

Independent Auditor's Report

To,
The Members of

RAXA SECURITY SERVICES LIMITED.

Report on the Financial Statements :

We have audited the accompanying financial statements of **RAXA SECURITY SERVICES LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the year ended 31st March 2017, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial Statements :

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 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 thereunder.

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 but not for the purpose of expressing an opinion on whether the Company has in effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of 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 31st March 2017, 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 subsection (11) of section 143 of the Companies Act, 2013, we give in Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, We report that :
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet and 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 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
 - g. With respect to the other matters to be included in the Auditor`s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Financial Statements contain all the requisite disclosures as to holdings as well as dealings in specified Bank Notes during the period November 8th 2016 to December 30th 2016. Based on the audit procedures and relying on the management representation we report that the disclosures are in accordance with the Books of accounts maintained by the Company and as produced to us by the Management Refer Note 7

Place : Hyderabad

Date : 01.05.2017

For **S.Venkatadri & Co.,**
Chartered Accountants
Firm's Regn No.004614S


(K.SRINIVASA RAO)
P A R T N E R
M.No.201470



Annexure "A" to the Independent Auditor's Report

With reference to the Annexure referred to in paragraph 1 under the heading "Report on other legal & Regulatory Requirements" of our Report of even date to the members of **RAXA SECURITY SERVICES LIMITED**, on the financial statements for the year ended 31st March 2017, We report that :

- (i). (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of company.
- (ii). The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable and adequate and no material discrepancies are noticed during our audit.
- (iii). In respect of the Loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
 - a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are prima facie, not prejudicial to the interest of the Company.
 - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and/or receipts of interest have been regular as per stipulations.
 - c) There are no overdue amounts as at the year-end in respect of both principal and interest.
- iv). In respect of Loans, Investments, Guarantees and Security, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- v). The Company has not accepted deposits from the public covered by the provisions of Section 73 to 76 of the Companies Act, 2013.
- vi). As informed to us, the Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act, for any of the services rendered by the Company.
- vii). (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Value Added Tax, Service Tax and other material statutory dues, as applicable, with the appropriate authorities in India., Excise Duty is not applicable to the company for the current year.
 - (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.



- viii). The company has not defaulted in repayment of dues to its Bank in respect of Loans taken by it. There were no dues payable to any financial institution/s.
- ix). The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). However, term loans raised during the year have been utilised for the purpose for which it was raised.
- x). According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of audit.
- xi). According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the act.
- xii). In Our Opinion and according to the explanations given to us, the company is not a Nidhi company. Accordingly, provisions of clause (xii) of the order are not applicable.
- xiii). According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable standards.
- xiv). According to the information and explanations given to us, the company has made preferential allotment of shares to the existing shareholders. The price at which the shares were issued are not prime facie prejudicial to the interest of the company.
- 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 any non-cash transactions with the directors or persons connected with him Accordingly, provisions of clause (xii) of the order are not applicable.
- xvi). The company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

Place : Hyderabad

Date : 01.05.2017

For **S.Venkatadri & Co.,**
Chartered Accountants
Firm's Regn No.004614S


(K.SRINIVASA RAO)
PARTNER
M.No.201470



**Annexure "B" to the Independent Auditors' Report of even date on the
Financial Statements of RAXA SECURITY SERVICES LIMITED**

**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")**

We have audited the internal financial controls over financial reporting of **RAXA SECURITY SERVICES LIMITED** ("the Company") as of March 31, 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 March 31, 2016, 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 : Hyderabad

Date : 01.05.2017

For **S. Venkatadri & Co.,**
Chartered Accountants
Firm's Regn No.004614S

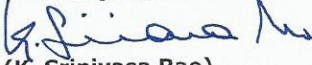

(K.SRINIVASA RAO)
P A R T N E R
M.No.201470



Raxa Security Services Limited
No. 25/1, Skip House, Museum Road, Bangalore - 560025
Balance Sheet as at 31st March, 2017

(Rs in Lakhs)

	Particulars	Notes	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-15
I	ASSETS				
	(1) Non-current assets				
	Property, Plant and Equipment	3	3,307.90	3,427.43	3,601.22
	Financial Assets				
	(i) Loans	10	6,750.00	-	-
	Other non-current assets	4	-	12.00	4.00
	Deferred tax asset (net)	5	315.20	-	-
			10,373.10	3,439.43	3,605.22
	(2) Current assets				
	Inventories	6	73.75	280.98	444.28
	Financial Assets				
	(i) Trade Receivables	7	4,377.22	4,408.85	4,280.99
	(ii) Cash and cash equivalents	8	29.34	302.84	19.70
	(iii) Bank balances other than cash and cash equivalents	9	1,378.21	632.60	587.50
	(iv) Loans	10	130.74	143.07	183.83
	(v) Others	11	23.97	0.75	0.62
	Other current assets	4	702.97	714.38	599.83
			6,716.20	6,483.47	6,116.75
	Total Assets		17,089.30	9,922.90	9,721.97
II	EQUITY AND LIABILITIES				
	(1) Equity				
	Equity Share capital	12	3,643.95	1,797.80	1,797.80
	Other Equity	13	1,350.31	540.37	1,598.45
			4,994.26	2,338.17	3,396.25
	LIABILITIES				
	(2) Non-current liabilities				
	Financial Liabilities				
	(i) Borrowings	14	7,500.00	2,400.00	2,000.00
	(ii) Others	16	651.44	659.42	772.02
	Provisions	18	709.37	493.82	801.21
	Deferred tax Liability (net)	5	-	-	87.44
			8,860.81	3,553.24	3,660.67
	(3) Current liabilities				
	Financial Liabilities				
	(i) Borrowings	14	1,632.52	2,362.32	1,496.88
	(ii) Trade Payables	15	315.96	401.24	702.10
	(iii) Others	16	82.33	86.18	117.02
	Other current liabilities	17	275.97	496.73	347.79
	Provisions	18	927.46	685.01	1.26
			3,234.23	4,031.49	2,665.05
	Total Equity and Liabilities		17,089.30	9,922.90	9,721.97

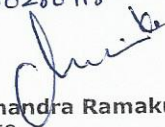
For M/S. S. Venkatadri & Co
Chartered Accountants
Firm's Regn No.004614S

(K. Srinivasa Rao)
Partner
Membership No. 201470



For and on behalf of the Board


M R Reddy
Director
DIN - 00286418


H J Dora
Director
DIN - 02385290


Chandra Ramakumari K
CFO


Arvind Kumar
Company Secretary


Place: Bengaluru
Date: 1st May, 2017



Raxa Security Services Limited
 No. 25/1, Skip House, Museum Road, Bangalore - 560025
 Statement of Profit and Loss for the Period Ended 31 March 2017

(Rs in Lakhs)


