 Other expenses:		
Payment to the auditors		
- for audit fees	207,325	74,425
- for other services	44,851	28,040
- for reimbursement of expenses	73,795	151,415
Donation		11,000,000
Legal and professional charges	6,629,714	3,536,771
Corporate Allocation Expenses	1,150,000	1,145,000
Miscellaneous expenses	1,256,719	370,728
Sitting Fees	130,000	170,000
Business Promotion Expenses		
Security Charges		
Loss on Diminution in Investments		
	<u>9,492,405</u>	<u>16,476,379</u>



Dhruvi Securities Private Limited

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.

2 Significant Accounting Policies

1 Basis of preparation

The 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.

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 year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 31 for information on how the Company adopted Ind AS.

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:

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

A liability is current when:

- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period, or
 - 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.

2 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 or cash-generating 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.

3 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that 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.

4 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.



4.1 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)

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, refer to Note 25.

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 AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

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

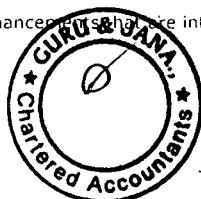
The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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.

4.2 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 company are those contracts that require a payment to be made to

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.

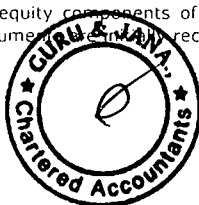
5 Convertible preference shares

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 instrument is recognised.



6 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.

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.

7 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.

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.

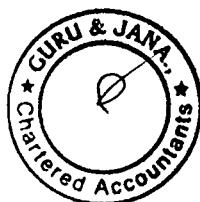
The Valuation Committee, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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 (note 23)
- b) Quantitative disclosures of fair value measurement hierarchy (note 28)
- c) Financial instruments (including those carried at amortised cost) (note 28)



8 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 Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

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

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 finance 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.

9 Taxes on income

9.1 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 recognise 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 recognise 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 review the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the entities in the Group do 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.

9.2 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:

- 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
- 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:

- 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
- 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.

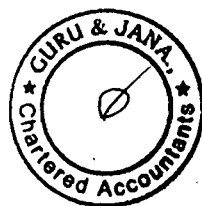
Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill 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 deferred tax benefits realised are recognised in profit or loss.



DHRUVI SECURITIES PRIVATE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017
 21. Other Equity

Amounts in Rupees

Particulars	31 March 2017	31 March 2016	1 April 2015
Share application money pending allotment (B)			
Equity component of other financial instruments	194,888,142.86	194,888,142.86	194,888,142.86
Securities premium	1,994,351,967.00	1,994,351,967.00	1,994,351,967.00
Surplus in the statement of profit and loss			
Balance as per last financial statements	(571,206,053.81)	(650,696,537.01)	(650,696,537.01)
Add: Net profit for the year	71,581,836.18	(79,490,483.20)	
Net surplus in the statement of profit and loss	(499,624,217.63)	(571,206,053.81)	(650,696,537.01)
Other items of Comprehensive Income			
Actuarial gain or losses			
Special Reserve u/s 45IC of RBI Act	43,898,771.48	39,553,781.00	27,784,756.95
Provision Against standard Assets(u/s 45JAof RBI Act)	6,151,892.50	2,026,292.41	9,692,239.20
Total reserves and surplus	1,739,666,556.21	1,659,614,129.46	1,576,020,569.00



DHRUVI SECURITIES PRIVATE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017

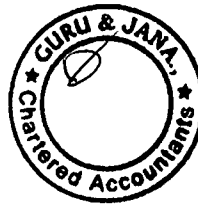
22. Statement of changes in equity

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

	No.	Rs.
At 1 April 2015	168,059,794	1,680,597,940
Add: Issued during the year	-	-
Add : Converted from Series A CCPS & Series B C	-	-
At 31 March 2016	168,059,794	1,680,597,940
At 31 March 2017	168,059,794	1,680,597,940

