



## INDEPENDENT AUDITOR'S REPORT

To the members of Grandhi Enterprises Private Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Grandhi Enterprises Private Limited** ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its loss and its cash flows for the year ended on that date.

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

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

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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



(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

i. The Company has no litigation impacting its financial position which need to be disclose in its financial statements

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The company has provided requisite disclosures in its Notes No.12.1 of financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and these are in accordance with the books of accounts maintained by the company

Place : New Delhi  
Date : 30.06.2017

For B. PURUSHOTTAM & CO.  
Chartered Accountants  
Reg No. 002808S

  
K.V.N. KISHORE  
Partner  
M. No. 206734



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of **Grandhi Enterprises Private Limited** on the financial statements for the year ended 31<sup>st</sup> March 2017, we report that:

(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the company.

(ii) In our opinion and according to the information and explanations given by the management, the Company does not have any inventory during the year and hence reporting under this clause does not arise

(iii) The company has granted unsecured loans, to companies covered in the register maintained under section 189 of the Companies Act, 2013.

(a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest;

(b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular;

(c) There is no overdue amount for more than ninety days.

(iv) According to the information and explanations given by the management, the Company is registered under Sec 45IA of RBI Act, 1934 as NBFC. Hence the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.



(v) The company has not accepted deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and hence reporting under this clause does not arise.

(vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, Employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable to the company, to the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.

(c) No dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year and hence reporting under this clause does not arise.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company is a private company and so the limits for payment of managerial remuneration specified in Sec 197 and Schedule V are not applicable. Hence, we have no comments to offer.





(xii) The Company is not Nidhi Company hence reporting under this clause does not arise.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) The company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year hence reporting under this clause does not arise.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The company is registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Institution.

Place : New Delhi  
Date : 30.06.2017

For B. PURUSHOTTAM & CO.,  
Chartered Accountants  
Reg No. 002808S

*K.V.N.S.*  
K.V.N.S. KISHORE  
Partner  
M. No. 206734



**Annexure B to Auditors' Report of even date**

**Report on the Internal Controls on Financial Controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")**

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

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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



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

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

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

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

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

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





**Opinion**

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

**Place : New Delhi**  
**Date : 30.06.2017**

For B. PURUSHOTTAM & CO.  
Chartered Accountants  
Reg No. 0028083

  
K.V.N.S. KISHORE  
Partner  
M. No. 300734



**GRANDHI ENTERPRISES PRIVATE LIMITED**

CIN :U67120KA1993PTC032115

Regd. Office :Skip House 25/1 Museum Road, Bengaluru - 560 025

**Balance Sheet as at March 31, 2017**

(Amount in Rs)

Particulars	Note No.	March 31, 2017		March 31, 2016	
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholders' Funds					
(a) Share Capital	2	250,000,000		250,000,000	
(b) Reserves and Surplus	3	358,044,068	608,044,068	385,362,242	635,362,242
(2) Provision against Standard Assets (U/s 45 JA of RBI Act.)	4		425,076		547,375
(3) Non - current liabilities					
(a) Long term borrowings	5	-		2,000,000	
(b) Other Long term liabilities	6	-		5,766,600	7,766,600
(4) Current Liabilities					
(a) Short term borrowings	7	524,881,379		677,970,615	
(b) Other current liabilities	8	5,846,169		5,326,379	
(c) Trade Payables	9	397,103		59,578	
			531,124,651		683,356,572
<b>TOTAL</b>			<b>1,139,593,795</b>		<b>1,327,032,789</b>
<b>II. ASSETS</b>					
(1) Non - current assets					
(a) Fixed Assets					
Tangible assets	10	237,897,056		242,345,867	
(b) Non - current investments	11	607,059,266	844,956,322	596,681,211	839,027,078
(2) Current Assets					
(a) Cash and Bank Balances	12	52,845,364		100,494,405	
(b) Short term loans and advances	13	121,450,356		232,450,000	
(c) Other current assets	14	120,341,753		155,061,306	
			294,637,473		488,005,711
<b>TOTAL</b>			<b>1,139,593,795</b>		<b>1,327,032,789</b>
Summary of significant accounting policies	1				


The accompanying notes are an integral part of Financial Statements

As Per our report of even date attached  
For B. Purushottam & Co.  
Chartered Accountants  
Firm Registration No.002808S