Particulars	Notes	Period Ended 31-Mar-17	Period Ended 31-Mar-16
I REVENUE			
Revenue From Operations	19	13,752.60	12,553.41
Other Income	20	434.58	66.63
Total Revenue (I)		14,187.18	12,620.04
II EXPENSES			
Employee Benefits Expense	21	10,923.85	9,695.85
Expenditure on Technical Projects	22	346.61	1,227.77
Changes in inventories of stock-in-trade and work in progress	23	209.75	134.14
Operational & Administrative Expenses	24	1,604.23	1,882.81
Finance Costs	25	725.18	625.14
Depreciation and amortization expense	26	187.43	215.50
Total expenses (II)		13,997.04	13,781.21
III Profit before exceptional items and tax (I-II)		190.14	(1,161.17)
IV Exceptional Items		190.14	(1,161.17)
V Profit/(loss) before tax (III-IV)			
VI Tax expense:			
Current Tax		-	-
Adjustment of tax relating to earlier periods		(315.20)	(87.45)
Deferred Tax			
VII Profit/(loss) for the period (V-VI)		505.34	(1,073.72)
VIII Other Comprehensive Income			
A Items that will be reclassified to profit or loss			
B Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		(249.25)	15.64
Income tax effect		-	-
IX Total Comprehensive Income for the period (VII + VIII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		256.09	(1,058.08)
X Earnings per equity share:	33.		
(1) Basic		0.88	(5.89)
(2) Diluted		0.88	(5.89)

For M/S. S. Venkatadri & Co
 Chartered Accountants
 Firm's Regn No.004614S

(K. Srinivasa Rao)
 Partner
 Membership No. 201470



For and on behalf of the Board


M R Reddy
 Director
 DIN - 00286418


Chandra Ramakumari K
 CFO


H J Dora
 Director
 DIN - 02385290

Arvind Kumar
 Company Secretary

Place: Bengaluru
 Date: 1st May, 2017

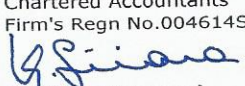


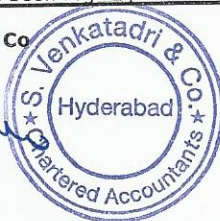
Raxa Security Services Limited
No. 25/1, Skip House, Museum Road, Bangalore - 560025
Statement of Cash Flows for the year ended 31 March 2017

(Rs in Lakhs)

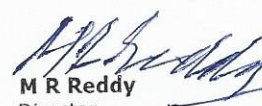
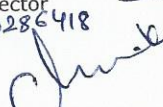
Particulars		31-Mar-17	31-Mar-16
A	Cash Flow from Operating Activities		
	Profit / (loss) before tax	(59.11)	(1,145.51)
	Adjustment to reconcile profit before tax to net cash flows		
	Depreciation and amortisation	187.43	215.50
	Interest expenses	690.10	545.12
	Interest income	(431.82)	(59.32)
	Finance income (including fair value change in financial instruments)	-	-
	Finance costs (including fair value change in financial instruments)	-	-
	Others	-	-
		445.71	701.30
	Operating Profit before Working Capital changes	386.60	(444.21)
	Movements in working capital : (Excluding Cash & Bank Balances)		
	Increase/(Decrease) in trade payables	(85.28)	(300.86)
	Increase/(Decrease) in provisions	458.00	376.36
	Increase / (Decrease) in other payables	(232.59)	5.51
	(Increase)/Decrease in trade receivables	31.63	(127.87)
	(Increase)/Decrease in Inventories	207.23	163.30
	Decrease / (increase) in other receivables	71.26	(310.01)
		450.24	(193.57)
	Cash Generated From Operations	836.83	(637.78)
	Less : Direct Tax paid (net of refunds)	(58.73)	228.09
	Net Cash Flow from Operating Activities (A)	778.10	(409.69)
B	Cash Flow from Investing Activities:		
	Purchase of fixed assets, including capital advances	(69.85)	(41.71)
	Proceeds from sale of fixed assets	1.95	-
	Interest income	431.82	59.32
	Deposits with others	(6,750.00)	-
	Net cash flow (used in) investing activities (B)	(6,386.08)	17.61
C	Net Cash Flow From Financing Activities:		
	Proceeds from equity shares	2,400.00	-
	Proceeds from long term borrowings	7,500.00	400.00
	Repayment of long term borrowings	(2,400.00)	-
	Proceeds from short term borrowings	(729.82)	865.44
	Interest paid	(690.10)	(545.12)
	Net cash flow (used in) in financing activities (C)	6,080.08	720.32
D	Net (decrease) / In cash and cash equivalents (A + B + C)	472.10	328.24
	Cash and cash equivalents (Opening)	935.44	607.21
	Cash and cash equivalents (Closing)	1,407.54	935.44

Previous year's figures have been regrouped wherever necessary to confirm to current year classification.

For M/S. S. Venkatadri & Co
Chartered Accountants
Firm's Regn No.004614S

(K. Srinivasa Rao)
Partner
Membership No. 201470



For and on behalf of the Board


M R Reddy
Director
DIN - 00286418

Chandra Ramakumari K
CFO


H J Dora
Director
DIN - 02385290

Arvind Kumar
Company Secretary

Place: Bengaluru
Date: 1st May, 2017



Raxa Security Services Limited
Statement of Changes in Equity for the period ended 31 March 2017
(Amounts in Rupees, unless otherwise stated)

(Rs in Lakhs)

	Reserves and surplus		Items of OCI		Total Equity
	Issued capital	Securities premium	Retained earnings	FVTOCI Reserve	
As at 1 April 2015	1,797.80	-	1,598.45	-	3,396.25
Profit for the period	-	-	(1,073.72)	-	(1,073.72)
Other comprehensive income	-	-	15.64	-	15.64
Total comprehensive income	-	-	(1,058.08)	-	(1,058.08)
Dividends	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-
At 31 March 2016	1,797.80	-	540.37	-	2,338.17
Profit for the period	-	-	505.34	-	505.34
Other comprehensive income	-	-	(249.25)	-	(249.25)
Total comprehensive income	-	-	256.09	-	256.09
Issue of share capital	1,846.15	553.85	-	-	2,400.00
Transaction costs	-	-	-	-	-
Cash dividends	-	-	-	-	-
Dividend distribution tax on cash dividend	-	-	-	-	-
Non-cash distributions to owners	-	-	-	-	-
At 31 March 2017	3,643.95	553.85	796.46	-	4,994.26



3 Property, plant and equipment

(Rs in Lakhs)