b. Other equity

Particulars	Share Application pending allotment	Equity component of other financial instruments	Reserves and surplus					FCTR	Money received against share warrants	Retained earnings	Other Comprehensive Income	Total equity
			General reserve	Securities premium	Debenture redemption reserve	Capital reserve						
For the year ended 31 March 2016												
For the year ended 31 March, 2017												
As at 1 April 2016	-	-	-	-	-	-	-	-	(571,206,055)	-	(571,206,055)	
Profit for the year	-	-	-	-	-	-	-	-	80,032,427	-	80,032,427	
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income	-	-	-	-	-	-	-	-	(491,153,628)	-	(491,153,628)	
Dividends (note XX)	-	-	-	-	-	-	-	-	-	-	-	
Dividend distribution tax (note XX)	-	-	-	-	-	-	-	-	-	-	-	
Transfer from retained earnings	-	-	-	-	-	-	-	-	8,470,591	-	8,470,591	
Deemed dividend	-	-	-	-	-	-	-	-	-	-	-	
As at 31 March 2017	-	-	-	-	-	-	-	-	(499,624,219)	-	(499,624,219)	
For the year ended 31 March, 2016												
As at 1 April 2015	-	-	-	-	-	-	-	-	(650,696,537)	-	(650,696,537)	
Profit for the year	-	-	-	-	-	-	-	-	83,593,560	-	83,593,560	
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	
Transfer from Debenture redemption	-	-	-	-	-	-	-	-	(567,102,977)	-	(567,102,977)	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	
Dividends (note XX)	-	-	-	-	-	-	-	-	-	-	-	
Dividend distribution tax (note XX)	-	-	-	-	-	-	-	-	-	-	-	
Transfer to debenture redemption reserve	-	-	-	-	-	-	-	-	-	-	-	
Other adjustments:	-	-	-	-	-	-	-	-	-	-	-	
Transfer from retained earnings	-	-	-	-	-	-	-	-	(4,103,076)	-	(4,103,076)	
Deemed dividend	-	-	-	-	-	-	-	-	-	-	-	
As at 31 March 2016	-	-	-	-	-	-	-	-	(571,206,054)	-	(571,206,054)	



DIRHVI SECURITIES PRIVATE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017
 23. Income Tax

A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the

	As at 31-Mar-17	As at 31-Mar-16
Accounting profit	<u>7,55,23,667.79</u>	<u>7,35,54,902.97</u>
Tax at the applicable tax rate of 30% (31.3.2016: 30%, 1.4.2015: 30%)	2,49,70,390	2,43,19,458
<u>Tax effect of expenses that are deductible in determining taxable profit:</u>		
Dividend (Exempt U/s 10(34 & 35))	-	(8,294)
Profit on Sale of Venture Capital	-	(10,41,887)
Provision for diminution in value of investments	-	(1,76,623)
<u>Tax effect of expenses that are not deductible in determining taxable profit:</u>		
Demat Charges U/s 14A		1,139
Donations		25,13,747
Ind As Adjustment	(2,70,98,249)	(1,61,13,712)
Others	(2,844)	9,516
Tax expense	<u>(21,30,703)</u>	<u>95,01,343</u>

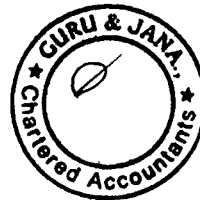
An explanation of changes in the applicable tax rate(s) compared to the previous accounting period
 In 2015-16, the Government enacted a change in the national income tax rate (Surcharge) from 5% to 7%.
 In 2016-17, the Government enacted a no change in the national income tax rate.

Deferred tax:

	As at 01-Apr-15	Provided during the year	As at 31-Mar-16	Provided during the year	As at 31-Mar-17
Deferred tax liability:					
Pref. Share Capital	6,78,98,274	(1,18,48,657)	5,60,49,617	(1,16,90,703)	4,43,58,915
Total deferred tax liability (A)	<u>6,78,98,274</u>	<u>(1,18,48,657)</u>	<u>5,60,49,617</u>	<u>(1,16,90,703)</u>	<u>4,43,58,915</u>
Deferred tax assets:					
Business Losses					
Total deferred tax assets (B)					
Deferred Tax Liability (Net) (A - B)	<u>6,78,98,274</u>	<u>(1,18,48,657)</u>	<u>5,60,49,617</u>	<u>(1,16,90,703)</u>	<u>4,43,58,915</u>

A summary of temporary differences, unused tax credits and unused tax losses for which deferred tax has not been recognized is shown in the table below.