For and on behalf of the Board of Directors of  
Grandhi Enterprises Private Limited

  
K.V.N.S.KISHORE  
Partner  
M.No.206734

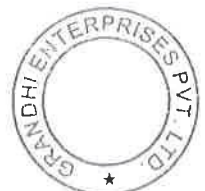
  
Sreemannarayana K  
Director  
DIN.01876402

  
SIS Ahmed  
Independent Director  
DIN.06498734

Place : New Delhi  
Date : 30th June'2017



  
Ullasa B C  
Company Secretary



**GRANDHI ENTERPRISES PRIVATE LIMITED**

CIN :U67120KA1993PTC032115

Regd. Office : Skip House 25/1 Museum Road, Bengaluru - 560 025

**Statement of profit and loss for the year ended March 31, 2017**

(Amount in Rs)

Particulars	Note No.	March 31, 2017		March 31, 2016	
I. Revenue from Operations	15		41,411,297		35,447,473
II Rental Income	16		26,115,867		23,932,291
III <b>Total revenue (I + II)</b>			<b>67,527,164</b>		<b>59,379,764</b>
Finance costs	17		82,286,280		73,658,616
Depreciation and amortization expense	9		4,448,811		4,448,811
Other expenses	18		8,232,546		12,195,396
Provision for Standard Assets(U/s 45 JA of RBI Act 1934)			(122,299)		(39,813)
IV <b>Total Expenses</b>			<b>94,845,338</b>		<b>90,263,010</b>
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)			(27,318,174)		(30,883,246)
VI Exceptional Items			-		-
VII Profit/(Loss) before extraordinary items and tax (V-VI)			(27,318,174)		(30,883,246)
VIII Extraordinary Items			-		-
IX Profit before tax (VII-VIII)			(27,318,174)		(30,883,246)
X Provision for Taxation					
(1) Current tax			-		-
(2) Deferred tax			-		-
(3) Earlier Years Tax			-	(89,655,406)	(89,655,406)
XI Profit/(Loss) for the period from continuing operations (IX-X)			(27,318,174)		58,772,160
Less :Special Reserve (U/s 45 IC of RBI Act 1934)			-		11,754,432
			<b>(27,318,174)</b>		<b>47,017,728</b>
XII Earning per equity share:					
(1) Basic			(1.09)		1.88
(2) Diluted			(1.09)		1.88
Summary of significant accounting policies	1				


The accompanying notes are an integral part of Financial Statements

As Per our report of even date attached  
For B Purushottam & Co.  
Chartered Accountants  
Firm Registration No.002808S

For and on behalf of the Board of Directors of  
Grandhi Enterprises Private Limited

  
K.V.N.S.KISHORE  
Partner  
M.No.206734

  
Sreemannarayana K  
Director  
DIN.01876402

  
SIS Ahmed  
Independent Director  
DIN.06498734

Place : New Delhi  
Date : 30th June'2017



  
Ullasa B C  
Company Secretary



**GRANDHI ENTERPRISES PRIVATE LIMITED**

CIN :U67120KA1993PTC032115

Regd. Office : Skip House 25/1 Museum Road, Bengaluru - 560 025

**Cash Flow Statement for the year ended March 31, 2017**

(Amount in Rs)