Particulars	Land - Freehold	Roads & Buildings	Plant & machinery	Office equipment	Furniture & fixtures	Electrical fittings	Vehicles	Computers	Books	Biological Assets	Capital work in progress	Total
Cost												
Deemed cost as at 01.04.2015	636.48	2,758.29	236.68	90.63	286.28	191.36	88.08	191.16	0.58	-	-	4,479.54
Additions	-	-	3.46	3.91	19.55	0.57	0.58	15.37	-	-	-	43.44
Disposals	-	-	-	0.59	4.86	-	16.98	-	-	-	-	22.43
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2016	636.48	2,758.29	240.14	93.95	300.97	191.93	71.68	206.53	0.58	30.50	3.32	4,500.55
Additions	12.90	-	3.04	4.32	1.39	3.73	6.81	7.16	-	-	-	73.16
Disposals	-	-	-	2.22	48.28	3.04	5.63	110.87	-	-	-	170.04
As at 31.03.2017	649.38	2,758.29	243.18	96.05	254.08	192.62	72.86	102.82	0.58	30.50	3.32	4,403.67
Depreciation												
As at 01.04.2015	-	307.27	68.26	41.98	150.66	81.97	53.18	174.42	0.58	-	-	878.32
Charge for the year	-	67.02	31.99	15.45	48.84	30.55	9.78	11.86	-	-	-	215.49
Deductions	-	-	-	0.38	4.76	-	15.55	-	-	-	-	20.69
As at 31.03.2016	-	374.29	100.25	57.05	194.74	112.52	47.41	186.28	0.58	-	-	1,073.12
Charge for the year	-	67.03	32.65	13.05	31.23	30.63	3.83	9.01	-	-	-	187.43
Deductions	-	-	-	2.13	46.39	3.04	2.35	110.87	-	-	-	164.78
As at 31.03.2017	-	441.32	132.90	67.97	179.58	140.11	48.89	84.43	0.58	-	-	1,095.77
Net block												
As at 31.03.2017	649.38	2,316.97	110.28	28.08	74.50	52.51	23.97	18.39	-	30.50	3.32	3,307.90
As at 31.03.2016	636.48	2,384.00	139.89	36.90	106.23	79.41	24.27	20.25	-	-	-	3,427.43
As at 01.04.2015	636.48	2,451.02	168.42	48.65	135.62	109.39	34.90	16.74	-	-	-	3,601.22

Net book value

	31-Mar-17	31-Mar-16	1-Apr-15
Plant, property and equipment	3,307.90	3,427.43	3,601.22
Capital work in progress	3.32	-	-

Charge on Assets

Land, Buildings and other Fixed Assets with are subject to a first charge to secure Group's bank loans.

Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of PPE & Investment property has been carried forward at the amount as determined under the previous GAAP. Considering the FAQ issued by the ICAI, regarding application of Deemed cost, the company has disclosed the Cost as at 1 April 2015 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows :

Particulars	Gross Block as at 31 March 2015	Accumulated depreciation as at 31 March 2015	Amounts in INR	
			Net Block as at 31 March 2015	
Free Hold Land	636.48	-	636.48	
Roads & Buildings	2,758.29	307.27	2,451.02	
Plant	236.68	68.26	168.42	
Office Equipment	90.63	41.98	48.65	
Furniture & Fixtures	286.28	150.66	135.62	
Electrical fittings	191.36	81.97	109.39	
Vehicles	88.08	53.18	34.90	
Computers	191.16	174.42	16.74	
Books	0.58	0.58	-	
	4,479.54	878.32	3,601.22	



4 Other assets

(Rs in Lakhs)

Particulars	Non - Current			Current		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Capital advances	-	12.00	4.00	-	-	-
	-	12.00	4.00	-	-	-
Advances other than capital advance	-	-	-	41.63	116.76	198.57
Advances to suppliers	-	-	-	39.02	87.21	89.45
Advances to employees	-	-	-	-	-	-
Less: provision for doubtful advances	-	-	-	80.65	203.97	288.02
	-	-	-	80.65	203.97	288.02
Prepaid expenses	-	-	-	13.68	15.89	12.93
Balance with statutory / government Authorities	-	-	-	11.35	25.27	66.24
MAT credit entitlement	-	-	-	7.74	8.52	-
VAT Receivable (Net)	-	-	-	29.09	-	-
Service Tax Receivable (Net)	-	-	-	402.00	460.73	232.64
Advance Tax (net of provisions)	-	-	-	158.45	-	-
Unbilled Revenue	-	-	-	622.32	510.41	311.81
	-	-	-	622.32	510.41	311.81
Total other assets	-	12.00	4.00	702.97	714.38	599.83

5 Deferred tax asset / liability

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Deferred tax liability			
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	(376.89)	-	(347.41)
	(376.89)	-	(347.41)
Gross deferred tax liability			
Deferred tax asset			
Unabsorbed depreciation	-	-	-
Others Disallowances	2.67	-	-
Provision for bonus	260.16	-	156.75
Provision for gratuity	148.64	-	103.22
Provision for leave encashment	60.02	-	-
Provision for doubtful debts	5.85	-	-
Provision for expenses	214.76	-	-
Carry Forward Losses	-	-	-
On account of remeasurement of defined benefit plans	-	-	-
	692.09	-	259.97
Gross deferred tax asset			
	692.09	-	259.97
Deferred tax asset / liability (net)	315.20	-	(87.44)

6 Inventories

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
(Valued at cost or NRV whichever is lower)			
Uniform / Other Accessories	8.81	6.29	35.45
Trading Goods	64.93	102.15	408.82
Work in Progress	-	172.53	-
Total Inventories	73.75	280.98	444.28

During the year ended 31 March 2017, Rs. NIL (31 March 2016: Rs. 98.33 lakhs) was recognised as an expense for inventories carried at net realisable value.



7 Financial Assets - Trade receivables

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Trade receivables	-	-	-
Secured, considered good	-	-	-
Related parties	-	-	-
Others	4,562.22	4,508.85	4,280.99
Unsecured, considered good	2,320.13	1,949.00	2,045.00
Related parties	2,242.09	2,559.85	2,235.99
Other recivables	185.00	100.00	-
Less: Allowances for doubtful receivables	-	-	-
Total Trade receivables	4,377.22	4,408.85	4,280.99

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

8 Financial Assets - Cash and Cash Equivalent

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Cash and cash equivalents	0.24	0.62	1.22
-Cash on hand	-	-	-
-Deposits with original maturity of less than three months	-	-	-
-Balances with Banks	29.10	302.22	18.48
- In current accounts	-	-	-
Total Cash and Cash Equivalent	29.34	302.84	19.70

9 Financial Assets - Bank balances other than cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Balances with Banks	-	-	-
- Deposits with original maturity of more than three months but less than 12 months	1,350.00	600.00	527.00
-Margin money deposits	28.21	32.60	60.50
Total Bank balances other than cash and cash equivalents	1,378.21	632.60	587.50

10 Financial Assets - Loans

Particulars	Non - Current			Current		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Carried at amortised cost	-	-	-	-	-	-
Loans and Advances	-	-	-	-	-	-
- Unsecured, considered good, to related parties	6,750.00	-	-	70.01	75.53	82.61
Loans to employees	-	-	-	60.73	54.01	101.22
Deposits with Others	-	-	-	-	13.53	-
Recoverable Expenses	-	-	-	-	-	-
Total Loans	6,750.00	-	-	130.74	143.07	183.83

Unsecured Advances to related parties

Security deposit placed with GMR Infrastructure Limited of Rs. 6,750.00 (PY Rs. NIL) at an interest rate of 11.35% is subject to first charge to secure term loan received from Yes Bank.