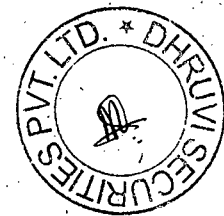
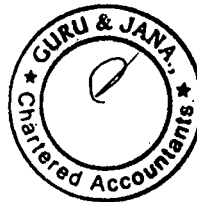
Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Temporary differences arising on :			
Unused Tax losses	0.00	0.00	0.00
Unabrobed Depreciation	0.00	0.00	0.00
Provision for leave encashment	0.00	0.00	0.00
Provision for gratuity	0.00	0.00	0.00
Related to Fixed Assets etc.	0.00	0.00	0.00



DHRUVI SECURITIES PRIVATE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017
24. Earnings Per Share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Amounts in INR	
	31-Mar-17	31-Mar-16
Profit attributable to equity holders of the parent	80,052,427.40	83,593,559.61
Continuing operations	-	-
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	80,052,427.40	83,593,559.61
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	80,052,427.40	83,593,559.61
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	168,059,794	168,059,794
Effect of dilution:		
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	168,059,794	168,059,794
Earning Per Share (Basic) (Rs)	0.48	0.50
Earning Per Share (Diluted) (Rs)	0.48	0.50
Face value per share (Rs)	10	10



25. 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.

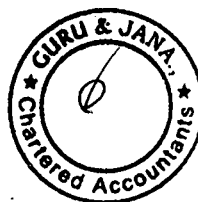
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the 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.



DHRUVI SECURITIES PRIVATE LIMITED

Notes to accounts for the year ended March 31, 2017

26 Related Party Transactions

i Name of Related Parties and description of relationship

Relationships	Name of the Related Party
Enterprises that control the Company	GMR Infrastructure Limited (GIL) [Holding Company] GMR Holdings Private Limited (GHPL) [Ultimate Holding company]
Enterprises where significant influence exists / Fellow Subsidiaries (Where transactions have taken place)	GMR Power Corporation Ltd GMR Varalakshmi Foundation GMR Highways Ltd GMR Tuni Anakapalli Expressways Ltd GMR Pochanapalli Expressways Ltd GMR Tambaram Tindivanam Expressways Ltd Kakinada SEZ Private Limited GMR Energy Ltd GMR Airport Ltd GMR Gujarat Solar Power Private Limited GMR Generation Assets Ltd. GMR Krishnagiri SEZ Ltd Raxa Securities Pvt Ltd GMR Family Fund Trust GMR Business Process and Services Pvt Ltd GMR Corporate Affairs Pvt Ltd
Key Management Personnel and their relatives	Mr. T Govindarajulu Mr. A. S. Cherukupalli Mr. K. Sreemannarayana Mr. M V Srinivas

ii **Summary of transactions with the above related parties is as follows:**

Interest Income

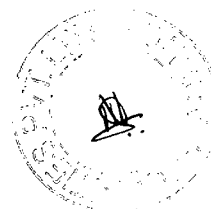
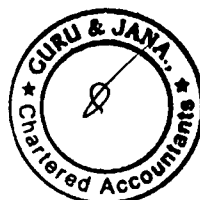
	<u>31-Mar-17</u>	<u>31-Mar-16</u>
GMR Infrastructure Limited [Holding Company]	37,234,429	-
GMR Highways Limited	6,319,324	204,514,151
Kakinada SEZ Private Limited	-	1,163,835
GMR Energy Ltd	-	4,486,185
GMR Gujarat Solar Power Private Limited	-	6,955,467
GMR Renewable Energy Ltd	4,884,546	5,661,849
GMR Krishnagiri SEZ Ltd	11,025,000	3,715,274
GMR Airports Ltd	-	33,562
Raxa Security Services Ltd	-	5,836,370
GMR Londa Hydropower Pvt. Ltd.	30,590,901	-
GMR Aviation Pvt. Ltd.	20,137	-
Interest Income	<u>90,074,337</u>	<u>232,366,693</u>