Particulars	March 31, 2017		March 31, 2016	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax and Extraordinary Items		(27,318,174)		47,017,728
Less :				
Dividend Received	(470,000)		(470,000)	
(Profit) / Loss on Sale of Shares				
Interest Income	(40,941,297)	(41,411,297)	(34,977,472)	(35,447,472)
Add :				
Depreciation	4,448,811		4,448,811	
Provision for Standard Assets	(122,299)		(39,813)	
Provision for Special Reserve (U/s 45 IC of RBI Act 1934)	-		11,754,432	
Interest Expenditure	82,286,280	86,612,792	73,658,616	89,822,046
Operating Cash Flow Before Working Capital Changes		17,883,321		101,392,301
(Increase)/Decrease in Trade and other Receivables		110,999,645		2,425,356
Increase / (Decrease) in Trade and other payables		(4,909,285)		(1,188,055)
(Increase)/Decrease in Current Assets		35,891,248		(20,547,347)
<b>Cash generated from operations</b>		159,864,929		82,082,255
Income Taxes refund/(paid) during the year		(1,171,695)		(94,230,044)
<b>Net Cash Flow from/(used in) Operating Activities</b>		158,693,234		(12,147,789)
<b>B) Cash Flow from/(used in) Investing Activities</b>				
(Purchase)/Sale of Investments(Net)	(10,378,055)		-	
Add :				
Dividend Received	470,000		470,000	
Interest Income	40,941,297		34,977,472	
Interest Paid	(82,286,280)		(73,658,616)	
(Purchase)/Sale of Non Current Investments	-		(16,125,000)	
<b>Net Cash Flow from/(used in) Investing Activities</b>		(51,253,038)		(54,336,144)
<b>C) Cash Flow from/(used in) Financing Activities</b>				
Proceeds from / (Repayment) of Secured Loans	(153,089,237)		76,434,637	
Proceeds from / (Repayment) of Un secured Loans	(2,000,000)			
<b>Net Cash from/(used in) Financing Activities</b>		(155,089,237)		76,434,637
Net Increase/(decrease) in Cash and Cash Equivalents		(47,649,041)		9,950,705
Cash and cash equivalents at the beginning of the year		100,494,405		90,543,700
Cash and cash equivalents at end of the year		52,845,364		100,494,405

The accompanying notes are an integral part of Financial Statements

As Per our report of even date attached

For B. Purushottam & Co


Chartered Accountants


Firm Registration No.002808S

For and on behalf of the Board of Directors of

Grandhi Enterprises Private Limited

  
K.V.N.S.KISHORE  
Partner  
M.No.206734

  
Sreemannarayana K  
Director  
DIN.01876402

  
SIS Ahmed  
Independent Director  
DIN.06498734

Place : New Delhi  
Date : 30th June'2017



  
Ullasa B C  
Company Secretary



# Grandhi Enterprises Pvt Ltd

CIN:U67120KA1993PTC032115

Regd Office : Skip House, 25/1, Museum Road,  
Bengaluru – 560 025

## Note 1: Statement of Significant Accounting Policies and Notes to Accounts

### 1. Corporate information:

Grandhi Enterprises Private Limited ('GREPL' or 'the Company') is a private limited company domiciled in India.

### A. Significant Accounting Policies

#### i) Basis of preparation of financial statements

The Financial Statements of the Company are prepared in accordance with the generally accepted accounting principles in India ('Indian GAAP'). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### ii) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of the assets or liabilities in future periods.

#### iii) Revenue Recognition

The Company recognizes significant items of income and expenditure on accrual basis except in case of those with significant uncertainties.

#### Interest

Interest income is recognized on a time proportion basis taking into account the amount of outstanding and the rate applicable.

#### Dividends

Dividend income is recognized when the shareholders' right to receive payment is established by the Balance Sheet date

#### iv) Fixed Assets

Fixed Assets are stated at cost of acquisition less depreciation. Cost of acquisition is inclusive of fees paid for the services received towards acquisition, freight, duties, levies and all incidentals attributable to bringing the asset to its working condition.

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment (being the excess of carrying value over the recoverable value of the asset) is charged to the Profit and Loss account in the respective financial year. The impairment loss recognized in the prior years is reversed where the recoverable value exceeds the carrying value of the asset upon re-assessment in the subsequent years.





# Grandhi Enterprises Pvt Ltd

CIN:U67120KA1993PTC032115

Regd Office : Skip House, 25/1, Museum Road,  
Bengaluru – 560 025

## v) Depreciation

Depreciation on fixed assets is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management or as per the rates prescribed under Schedule II of Companies Act, 2013 whichever is higher, except for assets of less than Rs. 5,000, which are fully depreciated in the year of acquisition.

Leasehold improvements are amortized over the period of the lease or estimated useful life whichever is shorter

## vi) Investments

Cost of acquisition is inclusive of expenditure incidental to acquisition.

Long term investments are valued at cost and provision for diminution in value is made for any decline, other than temporary, in the value of such investments for each category. The Current investments are valued at cost or market value whichever is lower.

Income from investments is recognized in the year in which it is accrued and stated at gross.