11 Financial Assets - Others

Particulars	Non - Current			Current		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Carried at amortised cost	-	-	-	-	-	-
Interest accrued on fixed deposits	-	-	-	23.97	0.75	0.62
Total other financial assets	-	-	-	23.97	0.75	0.62

Break up of financial assets carried at amortised cost

Particulars	Non - Current			Current		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
At amortised cost	-	-	-	-	-	-
Loans	6,750.00	-	-	130.74	143.07	183.83
Trade Receivable	-	-	-	4,377.22	4,408.85	4,280.99
Cash and cash equivalents	-	-	-	29.34	302.84	19.70
Other financial assets	-	-	-	23.97	0.75	0.62
	6,750.00	-	-	4,561.27	4,855.52	4,485.14



12 Equity Share Capital

(Rs in Lakhs)

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Authorised : 2,00,00,000 Equity Shares of Rs.10/- Each	4,000.00	2,000.00	2,000.00
	4,000.00	2,000.00	2,000.00
Issued, subscribed and fully paid up: 3,64,39,540 (31st March 2016: 1,79,78,000) Equity Shares of Rs.10/- Each Fully paid	3,643.95	1,797.80	1,797.80
Total Equity Share Capital	3,643.95	1,797.80	1,797.80

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year

Equity Shares	31-Mar-17		31-Mar-16		1-Apr-15	
	In Nos'	Value	In Nos'	Value	In Nos'	Value
At the beginning of the year	17,978,000	1,797.80	17,978,000	1,797.80	17,978,000	1,797.80
Issued during the year	18,461,540	1,846.15	-	-	-	-
Outstanding at the end of the year	36,439,540	3,643.95	17,978,000	1,797.80	17,978,000	1,797.80

b. Terms/Rights Attached to equity Shares

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Shares held by holding /ultimate holding company /holding company and/or their subsidiaries/associates.

Name of Shareholder	31-Mar-17		31-Mar-16		1-Apr-15	
	No. of Shares held	Amount	No. of Shares held	Amount	No. of Shares held	Amount
GMR Holdings Private Limited (GHPL)	-	-	-	-	17,977,400	1,797.74
GMR SEZ and Port Holdings Private Limited (GSPHPL)	36,438,940	3,643.89	17,977,400	1,797.74	17,977,400	1,797.74
	36,438,940	3,643.89	17,977,400	1,797.74	17,977,400	1,797.74

e. Details of Shareholders holding more than 5% of equity shares in the Company

Name of Shareholder	31-Mar-17		31-Mar-16		1-Apr-15	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
GMR Holdings Private Limited (GHPL)	-	-	-	-	17,977,400	100%
GMR SEZ and Port Holdings Private Limited (GSPHPL)	36,438,940	100%	17,977,400	100%	17,977,400	100%
	36,438,940	100%	17,977,400	100%	17,977,400	100%

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

13 Other Equity

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Surplus in the statement of profit and loss			
Balance as per last financial statements	540.37	1,598.45	1,984.83
Add: Net profit for the year	505.34	(1,073.72)	(386.38)
Net surplus in the statement of profit and loss	1,045.71	524.73	1,598.45
Securities premium	553.85	-	-
Other items of Comprehensive Income			
Actuarial gain or losses	(249.25)	15.64	-
	(249.25)	15.64	-
Total Other Equity	1,350.31	540.37	1,598.45



14 Financial liabilities - Borrowings

(Rs in Lakhs.)

Particulars	Non - Current			Current		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
From Bank:						
Secured Borrowings						
Term Loan from Yes Bank	7,500.00	-	-	-	-	-
Short Term Loans from Banks: Secured Overdraft - Andhra Bank	-	-	-	1,632.52	2,362.32	1,496.88
Unsecured Borrowings						
Loans from Group Company (M/s GMR Infrastructure Limited)	-	2,400.00	2,000.00	-	-	-
Total Borrowings	7,500.00	2,400.00	2,000.00	1,632.52	2,362.32	1,496.88

Yes bank loan terms: Loan from YES bank of Rs 75 Crore carries an interest rate of 10.85% p.a. (1 year MCLR rate plus 1.45%) payable on monthly basis. The loan is repayable in 28 quarterly instalments commencing from October 31, 2017. The loan is secured by way of an irrevocable Corporate Guarantee issued by GMR Infrastructure Limited (GIL), charge on present and future assets of the company created out of the term loan, charge on 10% of FD margin of the outstanding facility amount, mortgage of various immovable properties of the group and pledge of the shares of various companies of the group.

Secured Overdraft facility: from Andhra Bank of Rs. 25 Crore carries interest rate of 12.50% p.a (1 year MCLR rate plus 3.05%) on the amount outstanding, payable on monthly basis. This facility is secured by way of exclusive charge on trade receivables, Fixed Deposit of Rs. 6 Crore and Irrevocable Corporate Guarantee issued by GIL.

15 Financial liabilities - Trade payables

Particulars	Non - Current			Current		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Trade Payable	-	-	-	-	-	-
- Micro, Small and Medium Enterprises	-	-	-	51.74	105.09	143.99
- Related parties	-	-	-	264.22	296.15	558.11
- Other payables	-	-	-	-	-	-
Total Trade payables	-	-	-	315.96	401.24	702.10

16 Other Financial Liabilities

Particulars	Non - Current			Current		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Other financial liabilities at amortised cost						
Security Deposit from Customers*	651.44	659.42	772.02	-	-	-
Payable to Employees	-	-	-	63.71	83.80	112.99
Retention Money from Suppliers / Contractors	-	-	-	18.62	2.38	3.20
Security Deposit from Vendors	-	-	-	-	-	0.83
Total other financial liabilities at amortised cost	651.44	659.42	772.02	82.33	86.18	117.02

*Security Deposits from Customers will be paid at the time termination of contract.

