INDEPENDENT AUDITORS' REPORT

To the Members
INDO Tausch Trading DMCC

Report on the Financial Statements

We have audited the accompanying IND AS financial statements of INDO Tausch Trading DMCC ("the Company"), which comprises the Balance Sheet as at December 31, 2016, and the Statement of Profit and Loss including statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Accompanying IND AS Financial Statements have been prepared by the management, based on the audited financial statements of the Company for the financial year ended 31st December,2016 prepared in accordance with the corporate laws of U.A.E, after making adjustments as were necessary under Ind AS and the Companies Act,2013.

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

C.G.R. & CO. Bangalore Chartered Accountant

Auditor's Responsibility

Our responsibility is to express an opinion on these IND AS financials statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone IND AS Financials Statements in accordance with the Standards on Auditing, issued by The Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and converted from IFRS to IND AS.

Our audit involves performing procedures and applying our judgement as were necessary to obtain assurance that the financial statements referred above area free from material misstatement and converted form corporate laws of U.A.E. to INS AS correctly. We believe that the procedure we performed are sufficient and appropriate to provide a basis for our audit opinion.

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

Basis for Qualified Opinion

The underlying financial statements of the company for the financial year ended 31st December 2016 prepared in accordance with the applicable corporate law of U.A.E, have not been audited by us. We have relied upon such audited financial statements and statutory auditor report for the year 31st December 2016 provided to us by the management, for the purpose of expressing our audit opinion and have not performed detailed verification of the underlying transactions which have been covered by statutory auditor in course of their audit.

Qualified Opinion

In our opinion and to the best of our information and according the explanations given to us except for the effects if matters prescribe in the basis for qualified opinion paragraph, the financial statement give a true and fair view in conformity with accounting principles generally accepted in India.

a) In the case of the Balance sheet, of the state of the affair of the company as at December 31, 2016.
b) In case of the statement of the Profit and Loss, of the loss for the year ended on that date and
c) In the case of the cash flow statement, of the cash flow for the year ended on that date.

For C G R & Co
Chartered Accountants
ICAI Firm Registration No: 15078s

Chetan G.R.
Proprietor
Membership No: 234729

C.G.R. & CO. Bangalore Chartered Accountant

Place: Bengaluru
Date : May 12,2017

INDO TAUSCH TRADING DMCC

Statement of Standalone Audited Fiancial Results for theYear Ended 31/12/2016

	Particulars	Year ended 12/31/2016
	(Refer Notes Below)	Audited
1	**Income from operations**	
	(a) Sales/income from operations	-
	(b) Other operating income	-
	Total income from operations	-
2	**Expenses**	
	(a) Cost of materials consumed	
	(a) Sub-contracting expesnes	
	(c) Purchases of stock-in-trade	
	(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade	
	(e) Employee benefits expense	
	(f) Depreciation and amortisation expense	
	(g) Other expenses	2,585,660
	Total expenses	2,585,660
3	**Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)**	(2,585,660)
4	Other income	-
5	**Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)**	(2,585,660)
6	Finance costs	36,371
7	**Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)**	(2,622,031)
8	Exceptional items	-
9	**Profit / (Loss) from ordinary activities before tax (7 ± 8)**	(2,622,031)
10	Tax expense / (credit)	-
11	**Net Profit / (Loss) from ordinary activities after tax (9 ± 10)**	(2,622,031)
12	Share of profit / (loss) of associates*	-
13	Minority interest *	-
14	**Net Profit / (Loss) after taxes minority interest and share of profit / (loss) of associates (11 ± 12 ± 13)**	(2,622,031)
15	Other Comprehensive Income/ (expenses) (net of tax)	-
16	**Total Comprehensive income for the period (14 + 15)**	(2,622,031)

For C G R & Co.
Chartered Accountants
ICAI Firm Registration No: 015078s

Chetan G.R.
Proprietor
Registration No: 234729
Place: Bengaluru
Date:

C.G.R. & CO. Bangalore Chartered Accountant

For and on behalf of Directors
Indo Tausch Trading DMCC

P. Sreenivas Rao.

Director Director

Statement of standalone assets and liabilities

INDO TAUSCH TRADING DMCC	Amount in Rs
Particulars	As at December 31, 2016 (Audited)
1 ASSETS	
a) Non-current assets	
Property, plant and equipment	-
Financial assets	-
Investments	-
Trade receivables	-
Loans and advances	-
Others	-
Deferred tax assets (net)	-
Other non-current assets	-
	-
b) Current assets	
Inventories	
Financial assets	
Investments	
Loans and advances	
Trade receivables	
Cash and cash equivalents	
Other bank balances	18,234,653
Other financial assets	
Current tax assets (net)	
Other current assets	257,313
	18,491,966
TOTAL ASSETS (a+b)	18,491,966
2 EQUITY AND LIABILITIES	
a) Equity	
Equity share capital	18,889,750
Other equity	(2,659,196)
Total equity	**16,230,554**
b) Non-current liabilities	
Financial liabilities	
Borrowings	
Trade payables	
Other financial liabilities	
Provisions	
Deferred tax liabilities (net)	
Other non-current liabilities	
	-
c) Current liabilities	
Financial liabilities	
Borrowings	
Trade payables	
Other financial liabilities	
Other current liabilities	2,261,412
Provisions	
Current tax liabilities (net)	
	2,261,412
TOTAL EQUITY AND LIABILITIES (a+b+c)	18,491,966

For C G R & Co.
Chartered Accountants
ICAI Firm Registration No: 015078s

Chetan G.R.
Proprietor
Registration No: 234729
Place: Bengaluru
Date:

C.G.R. & CO. Bangalore Chartered Accountant

For and on behalf of Directors
Indo Tausch Trading DMCC

P. Sreenivasa Rao.

Director Director

INDO TAUSCH TRADING DMCC

Balance sheet as at December 31, 2016 - Ind AS

	Notes	Ind AS December 31, 2016 Amount In Rs
ASSETS		
Non-current assets		
Property, plant and equipment		-
Non-current investments		-
		-
Current assets		
Financial assets		
Trade receivable		
Cash and cash equivalents	2	18,234,653
Other current assets	1	257,313
		18,491,966
TOTAL ASSETS		**18,491,966**
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	3	18,889,750
Other Equity	4	(2,659,196)
Total equity		**16,230,554**
Share application money pending allotment		-
Liabilities		-
Current liabilities		-
Financial Liabilities		-
Trade payables		
Other Current Liabilites	5	2,261,412
		2,261,412
		2,261,412
TOTAL EQUITY AND LIABILITIES		**18,491,966**

Summary of significant accounting policies

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

For C G R & Co.
Chartered Accountants
ICAI Firm Registration No: 015078s

Chetan G.R.
Proprietor
Registration No: 234729
Place: Bengaluru
Date:

C.G.R. & CO. Bangalore Chartered Accountant

For and on behalf of Directors
Indo Tausch Trading DMCC

P. Sreenivas Rao.

Director **Director**

INDO TAUSCH TRADING DMCC

Statement of profit and loss for the year ended December 31, 2016

	Notes	Ind AS December 31,2016 Amount in Rs
Other Income		
Total Income		-
Finance costs	7	36,371
Depreciation and amortisation expenses		-
Other expenses	6	2,585,660
Total Expenses		**2,622,031**
Profit/(loss) before exceptional items and tax from continuing operations		**(2,622,031)**
Exceptional items		-
Profit/(loss) before and tax from continuing operations		**(2,622,031)**
(1) Current tax		-
(2) Adjustment of tax relating to earlier periods		-
(3) Deferred tax		-
Less: Minimum Alternate Tax ('MAT') credit entitlement		-
Reversal of current tax of earlier years		-
MAT credit written off		-
Income tax expense		-
Profit/(loss) for the year from continuing operations		**(2,622,031)**
OTHER COMPREHENSIVE INCOME		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(2,622,031)**
Attributable to:		
Equity holders of the parent		-
Non-controlling interests		-
Earnings per share for continuing operations		
Basic, profit from continuing operations attributable to equity holders of the parent		-
Diluted, profit from continuing operations attributable to equity holders of the parent		-
Earnings per share for discontinued operations		
Basic, profit from continuing operations attributable to equity holders of the parent		-
Diluted, profit from continuing operations attributable to equity holders of the parent		-
Summary of significant accounting policies	2.1	

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

For C G R & Co.
Chartered Accountants
ICAI Firm Registration No: 015078s

Chetan G.R.
Proprietor
Registration No: 234729
Place: Bengaluru
Date:

C.G.R. & CO. Bangalore Chartered Accountant

For and on behalf of the Board of
INDO TAUSCH TRADING DMCC

P. Sreenivasa Rao

Director | Director

INDO TAUSCH TRADING DMCC
Cash Flow Statement for the period ended 31st Dec 2016

Particulars	Amount in USD For the period ended December 31, 2016	Amount in INR For the period ended December 31, 2016
Cash flow from operating activities		
Profit / (loss) before tax	38,713	2,622,031
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation	-	-
Unrealised foreign exchange loss	-	-
Interest expenses	-	-
Interest income	-	-
Finance income (including fair value change in financial instruments)	-	-
Finance costs (including fair value change in financial instruments)	-	-
Others	-	-
Operating profit before working capital changes		
Movements in working capital :		
Increase/ (Decrease) in trade payables		
Increase/ (decrease) in other long term liabilities		
Increase/ (decrease) in other current liabilities	2,682	184,227
Decrease / (increase) in trade receivables		
Decrease / (increase) in inventories		
Decrease / (increase) in other non current assets		
Decrease / (increase) in other current assets	3,746	257,313
Decrease / (increase) long term loans and advances		
Decrease / (increase) short term loans and advances		
Increase / (Decrease) in long term provisions		
Increase / (decrease) in short-term provisions		
Cash generated from /(used in) operations		
Direct taxes paid (net of refunds)		
Net cash flow from/ (used in) operating activities (A)	39,777	2,695,118
Cash flows from investing activities		
Loans and advances given		
Purchase of fixed assets, including CWIP and capital advances		
Proceeds from sale of fixed assets		
Sale of Non-current investments		
Proceeds from sale/maturity of current investments		
Investments in bank deposits		
Redemption/ maturity of bank deposits		
Interest received		
Dividends received from subsidary company		
Dividends received		
Net cash flow from/ (used in) investing activities (B)		
Cash flows from financing activities		
Proceeds from issuance of share capital	275,000	18,889,750
Net Movements in shareholder's current account	30,240	2,077,186
Proceeds from issuance of preference share capital		
Proceeds from long-term borrowings		
Repayment of long-term borrowings		
Proceeds from short-term borrowings		
Repayment of borrowings		
Repayment of debentures		
Interest paid		
Dividends paid on equity shares		
Dividends paid on preference shares		
Tax on equity dividend paid		
Tax on preference dividend paid		
Net cash flow from/ (used in) in financing activities (C)	305,240	20,966,936
Net increase/(decrease) in cash and cash equivalents (A + B + C)	265,463	18,271,818
Effect of exchange differences on cash & cash equivalents held in foreign currency		37,164
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	265,463	18,234,653
Components of cash and cash equivalents		
Cash on hand		
Cheques/ drafts on hand		
With banks- on current account		
- on deposit account	265,463	18,234,653
- unpaid dividend accounts*		
- unpaid matured deposits		
- unpaid matured debentures		
Total cash and cash equivalents		