## vii) Earnings per Share

The earnings considered in ascertaining the company's earnings per Share (EPS) comprise the net profit after tax less dividend payable on preference shares, if any (including dividend distribution tax). The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

## viii) Taxes on Income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized on timing differences; being the tax on difference between the taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are computed on the timing differences applying the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.



**GRANDHI ENTERPRISES PRIVATE LIMITED**

CIN :U67120KA1993PTC032115

Regd. Office : Skip House 25/1 Museum Road, Bengaluru - 560 025

**Notes to the Financial Statements for the year ended March 31, 2017**

**2 Share Capital:**

(Amount in Rs)

Particulars	March 31, 2017		March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorized:</b>				
Equity shares of Rs.10/- each	25,000,000	250,000,000	25,000,000	250,000,000
		250,000,000		250,000,000
<b>Issued, subscribed and fully paid up:</b>				
<i>Equity shares of Rs.10 /- each</i>				
At the beginning of the reporting period	25,000,000	250,000,000	25,000,000	250,000,000
Issued during the reporting period	-	-	-	-
Bought back during the reporting period	-	-	-	-
Outstanding at the end of the year	25,000,000	250,000,000	25,000,000	250,000,000
<b>Details of Equity Share Holders more than 5% shares in the Company</b>				
Name of the Share Holders	March 31, 2017		March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
a. GMR Enterprises Pvt Ltd	24,999,990	99.99996%	24,999,980	99.99992%

**Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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



**GRANDHI ENTERPRISES PRIVATE LIMITED**

CIN :U67120KA1993PTC032115

Regd. Office : Skip House 25/1 Museum Road, Bengaluru - 560 025

Notes to the Financial Statements for the year ended March 31, 2017

**3 Reserves and Surplus:**

(Amount in Rs)

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
<b>Special Reserve U/s 45 IC of RBI Act</b>		
Opening Balance	110,138,146	98,383,714
Received during the year	-	11,754,432
Utilised During the Year	-	-
<b>(A)</b>	<b>110,138,146</b>	<b>110,138,146</b>
<b>Surplus i.e. balance in Statement of Profit &amp; Loss</b>		
Opening Balance	275,224,096	228,206,368
Transferred from/to Profit & Loss Account	(27,318,174)	47,017,728
<b>(B)</b>	<b>247,905,922</b>	<b>275,224,096</b>
<b>Total ( A+B)</b>	<b>358,044,068</b>	<b>385,362,242</b>

**4 Provisions:**

**Provision against Standard Assets (U/s 45 JA of RBI Act.)**

(Amount in Rs)

Particulars	March 31, 2017	March 31, 2016
Opening Balance	547,375	587,188
Additions (Deletions) during the year	(122,299)	(39,813)
<b>Closing balance</b>	<b>425,076</b>	<b>547,375</b>

**5 Long term Borrowings**

(Amount in Rs)

Particulars	March 31, 2017	March 31, 2016
<b>Unsecured Loans:</b>		
Term Loans		
- from Others	-	2,000,000
<b>Total</b>	<b>-</b>	<b>2,000,000</b>

Unsecured Indian Rupee Loan from others of Rs. Nil ( March 31, 2016: Rs.20,00,000/- interest rate of 12 % p.a)

**6 Other Long Term liabilities**

(Amount in Rs)

Particulars	March 31, 2017	March 31, 2016
Rental Deposits	-	5,766,600
<b>Total</b>	<b>-</b>	<b>5,766,600</b>



**GRANDHI ENTERPRISES PRIVATE LIMITED**

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**Notes to the Financial Statements for the year ended March 31, 2017**

**7 Short term Borrowings (Amount in Rs)**

Particulars	March 31, 2017	March, 31 2016
<b>Unsecured Loans</b>		
Over Draft	325,361,509	477,020,615
Deposit Loan	199,519,870	199,500,000
Loan from Group Companies	-	1,450,000
<b>Total Short Term Borrowings</b>	<b>524,881,379</b>	<b>677,970,615</b>

**Additional Information:  
Information relating to FY 2016-17**

Details of Loan Taken	Loan Outstanding	Details of security
Over Draft from Lakshmi Vilas Bank	325,361,509	Secured Against Pledge of Fixed Deposits of Other Companies
Demand Loan from Oriental Bank of Commerce	199,519,870	Secured Against Pledge of Fixed Deposits of Other Companies