17 Other Liabilities

Particulars	Non - Current			Current		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Advance from customer	-	-	-	51.41	30.51	29.91
Statutory liabilities						
Provident fund payable	-	-	-	125.70	92.94	90.26
Service tax payable	-	-	-	-	286.87	158.61
VAT payable (Net)	-	-	-	-	-	17.53
Tax deducted at source payable	-	-	-	27.09	41.89	22.67
ESI and PT payable	-	-	-	40.65	29.36	26.30
Other Liabilities	-	-	-	31.11	15.16	2.50
Total Other Liabilities	-	-	-	275.97	496.73	347.79

18 Provisions

Particulars	Long-term			Short-term		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Provision for employee benefits						
Provision for Compensated Absences	178.06	115.27	316.94	280.06	219.10	-
Provision for Gratuity	530.05	377.50	483.13	271.80	168.07	-
Provisions Spr annuation	1.26	1.05	1.15	-	-	-
	709.37	493.82	801.21	551.86	387.17	-
Other provision						
Provision for Outstanding Expenses	-	-	-	375.60	297.84	1.26
	-	-	-	375.60	297.84	1.26
Total Provisions	709.37	493.82	801.21	927.46	685.01	1.26



19 Revenue from Operations

(Rs in Lakhs)

Particulars	Period Ended 31-Mar-17	Period Ended 31-Mar-16
Manpower Security Services	13,288.15	11,526.17
Systems	464.45	1,027.24
Total Revenue from Operations	13,752.60	12,553.41

20 Other Income

Particulars	Period Ended 31-Mar-17	Period Ended 31-Mar-16
Interest on bank deposits	68.28	49.01
Interest on advances	326.51	-
Other Interest	37.03	10.31
Others	2.77	7.31
Total Other Income	434.58	66.63

Particulars	Period Ended 31-Mar-17	Period Ended 31-Mar-16
In relation to Financial assets classified at amortised cost	394.79	49.01
Total	394.79	49.01

21 Employee Benefits Expense

Particulars	Period Ended 31-Mar-17	Period Ended 31-Mar-16
Salaries, wages and bonus	9,161.52	8,096.48
Contribution to provident and other fund	1,085.69	997.13
Professional & Consultancy Charges	387.58	358.15
Security Charges-Outsourcing	274.53	226.17
Staff welfare expense	14.52	17.91
Total Employee Benefits Expense	10,923.85	9,695.85

Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company has recognized, in the statement of Profit and Loss contribution to Provident and other funds under employee benefit expense, being expenses debited under the following defined contribution plan:

Particulars	Provident fund	
	Period Ended 31-Mar-17	Period Ended 31-Mar-16
Provident Fund and Employee's Pension Scheme	651.66	596.17
Total	651.66	596.17

Gratuity

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March, 2017

Particulars	Gratuity	
	Period Ended 31-Mar-17	Period Ended 31-Mar-16
Current Service Cost	94.54	125.80
Net Interest Cost	35.38	34.50

Amount recognised in Other Comprehensive Income for the year ended 31st March, 2017

Particulars	Gratuity	
	Period Ended 31-Mar-17	Period Ended 31-Mar-16
Actuarial (gain)/ loss on obligations	249.25	(15.64)

Balance sheet

Particulars	As at 31-Mar-17	As at 31-Mar-16
Defined benefit obligation	(827.29)	(576.46)
Fair value of plan assets	25.44	30.90
Plan asset / (liability)	(801.85)	(545.56)



Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31-Mar-17	As at 31-Mar-16
Opening defined benefit obligation	576.46	492.03
Interest cost	38.93	36.47
Current service cost	94.54	125.80
Acquisition cost	(0.94)	(0.83)
Benefits paid (including transfer)	(86.45)	(48.82)
Actuarial losses/ (gain) - experience	189.55	33.30
Actuarial losses/ (gain) - financial assumption	15.20	(61.49)
Closing defined benefit obligation	827.29	576.46

Changes in the fair value of plan assets are as follows:

Particulars	As at 31-Mar-17	As at 31-Mar-16
Opening fair value of plan assets	30.90	8.90
Acquisition Adjustment	0.90	-
Interest income on plan assets	3.55	1.96
Contributions by employer	121.04	81.40
Benefits paid (including transfer)	(86.45)	(48.82)
Return on plan assets greater/ (lesser) than discount rate	(44.50)	(12.55)
Closing fair value of plan assets	25.44	30.90

Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have a low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range.

Experience adjustments for the current and previous years are as follows:

Particulars	As at 31-Mar-17	As at 31-Mar-16
Defined benefit obligation	(827.29)	(576.46)
Plan assets	25.44	30.90
Funded status	(801.85)	(545.56)
Experience (loss) adjustment on plan liabilities	189.55	33.30
Experience gain/ (loss) adjustment on plan assets	-	-
Actuarial gain due to change in assumptions	249.25	-15.64

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	Gratuity	
	As at 31-Mar-17	As at 31-Mar-16
Discount rate (in %)	6.40%	7.30%
Salary Escalation (in %)	6.00%	6.00%
Attrition rate (in %)	40.00%	40.00%
Medical cost trend rate (in %)	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Particulars	31-Mar-17	31-Mar-16
Discount Rate	6.40%	7.30%
Effect on DBO due to 1% increase in Discount Rate	(16.85)	552.93
Effect on DBO due to 1% decrease in Discount Rate	17.66	601.12
Salary Escalation Rate	6.00%	6.00%
Effect on DBO due to 1% increase in Salary Escalation Rate	17.40	601.36
Effect on DBO due to 1% increase in Salary Escalation Rate	(17.00)	552.29
Attrition Rate	40.00%	40.00%
Effect on DBO due to 1% increase in Attrition Rate	(3.49)	569.97
Effect on DBO due to 1% increase in Attrition Rate	3.54	583.03

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



22 Expenditure on Technical Projects

(Rs in Lakhs)

Particulars	Period Ended 31-Mar-17	Period Ended 31-Mar-16
Cost of Goods Supplied	220.71	974.84
Equipment Installation	125.91	252.93
Total Expenditure on Technical Projects	346.61	1,227.77

23 Changes in inventories of trading goods and work-in-progress

Particulars	Period Ended 31-Mar-17	Period Ended 31-Mar-16
Closing stock	-	172.53
Work in Progress	64.93	102.15
Trading Goods	64.93	274.68
Less :		
Opening stock	172.53	-
Work in Progress	102.15	408.82
Trading Goods	274.68	408.82
(Increase) / decrease		
Work in Progress	172.53	-172.53
Trading Goods	37.21	306.67
Changes in inventories of trading goods and work-in-progress	209.75	134.14

24 Operational & Administrative Expenses

Particulars	Period Ended 31-Mar-17	Period Ended 31-Mar-16
Rent	186.45	258.66
Facility Maintenance Expense	181.05	153.80
Food Expense	402.68	365.81
Travelling & conveyance	337.94	311.88
Uniform Expense	144.33	143.06
Rates & Taxes	95.47	66.26
Communication	42.93	35.99
Training Expenses	23.20	107.68
Recruitment	27.33	21.86
Marketing Expense	0.67	201.19
Provision / write off of bad & doubtful debts	85.00	100.00
Repairs & Maintenance	31.53	48.40
Printing & Stationery	15.76	12.34
Insurance	3.39	3.42
Auditors' Remuneration	2.10	1.84
Loss on Assets	3.45	-
Directors Sitting Fee	4.00	3.40
Charities & Donations	-	31.12
Miscellaneous & Other Expenses	16.96	16.09
Total Operational & Administrative Expenses	1,604.23	1,882.81

25 Finance Costs

Particulars	Period Ended 31-Mar-17	Period Ended 31-Mar-16
Interest expense:		
Interest and finance charges on financial liabilities not at fair value through profit or loss	690.10	545.12
Bank charges	33.89	78.03
Interest on Others	1.19	1.99
Total Finance Costs	725.18	625.14