For C G R & Co.
Chartered Accountants
ICAI Firm Registration No: 015078s

Chetan G.R.
Proprietor
Registration No: 234729
Place: Bengaluru
Date:

C.G.R. & CO. Bangalore Chartered Accountant

For and on behalf of Directors
Indo Tausch Trading DMCC

P. Sreenivasa Rao.

Director | Director

INDO TAUSCH TRADING DMCC
Notes To Balance Sheet as on 31 Dec 2016
As per IND AS Principles

1 **Trade receivabale**

	Ind AS December 31, 2016 Amount in USD	Ind AS December 31, 2016 Amount in Rs
Prepaid Expenses	3,474	238,629
Security Deposit (Office Rent)	272	18,684
	3,746	**257,313**

2 **Cash and short-term deposits**

	Ind AS December 31, 2016 Amount in USD	Ind AS December 31, 2016 Amount in Rs
Cash and cash equivalents		
Balances with banks:		
– On current accounts	265,463	18,234,653
– Cash on Hand		
	265,463	**18,234,653**

3 **Share capital**

	Equity Shares Number in crores	Equity Shares Amount in Rs
Authorised share		
At December 31, 2016		

Issued equity capital	December 31, 2016 Number	December 31, 2016 Amount in Rs
1,000 equity shares of AED 1,000 each fully paid up	1,000	18,889,750
At December 31, 2016	**1,000**	**18,889,750**

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

	31 December 2016 No of Shares	31 December 2016 Amount
Equity Shares Fully paid up		
At the beginning of the period		
Issued during the year	1,000	18,889,750
Effect of exchange fluctuation		-
Outstanding at the end of the period	**1,000**	**18,889,750**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of AED 1000 per share. Each holder of equity is entitled to one vote per share.

Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend in AED. The dividend proposed by the Board of director is subject to the approval of the shareholder in ensuing Annual General meeting.In 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 prefrential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Fully Paid up Equity shares **Name of the shareholder**	No of Shares	Amount
GMR Infrastructure (Mauritius) Ltd	1000	18,889,750

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

Fully Paid up Equity shares **Name of the shareholder**	% holding in class
GMR Infrastructure (Mauritius) Ltd	100%

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

4 **Other equity**

Notes To Balance Sheet as on 31 Dec 2016

	Ind AS December 31, 2016 Amount in USD	Ind AS December 31, 2016 Amount in Rs
Foreign Currency Translation Gain/(Loss)		
Exchange fluctuation reserve		(37,164)
	-	**(37,164)**
Share application money pending allotment	-	-
Surplus in the statement of profit and loss		
At 20 March 2016	-	-
(Loss)/Profit for the year	(38,713)	(2,622,031)
Net surplus in the statement of profit and loss as at 31st December,2016	(38,713)	(2,622,031)
	(38,713)	**(2,659,196)**

5 **Other Current liabilities**

	Ind AS December 31, 2016 Amount in USD	Ind AS December 31, 2016 Amount in Rs
Current		
Accruals	2,682	184,227
Other payables	30,240	2,077,186
Total current other current liabilities	**32,922**	**2,261,412**

INDO TAUSCH TRADING DMCC
Notes to Profit and Loss for the period ended 31st Dec. 2016
As per IND AS Principles

6 Other expenses

	Ind AS December 31, 2016 Amount in USD	Ind AS December 31, 2016 Amount in Rs
Professional Charges	10,750	728,098
Licience & Fees	10,775	729,791
Audit Fees	932	63,124
Other Administrative Expenses	15,719	1,064,648
	38,176	**2,585,660**

7 Finance Costs

	Ind AS December 31, 2016 Amount in USD	Ind AS December 31, 2016 Amount in Rs
Bank charges	537	36,371
	537	**36,371**

1. Corporate Information

INDO Tausch Trading DMCC ("the Company"), a free zone company with limited liability, is registered with Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates under license no: DMCC-162159 issued on March 20,2016. It is fully owned subsidiary of GMR Infrastructure (Mauritius) Limited which in turn is a wholly owned subsidiary of GMR Infrastructure Limited, India.