**Additional Information:  
Information relating to FY 2015-16**

Details of Loan Taken	Loan Outstanding	Details of security
Over Draft from Lakshmi Vilas Bank	477,020,615	Secured Against Pledge of Fixed Deposits of Other Companies
Demand Loan from Oriental Bank of Commerce	199,500,000	Secured Against Pledge of Fixed Deposits of Other Companies
GMR Enterprises Pvt Ltd	1,450,000	Unsecured Loan

**8 Other current liabilities (Amount in Rs)**

Particulars	March 31, 2017	March, 31 2016
TDS Payable	27,069	40,413
Audit Fees Payable	52,500	52,250
Interest Payable	-	5,233,716
Rental Deposits	5,766,600	-
<b>Total</b>	<b>5,846,169</b>	<b>5,326,379</b>

**9 Trade Payables (Amount in Rs)**

Particulars	March 31, 2017	March, 31 2016
Due to undertakings other than Small, Micro & Medium Enterprises	397,103	59,578
<b>Total</b>	<b>397,103</b>	<b>59,578</b>



GRANDHI ENTERPRISES PRIVATE LIMITED

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10 Fixed Assets:

(Amount in Rs)

Particulars	Rate	Gross Block			Depreciation Block			Net Block		
		As at 01-Apr-16	Additions during the year	Deletions during the year	As at March 31, 2017	As at March 31, 2016	For the year	Total	As at March 31, 2017	As at March 31, 2016
Buildings	1.667%	266,928,671	-	-	266,928,671	24,582,804	4,448,811	29,031,615	237,897,056	242,345,867
Total		266,928,671	-	-	266,928,671	24,582,804	4,448,811	29,031,615	237,897,056	242,345,867





**GRANDHI ENTERPRISES PRIVATE LIMITED**

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**11 Non-Current Investments:**

(Amount in Rs)

Details of Investments		No of Shares	Face Value	March 31, 2017	No of Shares	Face Value	March 31, 2016
a)	<b>Quoted Fully paid equity shares of Rs 10/- each</b>						
	Karnataka Bank Limited	141,000	10	<b>11,280,000</b>	94,000	10	7,990,000
	Parrys Sugar Industries Ltd	4,397,295	10	<b>92,431,141</b>	4,397,295	10	92,431,141
b)	<b>Un-Quoted Fully paid equity shares of Group Companies of Rs 10/- each</b>						
	GMR Energy Trading Ltd	1	10	<b>10</b>	1	10	10
	GMR Bannerghatta Properties Pvt Ltd	24,990,000	10	<b>463,760,060</b>	24,990,000	10	463,760,060
c)	<b>Un-Quoted Fully paid equity shares of Rs 10/- each-Others</b>						
	Lexicon Finance Limited	65,000	10	<b>650,000</b>	65,000	10	650,000
	Sri Varalakshmi Motors Private Limited	250,000	10	<b>2,500,000</b>	250,000	10	2,500,000
d)	<b>Unquoted-Fully paid Preference shares</b>						
	Lexicon Finance Limited	2,500	100	<b>250,000</b>	2,500	100	250,000
e)	<b>Debentures</b>						
	Basanth Investements Pvt Ltd	1,500	10,000	<b>15,000,000</b>	1,500	10,000	15,000,000
f)	<b>Investment in Venture Capital</b>						
	Faering Capital Evolving Fund	25,000 (in units)		<b>22,088,055</b>	15,000 (in units)	-	15,000,000
<b>Grand Total - (a to f)</b>				<b>607,959,266</b>			<b>597,581,211</b>
<b>Less:</b>							
Provision for diminution in value of investments							
Lexicon Finance Limited				<b>(900,000)</b>			<b>(900,000)</b>
<b>Net Value of Investments</b>				<b>607,059,266</b>			<b>596,681,211</b>

1) Aggregate value of quoted investments :	March 31, 2017	March 31, 2016
Cost	<b>103,711,141</b>	100,421,141
Market Value	<b>296,428,556</b>	168,611,314
Provision for diminution in value of investments	-	-

2) Aggregate value of unquoted investments:	March 31, 2017	March 31, 2016
Cost	<b>504,248,125</b>	497,160,070

3) Aggregate amount of provision for diminution in value of investment	March 31, 2017	March 31, 2016
	<b>900,000</b>	900,000