26 Depreciation and amortization expense

Particulars	Period Ended 31-Mar-17	Period Ended 31-Mar-16
Depreciation of tangible assets	187.43	215.50
Total Depreciation and amortization expense	187.43	215.50



27 Other expenses

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2017

	Cash flow hedge reserve	FVTOCI reserve	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total
Net investment hedging	-	-	-	-	-	-
Foreign exchange translation differences	-	-	-	-	-	-
Currency forward contracts	-	-	-	-	-	-
Commodity forward contracts	-	-	-	-	-	-
Reclassified to statement of profit or loss	-	-	-	-	-	-
Gain/(loss) on FVTOCI financial assets	-	-	-	-	(249.25)	(249.25)
Re-measurement gains (losses) on defined benefit plans	-	-	-	-	-	-
Revaluation of land and buildings	-	-	-	-	(249.25)	(249.25)

During the year ended 31 March 2016

	Cash flow hedge reserve	FVTOCI reserve	Foreign currency translation reserve	Retained earnings	Total
Foreign exchange translation differences	-	-	-	-	-
Currency forward contracts	-	-	-	-	-
Reclassification to statement of profit or loss	-	-	-	-	-
Gain/(loss) on FVTOCI financial assets	-	-	-	-	-
Re-measurement gains (losses) on defined benefit plans	-	-	-	15.64	15.64
	-	-	-	15.64	15.64



28. Contingent Liabilities:

Bank Guarantees issued by bank on behalf of company Rs. 219.42 Lakhs (PY Rs. 220.07 Lakhs) outstanding as on 31.03.2017.

29. Capital Commitments

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	-	-

30. Segment Reporting

The Company operates in single segment i.e. provision of security and other related services and hence there are no reportable segments as per the requirements of standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

31. Finance Lease Receivables

Finance lease receivables consist of assets that are leased to customers for period of 5 years, with lease payments due in quarterly installments. Details of finance lease receivables are given below

Particulars	Minimum lease payment	
	Year ended 31-Mar-17	Year ended 31-Mar-16
Not later than one year	50.10	-
Later than one year but not later than five years	162.82	-
Later than five years	-	-
Unguaranteed residual values	-	-
Gross investment in lease	212.91	-
Less: Unearned finance income	54.46	-
Present value of minimum lease payment receivable	158.45	-
Included in the financial statements as follows:		
Current finance lease receivables	50.10	-
Non-current finance lease receivables	162.82	-

32. Related Party Transactions

a) Name of Related Parties and description of relationship:

(i) Enterprises that control the Company

- GMR Enterprise Private Limited (GEPL) (Ultimate Holding Company)
- GMR Infrastructure Limited (GIL) (Parent of Holding Company)
- GMR SEZ and Port Holdings Private Limited (GSPHPL) (Holding Company)

(ii) Subsidiary/Joint Venture/Associate Companies: Nil

(iii) Fellow Subsidiary Companies

- Delhi International Airport Limited (DIAL)
- GMR Aero Technic Limited (GATL) (formerly known as MAS GMR Aero Technic Limited)
- GMR Airports Limited (GAL)
- GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
- GMR Aviation Private Limited (GAPL)
- GMR Bajoli Holi Hydropower Private Limited (GBHHPL)
- GMR Chennai Outer Ring Road Private Limited (GCORRPL)
- GMR Chhattisgarh Energy Limited (GCHEPL)
- GMR Warora Energy Limited (GWEL) (formerly known as GMR EMCO Energy Limited)
- GMR Energy Limited (GEL)
- GMR Hyderabad Aviation SEZ Limited (GHASL)
- GMR Hyderabad International Airport Limited (GHIAL)
- GMR Kamalanga Energy Limited (GKEL)
- GMR Krishnagiri SEZ Limited (GKSEZ)
- GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
- GMR Pochanpalli Expressways Limited (GPEPL)
- GMR Power Corporation Limited (GPCL)



GMR Rajahmundry Energy Limited (GREL)
 GMR Sports Private Limited (GSPL)
 GMR Tambaram Tindivanam Expressways Limited (GTTEPL)
 Hyderabad Duty Free Retail Limited (HDFRL)
 Hyderabad Menzies Air Cargo Private Limited (HMACPL)
 Kakinada SEZ Private Limited (KSPL)
 Padmapriya Properties Private Limited (PAPPL)
 GMR Vemagiri Power Generation Limited (GVPGL)
 GMR Business Process and Services Private Limited (GBPSPL)
 Dhruvi Securities Private Limited (DSPL)
 Asteria Real Estates Private Limited (AREPL)
 Advika Properties Private Limited (APPL)
 Aklima Properties Private Limited (AKPPL)
 Amartya Properties Private Limited (AMPPL)
 Baruni Properties Private Limited (BPPL)
 Krishnapriya Properties Private Limited (KPPL)
 Nadira Properties Private Limited (NPPL)
 Prakalpa Properties Private Limited (PPPL)
 Purnachandra Properties Private Limited (PUPPL)
 Shreyadita Properties Private Limited (SPPL)
 Sreepa Properties Private Limited (SRPPL)
 Deepesh Properties Private Limited (DPPL)
 Radhapriya Properties Private Limited (RPPL)
 Lilliam Properties Private Limited (LPPL)
 GMR Corporate Affairs Private Limited (GCAPL)
 Delhi Airport Parking Services Private Limited (DAPSL)

(iv) **Enterprises under the same management**

GMR Varalakshmi Foundation (GMRVF)
 GMR Institute Of Technology (GIT)
 GMR School Of Business (GSB)
 GMR Family Fund Trust (GFFT)

(v) **Key management personnel and their relatives**

Mr. G M Rao (Group Chairman)
 Mr. P M Kumar (Director)
 Mr. G B S Raju (Director)
 Mr. M R Reddy (Director)
 Mr. C V Rao (Director) (Resigned w.e.f. 30th November, 2016)
 Mr. G U G Sastry (CEO)
 Ms. Chandra Ramakumari K (CFO)
 Mr. Arvind Kumar (Company Secretary)
 Ms. G Varalakshmi (Relative)
 Ms. B Ramadevi (Relative)

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

Entity Name	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue from Operations	1,798.36	1,560.00
Delhi International Airport Private Limited (DIAL)	22.68	23.00
GMR Aero Technic Limited (GATL)	54.26	129.00
GMR Airports Limited (GAL)	172.58	162.00
GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	20.16	21.00
GMR Aviation Private Limited (GAPL)	62.88	55.00
GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	23.05	24.00
GMR Chennai Outer Ring Road Private Limited (GCCRPL)	435.82	418.00
GMR Chhattisgarh Energy Limited (GCHEPL)	473.93	320.00
GMR Warora Energy Limited (formErly known as EMCO)	31.07	59.00
GMR Energy Limited (GEL)	14.89	15.00
GMR Hyderabad Aviation SEZ Limited (GHASL)	1,193.79	897.00
GMR Hyderabad International Airport Limited (GHIAL)	532.13	509.00
GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	641.84	246.00
GMR Infrastructure Limited (GIL)		