The company has a license for general trading.

2. Significant Accounting Policies

A. Basis of preparation

These are the first financial statements prepared complying in all material respects with the notified Accounting Standards under the Companies (Indian Accounting Standards) Rules, 2015 as amended the by Companies (Indian Accounting Standards) (Amendments) Rules, 2016 and the relevant provisions of the Companies Act, 2013 and in accordance with the generally accepted accounting principles in India. The financial statements comply with all the Ind AS notified by MCA till reporting date. i.e., December 31, 2016.

The Company has consistently applied the accounting policies used in the preparation of balance sheet as at December 31, 2016 throughout all periods presented in these financial statements, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Previous GAAP"), as defined in Ind AS 101. The reconciliation of effects of the transition as required by Ind AS 101 is disclosed in Note no 40 to these financial statements.

(a) Basis of Measurement

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

(b) Functional and Presentation Currency

The company's functional currency is United States Dollar (USD). All financial information presented in USD has been rounded to the nearest dollar. For presentation purposes, the financials are being converted to Indian Rupees (INR) using average exchange rate for Profit & Loss account and closing exchange rate for Balance sheet items.

(c) Foreign Currency Transactions

The decision has been taken by management of the Company to maintain the reporting currency as USD in the financial statements since most of the business transactions are dealt in USD.

Transactions in currencies other than USD are translated to USD at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in currencies other than USD are translated to USD at the exchange rate ruling at the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities, which are measured at historical cost, denominated in currencies other than USD, are translated to USD at the exchange rates ruling at the dates of transactions. Non-monetary assets and liabilities, which are stated at fair value, denominated in currencies other than USD, are translated to USD at the exchange rates ruling at the dates the values were determined.

Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the 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 assets or liabilities in future periods.

b. 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:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle
ii) Held primarily for the purpose of trading
iii) Expected to be realised within twelve months after the reporting period, or
iv) 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:

i) It is expected to be settled in normal operating cycle
ii) It is held primarily for the purpose of trading
iii) It is due to be settled within twelve months after the reporting period, or
iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified 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 or inventory for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c. Investments in Subsidiaries, Associates and Joint ventures

On transition to Ind AS, the company has elected to continue with the carrying value of all of its investments in subsidiaries, associates and joint ventures as at 31 March 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of the investments as on 1 April 2015.

d. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the consolidated financial statements at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in nature in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

e. Property, plant and equipment

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment as at 31 March 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on 1 April 2015.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress, intangible assets under development as at balance sheet date are shown as intangible assets under development and the related advances are shown as loans and advances.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Depreciation on Property, plant and equipment

For overseas subsidiaries, joint ventures and associates, the Group provides depreciation based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, joint ventures and associates. In view of different sets of environment in which such foreign subsidiaries, joint ventures and associates operate in their respective countries, depreciation is provided based on local laws and management estimates. These entities follow straight line method of depreciation spread over the useful life of each individual asset. It is practically not possible to align rates of depreciation of such subsidiaries, joint ventures and associates with those of the domestic subsidiaries, joint ventures and associates.

The estimated useful lives of the assets considered by such overseas entities are as follows:

Asset category	**Useful life in years**	
	Minimum	**Maximum**
Lease hold improvements	3	16
Buildings	3	20
Plant and machinery	3	16
Furniture and fixtures	3	20
Computer equipment's, office equipment	3	20
Motor vehicles	4	8
Other tangible fixed assets	5	10

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Cost relating to software licences, which are acquired, are capitalized and amortised over the useful life of 6 years as estimated by the management.

h. **Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to April 01 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition

(a) Company as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either.