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**12 Cash and cash equivalents:**

(Amount in Rs)

Particulars	March 31, 2017	March 31, 2016
i) Balances with banks	52,845,364	100,494,405
ii) Cash In Hand	-	-
<b>Total</b>	<b>52,845,364</b>	<b>100,494,405</b>

**12.1 Cash Balance as on 30.12.2016**

	SBN's	Others
Closing cash in hand as on 08.11.2016		
(+) Permitted Receipts	-	-
(-) Permitted Payments	-	-
(+) Amount deposited in banks	-	-
Closing cash in hand as on 30.12.2016	-	-

**13 Short term loans and advances:**

Particulars	March 31, 2017	March 31, 2016
i) Loans and advances to related parties	45,100,000	147,599,644
ii) Others	82,350,356	86,850,356
<b>Total</b>	<b>127,450,356</b>	<b>234,450,000</b>
<b>Less: Provision for Doubtful debts</b>	<b>6,000,000</b>	<b>2,000,000</b>
<b>Total</b>	<b>121,450,356</b>	<b>232,450,000</b>
Additional information: Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	121,450,356	232,450,000
iii) Doubtful	6,000,000	2,000,000
Total	127,450,356	234,450,000
Less: Provision for doubtful amounts	6,000,000	2,000,000
<b>Total</b>	<b>121,450,356</b>	<b>232,450,000</b>

**14 Other Current Assets**

Particulars	March 31, 2017	March 31, 2016
Advance Payment of Income Tax (Net of Provision)	13,148,855	11,977,160
MAT credit entitlemet	85,929,922	85,929,922
Interest Receivable	16,144,275	52,477,866
Other receivables	5,118,701	4,676,357
<b>Total</b>	<b>120,341,753</b>	<b>155,061,306</b>





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## II. Notes to the financial statements for the year ended March 31, 2017

### 19. Contingent Liabilities:

The company offered its property (building) worth of Rs.26.70 Cr as security for the loan availed by GMR Enterprises Pvt. Ltd ( Holding company) (2016 : Rs.26.70 Cr)

20. The Company operates in single segment i.e. Non-banking financial activity and hence there are no reportable segments as per the requirements of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

21. Additional Information pursuant to Paragraph 13 of Non-Banking Financial (Non- Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is enclosed.

### 22. Related Party Transactions

a) Name of Related Parties and description of relationship:

(i)	Holding Company	GMR Enterprises Pvt. Ltd.
(ii)	Subsidiary Company	GMR Bannerghatta Properties Pvt Ltd
(iii)	Key Management Personnel	Mr. Sreemannarayana K – Director (since September 20, 2016) Mr. SIS Ahmed -Independent Director(since September 20, 2016) Mr. P. Ramakrishna - Independent Director (Since November 19, 2015) Mr.Ullas BC-Company Secretary (Since June 28, 2016) Mr.Govindarajulu T – Director (Upto September 20, 2016) Mr.G Subrahmanyam-Independent Director (Upto September 10, 2016)
(iv)	Enterprises under common control (where transactions taken place)	GMR Infrastructure Limited GMR Sports Pvt Ltd GMR League Games Private Limited GMR Business & Consultancy LLP GMR Varalakshmi Foundation Raxa Security Services Ltd

b) .Summary of transactions with the above related parties is as follows:

(Amount in Rs)

Nature of Transaction	Holding Company	Enterprises under common control
<b>Rental Income received</b> GMR Infrastructure Limited		<b>1,28,52,681</b> (1,15,43,400)
<b>Interest Received</b> GMR Enterprises Private Limited	<b>Nil</b> (35,84,993)	
GMR Sports Pvt Ltd		<b>3,71,40,000</b> (2,18,23,562)
GMR Varalakshmi Foundation		<b>Nil</b> (10,38,699)
GMR Business & Consultancy LLP		<b>Nil</b> (1,26,181)