Entity Name	Year ended 31-Mar-17	Year ended 31-Mar-16
GMR Kamalanga Energy Limited (GKEL)	609.02	779.00
GMR Krishnagiri SEZ Limited (GKSEZ)	36.47	11.00
GMR Pochanpalli Expressways Limited (GPEPL)	51.10	49.00
GMR Power Corporation Limited (GPCL)	18.12	53.00
GMR Rajahmundry Energy Limited (GREL)	71.95	67.00
GMR Tambaram Tindivanam Expressways Limited (GTTEPL)	11.97	30.00
Hyderabad Duty Free Retail Limited (HDFRL)	37.13	35.00
Hyderabad Menzies Air Cargo Private Limited (HMACPL)	108.25	109.00
Kakinada SEZ Private Limited (KSPL)	155.08	100.00
Padmapriya Properties Private Limited (PAPPL)	33.22	75.00
GMR Vemagiri Power Generation Limited (GVPGL)	105.41	55.00
GMR Business Process and Services Private Limited (GBPSPL)	28.23	66.00
Dhruvi Securities Private Limited (DSPL)	23.00	-
GMR Corporate Affairs Private Limited (GCAPL)	0.60	360.00
Delhi Airport Parking Services Private Limited (DAPSL)	406.86	315.00
Asteria Real Estates Private Limited (AREPL)	2.40	-
Advika Properties Private Limited (APPL)	0.45	-
Aklima Properties Private Limited (AKPPL)	0.45	-
Amartya Properties Private Limited (AMPPL)	0.45	-
Baruni Properties Private Limited (BPPL)	0.45	-
Krishnapriya Properties Private Limited (KPPL)	4.47	-
Nadira Properties Private Limited (NPPL)	0.45	-
Prakalpa Properties Private Limited (PPPL)	2.10	-
Purnachandra Properties Private Limited (PUPPL)	1.80	-
Shreyadita Properties Private Limited (SPPL)	4.20	-
Sreepa Properties Private Limited (SRPPL)	3.00	-
Deepesh Properties Private Limited (DPPL)	0.60	-
Radhapriya Properties Private Limited (RPPL)	0.60	-
Lilliam Properties Private Limited (LPPL)	3.04	5.00
Honey Flower Estates Private Limited (HFEPL)	21.66	-
GMR Institute of Technology	7.92	7.66
GMR School of Business	16.20	-
GMR Family Fund Trust	29.54	30.00
GMR Sports Private Limited (GSPL)	21.63	19.00
GMR Varalakshmi Foundation (GMRVF)	14.78	-
Grandhi Kiran Kumar	7,310.49	6,603.66
Advertisement Expense		
GMR Sports Private Limited	-	200.00
	-	200.00
Rent & Maintenance		
G Varalakshmi	10.86	9.00
B Ramadevi	6.97	6.00
	17.83	15.00
Interest expense on Unsecured Loans		
Dhruvi Securities Private Limited (DSPL)	-	58.00
GMR Infrastructure Limited (GIL)	113.04	40.00
	113.04	98.00
Interest income on Deposits		
GMR Infrastructure Limited (GIL)	326.51	-
	326.51	-
Security Deposit given to Customer		
GMR Infrastructure Limited (GIL)	6,750.00	-
	6,750.00	-
Loans Received during the year		
Dhruvi Securities Private Limited (DSPL)	-	2,400.00
GMR Infrastructure Limited (GIL)	-	2,400.00
	-	4,800.00



Entity Name	Year ended 31-Mar-17	Year ended 31-Mar-16
Loans Repaid during the year		
GMR Infrastructure Limited (GIL)	2,400.00	-
Dhruvi Securities Private Limited (DSPL)	-	2,400.00
	2,400.00	2,400.00
Managerial remuneration paid during the year		
Mr. M R Reddy	6.00	24.00
Mr. C V Rao (Resigned w.e.f. 30th November, 2016)	49.32	77.50
Mr. G U G Sastry (CEO)	84.00	-
Ms. Chandra Ramakumari K (CFO)	26.71	-
	166.03	101.50

(c) Summary of balances with the above related parties is as follows:

Entity Name	Year ended 31-Mar-17	Year ended 31-Mar-16
Security Deposit given to Customer		
GMR Infrastructure Limited (GIL)	6,750.00	-
	6,750.00	-
Trade Receivables		
GMR Hosur EMC Private Limited (GHEMCPL)	-	6.00
GMR Hyderabad International Airport Limited (GHIAL)	189.26	134.00
Hyderabad Menzies Air Cargo Private Limited (HMACPL)	9.81	11.00
GMR Hyderabad Aviation SEZ Limited (GHASL)	2.48	3.00
Hyderabad Duty Free Retail Limited (HDFRL)	7.13	8.00
GMR Aero Technic Limited (GATL) (formerly known as MAS GMR Aero)	1.89	6.00
Delhi International Airport Private Limited (DIAL)	241.20	19.00
GMR Energy Limited (GEL)	15.76	48.00
GMR Warora Energy Limited (formErly known as EMCO)	93.42	75.00
SJK Powergen Limited (SJK)	-	23.00
GMR Power Corporation Limited (GPCL)	63.86	43.00
GMR Vemagiri Power Generation Limited (GVPGL)	54.81	66.00
GMR Rajahmundry Energy Limited (GREL)	23.34	52.00
GMR Kamalanga Energy Limited (GKEL)	248.20	212.00
GMR Chhattisgarh Energy Limited (GCHEPL)	269.69	149.00
GMR Bajoli Holi Hydropower Private Limited (GBHHLPL)	21.90	23.00
GMR Tambaram Tindivanam Expressways Limited (GTTEPL)	1.21	28.00
GMR Pochanpalli Expressways Limited (GPEPL)	5.00	5.00
GMR Chennai Outer Ring Road Private Limited (GCORRPL)	15.56	10.00
GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	38.80	20.00
GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	145.37	120.00
GMR Krishnagiri SEZ Limited (GKSEZ)	0.42	22.00
Padmapriya Properties Private Limited (PAPPL)	0.00	2.00
Kakinada SEZ Private Limited (KSPL)	15.35	28.00
Baruni Properties Private Limited (BPPL)	0.52	-
Nadira Properties Private Limited (NPPL)	4.62	-
Purnachandra Properties Private Limited (PUPPL)	0.04	-
Padmapriya Properties Private Limited (PAPPL)	0.00	-
GMR Infrastructure Limited (GIL)	542.47	250.00
GMR Airports Limited (GAL)	91.43	27.00
GMR Corporate Affairs Private Limited (GCAPL)	0.69	412.00
GMR Business Process and Services Private Limited (GBPSPL)	32.42	76.00
GMR Aviation Private Limited (GAPL)	18.51	10.00
Delhi Airport Parking Services Private Limited (DAPSL)	107.90	38.00
Dhruvi Securities Private Limited (DSPL)	4.25	-
GMR Institute of Technology	1.82	-
GMR Varalakshmi Care Hospital	0.40	-
Honey Flower Estates Private Limited (HFEPL)	1.26	-
GMR School of Business	1.32	-
GMR Varalakshmi Foundation	7.17	-
Kiran Kumar Grandhi	11.93	-
GMR Family Fund Trust	2.15	-
Boyance Infrastructure Private Limited	0.61	-
	2,293.97	1,926.00