Interest Expenses

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
GMR Infrastructure Limited [Holding Company]	83,665,195	264,987,651
GMR Power Corporation Limited	6,772,860	697,000
GMR Pochanapalli Expressways Limited	67,410,959	64,600,000
GMR Tuni Anakapalli Expressways Limited	20,685,600	20,685,600
GMR Tambaram Tindivanam Expressways Limited	19,653,600	19,653,600
GMR Energy Ltd	-	312,123
GMR Business Process and Services Pvt Ltd	-	730,113
GMR Enterprise Pvt. Ltd.	77,889,695	-
Kirti Timber Private Limited	468,493	-
Interest Expenses	<u>276,546,402</u>	<u>371,666,087</u>

Expenses Paid

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
GMR Infrastructure Limited [Holding Company]	1,150,000	1,145,000
Raxa Securities Private Limited	2,666,520	-
Expenses Paid	<u>3,816,520</u>	<u>1,145,000</u>



Loans taken and repayment thereof

Particulars	Period Ended	Loan taken	Interest Accrued	Repayment / adjustment including interest.	Amount Owed to Related Parties
GMR Infrastructure Limited [Holding Company]	31-Mar-17	2,140,000,000	83,665,195	2,835,475,208	40,990,094
	31-Mar-16	6,876,700,000	264,987,651	6,488,887,544	652,800,107
GMR Power Corporation Ltd	31-Mar-17	310,000,000	6,772,860	10,333,965	316,289,733
	31-Mar-16	8,200,000	1,650,838	-	9,850,838
GMR Pochanapalli Expressways Ltd	31-Mar-17	270,000,000	67,410,959	281,096	1,157,092,192
	31-Mar-16	680,000,000	139,962,329	-	819,962,329
GMR Tuni Anakapalli Expressways Ltd	31-Mar-17	-	20,685,600	2,068,560	471,818,216
	31-Mar-16	344,760,000	108,441,176	-	453,201,176
GMR Tambaram Tindivanam Expressways Ltd	31-Mar-17	-	19,653,600	1,965,360	552,175,799
	31-Mar-16	327,560,000	206,927,559	-	534,487,559
GMR Energy Ltd	31-Mar-17	-	-	6,705	274,206
	31-Mar-16	-	280,911	-	280,911
GMR Business Process and Services Pvt Ltd	31-Mar-17	-	-	-	657,102
	31-Mar-16	-	657,102	-	657,102
GMR Enterprises Pvt. Ltd.	31-Mar-17	3,106,500,000	77,889,695	1,442,907,789	1,741,481,906
	31-Mar-16	-	-	-	-
Kirti Timber Pvt. Ltd.	31-Mar-17	1,425,000,000	468,493	46,849	1,425,421,644
	31-Mar-16	-	-	-	-

Loans given and repayment thereof

Particulars	Period Ended	Loan given	Interest Accrued	Repayment / adjustment including interest.	Amount Owed to Related Parties
GMR Infrastructure Limited	31-Mar-17	2,140,000,000	37,234,429	251,234,429	-
	31-Mar-16	-	-	-	-
GMR Generation Assets Ltd.	31-Mar-17	-	4,900,000	490,000	50,066,186
	31-Mar-16	650,000,000	5,656,186	610,000,000	45,656,186
GMR Highways Ltd	31-Mar-17	1,327,983,507	6,319,324	709,088,573	1,331,259,866
	31-Mar-16	3,575,700,000	25,528,844	2,895,183,236	706,045,608
GMR Energy Ltd	31-Mar-17	-	-	6,705	-
	31-Mar-16	829,000,000	4,486,185	833,479,480	6,705
GMR Londa Hydropower Ltd	31-Mar-17	299,700,000	30,590,901	3,059,900	327,231,001
	31-Mar-16	-	-	-	-
GMR Aviation Pvt Ltd	31-Mar-17	-	20,137	20,137	-
	31-Mar-16	-	-	-	-
GMR Krishnagiri SEZ Ltd	31-Mar-17	-	11,025,000	1,102,500	99,922,500
	31-Mar-16	90,000,000	2,752,652	2,752,652	90,000,000
Raxa Security Services Ltd	31-Mar-17	-	-	-	-
	31-Mar-16	240,000,000	5,836,370	245,836,370	-
Kakinada SEZ Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	9,000,000	3,715,274	12,715,274	-
GMR Airports Limited	31-Mar-17	-	-	-	-
	31-Mar-16	100,000,000	33,562	100,003,356	30,206
GMR Gujarat Solar Power Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	-	6,955,467	6,955,467	-