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Raxa Security Services Ltd		Nil (16,26,192)
GMR League Games Private Limited		17,12,785 (6,50,373)
GMR Bannerghatta Properties Pvt Ltd		14,64,041 (5,18,648)
<b>Interest Paid</b> GMR Enterprises Private Limited	1,76,60,730 (2,29,001)	
<b>Loan Given to:</b> GMR Enterprises Private Limited	Nil (49,68,31,803)	
GMR Sports Pvt Ltd		32,00,00,000 (9,00,00,000)
Raxa Securities Services Ltd		Nil (6,00,00,000)
GMR League Games Private Limited		5,00,000 (2,17,00,000)
GMR Bannerghatta Properties Pvt Ltd		1,45,00,000 (1,31,00,000)
<b>Repayment received From:</b> GMR Enterprises Private Limited	Nil (47,40,32,159)	
GMR Sports Pvt Ltd		41,00,00,000 (10,00,00,000)
GMR League Games Pvt Ltd		47,00,000 (Nil)
GMR Varalakshmi Foundation		Nil (1,50,00,000)
GMR Business & Consultancy LLP		Nil (24,00,000)
Raxa Securities Services Ltd		Nil (6,00,00,000)
<b>Loan Received From:</b> GMR Enterprises Private Limited	45,33,60,000 (Nil)	
<b>Loan Repaid to :</b> GMR Enterprises Private Limited	43,20,10,356 (6,05,50,356)	
<b>Period end balances</b> <b>Receivable From</b> GMR Enterprises Pvt Ltd	Nil (2,27,99,644)	





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GMR Sports Pvt Ltd		<b>Nil</b> (9,00,00,000)
GMR League Games Private Limited		<b>1,75,00,000</b> (2,17,00,000)
GMR Bannerghatta Properties Pvt Ltd		<b>2,76,00,000</b> (1,31,00,000)
<b>Accrued Interest Receivable</b> GMR Enterprises Pvt Ltd	<b>Nil</b> (32,26,494)	
GMR Sports Pvt Ltd		<b>Nil</b> (3,68,48,712)
GMR League Games Private Limited		<b>15,41,506</b> (5,85,336)
GMR Bannerghatta Properties Pvt Ltd		<b>17,84,420</b> (4,66,783)
<b>Payable to</b> GMR Enterprises Pvt Ltd	<b>Nil</b> (14,50,000)	
<b>Accrued Interest Payable to</b> GMR Enterprises Pvt Ltd	<b>Nil</b> (52,33,717)	

Previous year figures are mentioned in brackets.

## 23. Earnings Per Share (EPS)

Calculation of EPS – (Basic and Diluted)

(Amount in Rs)

Particulars	March 31, 2017	March 31, 2016
Nominal Value of Equity Shares (Rs. per Share)	10	10
Total number of Equity Shares outstanding at the beginning of the year	2,50,00,000	2,50,00,000
Add: Equity Shares issued during the year	-	-
Total number of Equity Shares outstanding at the end of the year	2,50,00,000	2,50,00,000
<b>Weighted average number of Equity Shares outstanding at the end of the year</b>	<b>2,50,00,000</b>	<b>2,50,00,000</b>
<b>Net Profit (loss) after tax for the purpose of EPS</b>	<b>(2,73,18,174)</b>	<b>4,70,17,728</b>
<b>EPS – Basic</b>	<b>(1.09)</b>	<b>1.88</b>
<b>EPS – Diluted</b>	<b>(1.09)</b>	<b>1.88</b>



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## 24. Remuneration to Auditors:

(Amount in Rs)

Particulars	March 31, 2017	March 31, 2016
Audit fees (Including Service Tax)	57,500	69,306
Tax Audit fee for F.Y 14-15 and 15-16	69,000	-
Other certification fees( including Service Tax)	30,802	22,462
Audit Expenses	7,800	26,983
<b>Total</b>	<b>1,65,102</b>	<b>1,18,751</b>

## 25. Additional disclosure

### A. Asset Classification and Provisioning:

Classification of Loans and provision made for standard/substandard/doubtful/loss assets are as given below:

Classification of Assets	March 31, 2017	March 31, 2016
Standard assets	12,14,50,356	21,89,50,000
Sub-standard assets	-	1,35,00,000
Doubtful assets	60,00,000	5,00,000
<b>Total</b>	<b>12,74,50,356</b>	<b>23,44,50,000</b>
Short term loans and advances Note : 13		

Provision	March 31, 2017	March 31, 2016
Standard assets	4,25,076	5,47,375
Sub-standard assets	-	15,00,000
Doubtful assets	60,00,000	5,00,000
<b>Total</b>	<b>64,25,076</b>	<b>25,81,125</b>
Provision against Standard Assets Note : 4		
Short term loans and advances Note : 13		