(i) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

(ii) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

(b) Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease, unless either:

(i) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

(ii) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

j. Impairment of non-financial assets

For all entities

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.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k. Provisions, Contingent liabilities, Contingent assets, and Commitments

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.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outfow of resources is remote

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

Contingent assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

I. Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) 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:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) 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 XX.

Debt instrument at FVTOCI: A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii) 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 de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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

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

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

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

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

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. For more information refer Note 14.

Financial guarantee contracts:

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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.

m. 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.

n. Foreign currencies

For all entities having foreign currency transactions and exposures

The financial statements are presented in INR, which is also the company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

i) Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

ii) Exchange differences arising on monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

iii) Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

o. 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:

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

ii) 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 best economic 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 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. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years.

At each reporting date, the Company 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 Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, 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.

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 XX)

b) Quantitative disclosures of fair value measurement hierarchy (note XX)

c) Investment in unquoted equity shares (discontinued operations) (note XX)

d) Property, plant and equipment under revaluation model (note XX)

e) Financial instruments (including those carried at amortised cost) (note XX)

p. 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.

Sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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 other comprehensive income, 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.

q. Taxes

For all entities

Tax expense comprises current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act and other tax laws prevailing in respective tax jurisdictions where the entities in group operates.

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.

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:

i) 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

ii) 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:

i) 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

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

I. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

II. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

r. Segment reporting policies

Identification of segments:

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Inter segment transfers:

The Group accounts for intersegment sales / transfers at cost plus appropriate margins.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocated items include general corporate income and expense items, which are not allocated to any business segment. It includes income tax, deferred tax charge or credit and the related tax liabilities and tax assets, interest expense or interest income and related interest generating assets, interest bearing liabilities, which are not allocated to any business segment.

Segment accounting policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

Aa) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

25. Details of transactions with related parties

A. Names of related parties and related party relationship

Description of Relationship	**Name of the Related Parties**
Holding Company	GMR Infrastructure (Mauritius) Limited
Other Related companies	GMR Infrastructure Limited

B. Balances outstanding in related party accounts are as follows

Sl. No.		**Particulars**	**As at December 31, 2016**	
			Non -Current	**Current**
		Balance Recoverable / (Payable):		
(i)		GMR Infrastructure (Mauritius) Ltd		-2,077,186
		Issue of Share Capital		
(ii)		GMR Infrastructure (Mauritius) Ltd	-18,889,750	

26. Financial risk management objectives and policies

Financial Risk Management Framework

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

(i) 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. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was as follows:

	Details	Amount in INR
1.	Security Deposit	18,684
2.	Bank Balances	18,234,653

Deposits are held with reputed parties.

The credit risk on bank balances is limited because the counterparty is a bank with high credit ratings assigned by international credit rating agencies.

(ii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below analyses the company's remaining contractual maturity for its short term financial liabilities based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12months equal their carrying balances as the impact of the discounting is not significant. The contractual maturity is based on the earliest date on which the company may be required to pay.

Particulars	Amount in INR
Other Payables	2,077,186

(iii) Currency Risk

The company's currency risk relates to the exposure to the fluctuations in the foreign currency rates. There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in USD or AED to which USD is pegged.

(iv) Interest rate risk

The company does not have any interest bearing assets and liabilities as at the end of the reporting period and hence the company is not exposed to any interest rate risk at the end of reporting period.

27. Specified Bank Notes(SBN)

Details of dealings in SBN in terms of notification dated March 30,2017 issued by Ministry of Corporate Affairs

Particulars	SBNs	Other INR denomination notes	Total
Closing cash in hand as on 08.11.2016	NA	NA	NA
(+) Permitted receipts	NA	NA	NA
(+) Non Permitted receipts	NA	NA	NA
(-) Permitted payments	NA	NA	NA
(-) Non Permitted payments	NA	NA	NA
(-) Amount deposited in Banks	NA	NA	NA
Closing cash in hand as on 30.12.2016	NA	NA	NA

28. Segment Reporting

The Chief Operating Decision Maker (CODM)/Executive management of the company monitors the operating results of its business as a single operating segment. As the company's revenues are generated from customers in India and all Non-Current operating assets are deployed in india, entity wide disclosures are not applicable.