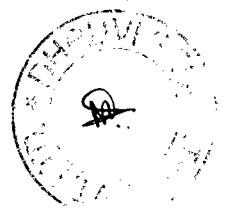
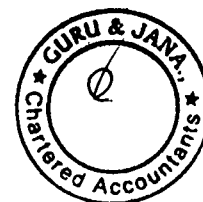
Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value			Fair value		
	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Financial assets						
Investments						
Investment at cost						
Investment in equity						
Investment in Bodv corporate	1,500,100,130	262,622	762,592	3,253,965,444	1,754,127,936	479,061,379
Investment at amortised cost						
Investment in unquoted preference shares	2,478,298,787	2,478,298,787	478,298,787	849,564,769	767,569,127	-
Cash and cash equivalents						
-Cash on hand						
-Deposits with original maturity of less than three months	2,100,000,000	1,240,000,000	130,000,000	2,100,000,000	1,240,000,000	130,000,000
Bank balances						
Current account	835,255	6,342,601	5,006,594	835,255	6,342,601	5,006,594
Loans						
Loan to related parties (unsecured considered oood)	1,757,683,507	810,516,764	3,776,100,000	1,757,683,507	810,516,764	3,776,100,000
Others						
Non-Current bank balance (Margin Money Deposits) with more than 12 months maturity	1,456,000,000	1,925,000,000	5,600,000,000	1,456,000,000	1,925,000,000	5,600,000,000
Interest accrued on fixed deposits	50,709,698	39,073,617	454,415,113	50,709,698	39,073,617	454,415,113
Interest accrued on loans given to related parties	50,737,773	31,221,942	92,739,430	50,737,773	31,221,942	92,739,430
Others	5,891,304	5,891,304	5,891,304	5,891,304	5,891,304	5,891,304
Total	9,400,256,454	6,530,716,333	10,543,213,819	9,525,387,750	6,573,851,987	10,543,213,819
Financial liabilities						
Liability component of CCPS						
Liability component of CCPS	279,943,875	244,652,358	213,730,995	279,943,875	244,652,358	213,730,995
Borrowings						
Indian rupee term loan from financial institutions	79,344,578	556,861,927	682,800,000	79,344,578	556,861,927	682,800,000
Intercompany deposits from related parties (unsecured)	5,042,620,000	1,860,520,000	1,360,520,000	5,042,620,000	1,860,520,000	1,360,520,000
Other financial liabilities						
Interest accrued but not due on borrowings	677,423,684	465,120,023	697,773,973	677,423,684	465,120,023	697,773,973
Total	5,799,388,262	2,882,501,950	2,741,093,973	5,799,388,262	2,882,501,950	2,741,093,973

Assumption used in estimating the fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- ▶ Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- ▶ The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- ▶ The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- ▶ The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.
- ▶ The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2017 was assessed to be insignificant.



28. Fair Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2017:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
At FVTPL					
Investments in non-cumulative preference shares	31-Mar-17				
Investments in CCPS	31-Mar-17				
Investments in Mutual fund	31-Mar-17				
At FV OCI					
Investment in unquoted preference shares	31-Mar-17	2,478,298,787			2,478,298,787
Loans and receivables	31-Mar-17	1,757,683,507			1,757,683,507
Other financial assets	31-Mar-17	50,737,773			50,737,773
Liabilities measured at fair value					
Borrowings	31-Mar-17	5,401,908,453			5,401,908,453
Other financial liabilities	31-Mar-17	677,423,684			677,423,684

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2016:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at fair value					
At FVTPL					
Investments in non-cumulative preference shares	31-Mar-16	-			
Investments in CCPS	31-Mar-16	-			
Investments in Mutual fund	31-Mar-16	-			
At Amortised cost					
Investment in unquoted preference shares	31-Mar-16	-			767,569,127
Investment in unquoted debentures	31-Mar-16	767,569,127.10			767,569,127
Loans and receivables	31-Mar-16	5,891,304.00			5,891,304
Other financial assets	31-Mar-16	31,221,942.00			31,221,942
Liabilities measured at amortised cost					
Borrowings	31-Mar-16	2,807,634,284.65			2,807,634,285
Other financial liabilities	31-Mar-16	465,120,022.56			465,120,023