### B. Disclosure pursuant to Reserve Bank of India Notification DNBS.200/CGM (PK)-2008 dated 01<sup>st</sup> August, 2008

#### i. Capital to Risk asset ratio

Particular	March 31, 2017	March 31, 2016
Tier I Capital	15,99,88,405	8,75,38,752
Tier II Capital	4,25,076	5,47,375
<b>Total</b>	<b>16,04,13,481</b>	<b>8,80,86,127</b>
Total Risk Weighted Assets	53,96,14,451	58,08,07,900
Tier I Capital as a percentage of Total Risk weighted Assets (%)	29.65%	15.07%
Tier II Capital as a percentage of Total Risk weighted Assets (%)	0.08%	0.09%
Total Capital (%)	29.73%	15.16%

### C. Exposure to Real Estate Sector, Both Direct & Indirect

The Company does not have any direct or indirect exposure to the Real Estate Sector as at March 31, 2017



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## D. Maturity Pattern of Assets and Liabilities

Maturity pattern of certain items of assets and liabilities as on March 31, 2017

SL No.	Particulars	Liabilities		Assets	
		Borrowings from Banks and others	Market Borrowings	Advances	Investments
1	Upto one month	-	-	-	-
2	Over one month to 2 months	-	-	-	-
3	Over 2 months upto 3 months	-	-	-	-
4	Over 3 months upto 6 months	-	-	-	-
5	Over 6 months upto 1 year	52,48,81,379	-	12,14,50,356	-
6	Over 1 years upto 3 years	-	-	-	12,57,99,196
7	Over 3 years upto 5 years	-	-	-	48,12,60,070
8	Over 5 years	-	-	-	-
	<b>Total</b>	<b>52,48,61,509</b>	<b>-</b>	<b>12,14,50,356</b>	<b>60,70,59,266</b>

Notes :

- The above borrowing exclude interest accrued but not due.
- The above information has been considered as per the Assets Liability Management(ALM) Report compiled by the Management reviewed by the ALM committee.

## E. Provisions and Contingencies

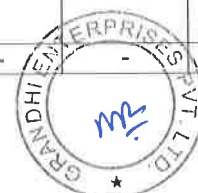
(Amount in Rupees)

Provisions and Contingencies	March 31, 2017	March 31, 2016
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	-	-
Other Provision and Contingencies	60,00,000	20,00,000
Provision for Standard Assets	4,25,076	5,47,375

## F. Disclosure of frauds reported during the year vide DNBS PD.CCNO.256/03.10.042 2012-13 dated March 02, 2012

March 31, 2017 (Rupees in Lakhs)

Particulars	Less than Rs.1 lakh		Rs.1 to Rs.5 lakh		Rs.5 to Rs.25 lakh		Total	
	No. of Accounts	Value	No. of Accounts	Value	No. of Accounts	Value	No. of Accounts	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-
Staff and customer	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
B) Type of fraud								
Misappropriation and criminal breach of trust Fraudulent encashment/ Manipulation of books of accounts unauthorised credit facility extended Cheating and forgery	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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C) Person involved								
Staff	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-
Staff and customer	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-
D) Type of fraud								
Misappropriation and criminal breach of trust Fraudulent encashment/ Manipulation of books of accounts unauthorized credit facility extended Cheating and forgery	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

26. There are no timing difference between the taxable income and accounting income. Hence deferred tax does not arise.

27. The company does not have any employees on its rolls.

28. The company does not have any Lease transaction.


29. There are no dues to creditors under Micro Small Medium Enterprises Development (MSMED) Act 2006.


30. Previous year figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year.

As per our report of even date  
For B. Purushottam & Co  
Chartered Accountants  
Firm Registration No : 002808S

For and on behalf of the Board of Directors of  
Grandhi Enterprises Private Limited

  
K.V.N.S. KISHORE  
Partner  
M.No 220964

  
Sreemannarayana K  
Director  
DIN No. 01876402

  
SIS Ahmed  
Independent Director  
DIN No. 06498734

Place : New Delhi  
Date : 30<sup>th</sup> June'2017



  
Ullasa B C  
Company Secretary