29. Unhedged Foreign Currency Exposure – Rs. Nil

30. The Company does not have any employees in its payroll. Accordingly, the Company does not have any obligation towards any Defined Benefit Plan or any Defined Contribution Plan as per Ind Accounting Standard (AS) 19 - Employee Benefits.

First time Adoption

The company was incorporated on March 20,2016 and the company has prepared the financials as at and for the period March 20,2016 to December 31,2016 under Indian Accounting standards (Ind AS) notified under section 133 of the Companies Act 2013.

Estimates:

The estimates at December 31 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 March 20 2016, the date of transition to Ind AS, as of December 31 2016.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

Mandatory exceptions:

(i) De-recognition of financial assets and financial liabilities:
The company has chosen to apply the de-recognition requirements for financial assets and liabilities as per Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(ii) Classification and measurement of financial assets:
The company has classified financial assets in accordance with conditions that existed at the date of transition to Ind AS.

Optional exemptions:

(i) Deemed cost- Previous GAAP carrying amount: (PPE and Intangible Assets):
The Company has elected to continue with the carrying value for all of its PPE and intangible assets as recognised in its Indian GAAP financial as deemed cost at transition date.

(ii) 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.

For CGR & Co

Chartered Accountants

Firm registration no: 15078s

Chetan Gotlur Ravi

C.G.R. & CO. Bangalore Chartered Accountant

Proprietor

Membership No: 234729

Place: Bengaluru

Date:

For and behalf of Board of Directors

INDO TAUSCH TRADINNG DMCC

Director **Director**

INDO TAUSCH TRADING DMCC

For the year ended: Dec 31, 2016

Only those items which are included in P&L Account are only to be reported

A) Income

Figs. in USD | Figs. In INR

				12/31/2016	3/31/2017			
Counter Party Group Company	Nature of Transaction	Main Head	Sub Head	Amount in USD	Amount in Rs	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
Nil				-	-			
GRAND TOTAL				-	-			

B) Expenses

				12/31/2016	3/31/2017			
Counter Party Group Company	Nature of Transaction	Main Head	Sub Head	Amount in USD	Amount in Rs	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
Nil				-	-			
GRAND TOTAL				-	-			

C.G.R. & CO. Bangalore Chartered Accountant

For and on behalf of Board of Directors
Indo Tausch Trading DMCC

P. Sreenivasa Rao

Director | Director

D) Loan taken from Group Companies / Share Application Money Refundable / Other Loans

				12/31/2016	12/31/2016			
Counter Party Group Company	Nature of Transaction	Main Head	Sub Head	Amount in USD	Amount in Rs	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
GMR Infrastructure (Mauritius) Ltd	Share Application	Share Application Money		30,240	2,077,186	0	2,077,186	0
GRAND TOTAL				30,240	2,077,186			

E) Share Capital

				12/31/2016	12/31/2016			
Counter Party Group Company	Nature of Transaction	Main Head	Sub Head	Amount in USD	Amount in Rs	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
GMR Infrastructure (Mauritius) Ltd	Share Capital	Share Capital		275,000	18,889,750	0	18,889,750	0
GRAND TOTAL				275,000	18,889,750			

F) Investment in Group Companies & Share application Money

				12/31/2016	12/31/2016			
Counter Party Group Company	Nature of Transaction	Main Head	Sub Head	Amount in USD	Amount in Rs	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
				-	-	0	-	0
GRAND TOTAL				-	-			

For and on behalf of Board of Directors
Indo Tausch Trading DMCC

Director

P. Sreenivas Rao.
Director

C.G.R. & CO. Bangalore Chartered Accountant