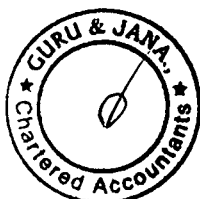
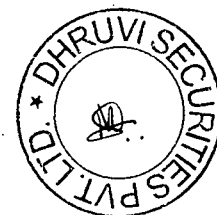
There have been no transfers between Level 1, Level 2 and Level 3 during the period.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 1 April 2015:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at fair value					
At FVTPL					
Investments in non-cumulative preference shares	1-Apr-15	-			
Investments in CCPS	1-Apr-15	-			
Investments in Mutual fund	1-Apr-15	-			
At Amortised cost					
Investment in unquoted preference shares	1-Apr-15	478,298,787.00			478,298,787.00
Investment in unquoted debentures	1-Apr-15	-			-
Loans and receivables	1-Apr-15	3,776,100,000.00			3,776,100,000.00
Trade Receivable	1-Apr-15	-			-
Other financial assets	1-Apr-15	542,154,542.60			542,154,542.60
Liabilities measured at amortised cost					
Borrowings	1-Apr-15	6,802,550,995.15			6,802,550,995.15
Trade Payables	1-Apr-15	-			-
Other financial liabilities	1-Apr-15	692,773,972.96			692,773,972.96

The following table presents the changes in level 3 items for the periods ended 31 March 2017 and 31 March 2016

	Non-cumulative preference shares	CCPS
As at 1 April 2015	-	-
Acquisitions	-	-
Gains/losses recognised in P and L	-	12,899,785
Gains/losses recognised in OCI	-	-
As at 31 March 2016	-	-
Acquisitions	-	-
Gains/losses recognised in P and L	-	46,636,774
Gains/losses recognised in OCI	-	-
Transfer from level 2	-	-
As at 31 March 2017	-	-
Unrealised gains/losses recognised in profit and loss related to assets and liabilities held at the end of reporting period	-	46,636,774
31-Mar-17	-	46,636,774
31-Mar-16	-	12,899,785



29. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings and deposits. The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note 36.

The following assumptions have been made in calculating the sensitivity analyses:

► The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

► The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges at 31 March 2017 for the effects of the assumed changes of the underlying 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 debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep between 90% and 100% of its borrowings at fixed rates of interest, excluding borrowings that relate to discontinued operations. At 31 March 2017, approximately 100% of the Company's borrowings are at a fixed rate of interest (31 March 2016: 100%, 1 April 2015: 100%).

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, after the impact of hedge accounting. 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
		Amt in lacs
31-Mar-17	+50	0
	-50	0
31-Mar-16	+50	-
	-50	-

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

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 (primarily trade receivables) 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

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

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, finance leases and hire purchase contracts. The Company's policy is that not more than 75% of borrowings should mature in the next 12-month period. Approximately 72% of the Company's debt will mature in less than one year at 31 March 2017 (31 March 2016: 80%, 1 April 2015: 100%) based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

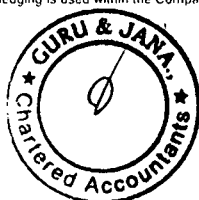
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	In Rs.	In Rs.	In Rs.	In Rs.	In Rs.	In Rs.
Year ended						
31-Mar-17						
Borrowings (other than convertible preference shares)				5,12,19,64,578.00		5,12,19,64,578.00
Convertible preference shares				27,99,43,874.88		27,99,43,874.88
Contingent consideration						
Other financial liabilities			67,74,23,684.46			67,74,23,684.46
Trade and other payables						
Financial guarantee contracts						
Derivatives and embedded derivatives			67,74,23,684.46	5,40,19,08,452.88		6,07,93,32,137.34
Year ended						
31-Mar-16						
Borrowings (other than convertible preference shares)				2,56,29,81,927.00		2,56,29,81,927.00
Convertible preference shares				24,46,52,357.65		24,46,52,357.65
Contingent consideration						
Other financial liabilities			46,51,20,022.56			46,51,20,022.56
Trade and other payables						
Financial guarantee contracts						
Derivatives and embedded derivatives						
			46,51,20,022.56	2,80,76,34,284.65		3,27,27,54,307.20
As at						
01-Apr-15						
Borrowings (other than convertible preference shares)			6,58,88,20,000.00			6,58,88,20,000.00
Convertible preference shares				21,37,30,995.15		21,37,30,995.15
Trade and other payables						
Other financial liabilities			69,77,73,972.96			69,77,73,972.96
Financial guarantee contracts						
Derivatives and embedded derivatives						
			7,28,65,93,972.96	21,37,30,995.15		7,50,03,24,968.11

The disclosed financial derivative instruments in the above table are the gross undiscounted cash flows. However, those amounts may be settled gross or net. The following table shows the corresponding reconciliation of those amounts to their carrying amounts

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 Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels



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DHRUVI SECURITIES PRIVATE LIMITED

Notes to accounts for the year ended March 31, 2017

30. Capital management

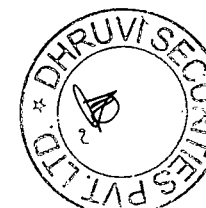
For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 50% and 70%. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents.

	Amounts in INR crores		
	At 31 March 2017	At 31 March 2016	At 1 April 2015
Borrowings	5,401,908,452.88	2,807,634,284.65	6,802,550,995.15
Net debts	5,401,908,452.88	2,807,634,284.65	6,802,550,995.15
Capital Components			
Share Capital	1,680,597,940.00	1,680,597,940.00	1,680,597,940.00
Reserves & Surplus	1,739,666,554.91	1,659,614,129.46	1,573,808,008.30
General Reserve	-	-	-
Total Capital	3,420,264,494.91	3,340,212,069.46	3,254,405,948.30
Capital and net debt	8,822,172,947.79	6,147,846,354.11	10,056,956,943.45
Gearing ratio (%)	61.23%	45.67%	67.64%

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 breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.



30. Capital management

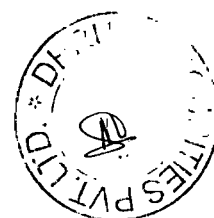
For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 50% and 70%. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents.

	Amounts in INR crores		
	At 31 March 2017	At 31 March 2016	At 1 April 2015
Borrowings	5,40,19,08,452.88	2,80,76,34,284.65	6,80,25,50,995.15
Net debts	<u>5,40,19,08,452.88</u>	<u>2,80,76,34,284.65</u>	<u>6,80,25,50,995.15</u>
Capital Components			
Share Capital	1,68,05,97,940.00	1,68,05,97,940.00	1,68,05,97,940.00
Reserves & Surplus	1,73,96,66,554.91	1,65,96,14,129.46	1,57,38,08,008.30
General Reserve	-	-	-
Total Capital	<u>3,42,02,64,494.91</u>	<u>3,34,02,12,069.46</u>	<u>3,25,44,05,948.30</u>
Capital and net debt	<u>8,82,21,72,947.79</u>	<u>6,14,78,46,354.11</u>	<u>10,05,69,56,943.45</u>
Gearing ratio (%)	61.23%	45.67%	67.64%

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 breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.



31. First Time Adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first, the company has prepared in accordance with Ind AS on a special purpose basis for its holding company. For periods up to and including the year ended 31 March 2015, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016 and 31 March 2017.

Exemptions applied:-

Mandatory exemptions:

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS, and as of 31 March 2016.

De-recognition of financial assets and liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of Financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Optional exemptions:

Investments in subsidiaries, joint ventures and associates

In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture.

The company has elected to apply previous GAAP carrying amount of its investment in subsidiaries, associates and joint venture as deemed cost on the date of transition to Ind AS.

Fair value measurement of financial assets or financial liabilities

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

As per our report of even date attached

For Guru & Jana

Chartered Accountants

Firm Registration number: 006826S

J. Neelima

J. Neelima
Partner

Membership No.222625



For and on behalf of board of directors

DHRUVI SECURITIES PRIVATE LIMITED

T. Govindarajulu T *SIS Ahmed*

Govindarajulu T
Director

DIN 02734169

SIS Ahmed
Director

DIN 06498734

Agustey
Company Secretary

Chandrasekar
Chief Financial Officer

Place: *Bangalore*
Date: *19th April 2017*

Place: *Delhi*
Date: *19.04.2017*

Place: *Delhi*
Date: *19.04.2017*