Entity Name	Year ended 31-Mar-17	Year ended 31-Mar-16
Retention Money		
Delhi International Airport Private Limited (DIAL)	9.90	10.00
GMR Energy Limited (GEL)	4.86	5.00
GMR Hyderabad International Airport Limited (GHIAL)	-	2.00
GMR Kamalanga Energy Limited (GKEL)	5.44	-
GMR Infrastructure Limited (GIL)	5.96	6.00
	26.16	23.00
Lease Deposits		
G Varalakshmi	6.00	-
B Ramadevi	3.00	-
Honey Flower Estates Private Limited (HFEPL)	1.31	1.31
Delhi Airport Parking Services Private Limited (DAPSL)	1.05	1.05
	11.36	2.36
Trade Payables		
GMR Corporate Affairs Private Limited (GCAPL)	-	102.00
GMR Infrastructure Limited (GIL)	44.00	1.00
GMR Airports Limited (GAL)	1.11	-
GMR Hyderabad International Airport Limited (GHIAL)	4.44	-
G Varalakshmi	0.87	-
B Ramadevi	0.54	-
	49.55	103.00
Security Deposits from Customers		
GMR Aviation Private Limited (GAPL)	5.84	6.00
GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	7.55	8.00
GMR Chennai Outer Ring Road Private Limited (GCORRPL)	9.15	9.00
GMR Chhattisgarh Energy Limited (GCHEPL)	47.59	48.00
GMR Energy Limited (GEL)	54.44	54.00
GMR Energy Trading Limited (GETL)	7.55	8.00
GMR Hosur Energy Limited (GHOEL)	3.76	4.00
GMR Hyderabad International Airport Limited (GHIAL)	174.80	175.00
GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	9.75	10.00
GMR Infrastructure Limited (GIL)	27.58	28.00
GMR Kamalanga Energy Limited (GKEL)	85.14	85.00
GMR Krishnagiri SEZ Limited (GKSEZ)	-	8.00
GMR Pochanpalli Expressways Limited (GPEPL)	16.67	17.00
GMR Power Corporation Limited (GPCL)	48.20	48.00
GMR Rajahmundry Energy Limited (GREL)	65.45	65.00
GMR Tambaram Tindivanam Expressways Limited (GTTEPL)	12.12	12.00
GMR Warora Energy Limited (formErly known as EMCO)	33.86	34.00
Kakinada SEZ Private Limited (KSPL)	42.00	42.00
	651.44	661.00
Unsecured Loans from Group Company		
GMR Infrastructure Limited (GIL)	-	2,400.00
	-	2,400.00



33. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Profit attributable to equity holders of the company	256.09	(1,058.08)
Continuing operations	-	-
Discontinued operation	-	-
Profit attributable to equity holders of the company for basic earnings	256.09	(1,058.08)
Total number of Equity Shares outstanding at the beginning of the year	179.78	179.78
Add: Issue of Equity Shares	184.62	-
Total number of Equity Shares outstanding at the end of the year	364.40	179.78
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	292.57	179.78
Effect of dilution:	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution	292.57	179.78
Earning Per Share (Basic) (Rs)	0.88	(5.89)
Earning Per Share (Diluted) (Rs)	0.88	(5.89)
Face value per share (Rs)	10.00	10.00

34. Managerial Remuneration

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Salaries & Others	55.32	90.58
Perquisites' and Other allowances	-	-
Total	-	90.58

35. Remuneration to Auditors

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Audit fees	1.25	1.25
Other certification fees (excluding Service Tax)	0.90	0.44
Out of Pocket Expenses	0.15	0.15
Total	2.30	1.84

36. Expenditure in Foreign Currency

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
CIF Value of imports	11.06	70.29
Traveling expenses	25.65	4.96
Total	36.70	75.25



37. First Time Adoption of Ind AS

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

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

Exemptions applied:-

Mandatory exemptions:

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

► Impairment of financial assets based on expected credit loss model

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

Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind ASs, the Company has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

De-recognition of financial assets and liabilities

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

Classification and measurement of Financial assets

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

Optional exemptions:

Deemed cost-Previous GAAP carrying amount: (PPE and Intangible Assets) (Ind AS 101.D7AA)

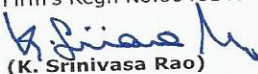
Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its PPE and intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date after making necessary adjustments for de-commissioning liabilities.

Arrangements containing a lease:- (Arrangement in the nature of leases):

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)

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 M/S. S. Venkatadri & Co
Chartered Accountants
Firm's Regn No.004614S

(K. Srinivasa Rao)
Partner
Membership No. 201470



For and on behalf of the Board


M R Reddy
Director
DIN - 00286418


Chandra Ramakumari K
CFO


H J Dora
Director
DIN - 02385290

Arvind Kumar
Company Secretary

Place: Bengaluru
Date: 1st May, 2017



Raxa Security Services Limited

Notes to IND AS financial statements for the year ended March 31, 2017

1. Corporate Information

Raxa Security Services Limited ('RAXA' or 'the Company') is a company incorporated on 29th July, 2005 under the provisions of Companies Act, 1956 for provision of security and related services to commercial and industrial establishments. GMR SEZ and Port Holdings Private Limited ('GSPHPL') a subsidiary of GMR Infrastructure Limited ('GIL'), holds 99.99% shareholding in the company. The registered office of the company is located at 25/1, Skip House, Museum Road, Bangalore - 560025 India.

Information on other related party relationships of the Company is provided in Note 32.

The financial statements were approved for issue in accordance with a resolution of the directors on 1st May 2017

2. Significant Accounting Policies

A. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first time the Company has prepared in accordance with Ind AS. Refer to note 37 for information on how the Company adopted Ind AS.

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.

The financial statements are presented in Indian Rupees ("INR") and all the values are rounded to the nearest Lakh (INR 00,000), except when otherwise indicated.

B. 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

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 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.

d. 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.



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.

e. Depreciation on Property, plant and equipment

The depreciation on the Property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013 except for assets individually costing less than Rs. 5,000 which are fully depreciated in the year of acquisition and certain items of building, plant and equipment, the Company, based on technical assessment made by technical expert and management estimate, believes that the useful lives of such assets are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The following is the comparison of the useful lives of these assets as adopted by the Company and those prescribed under schedule II to the Companies Act, 2013

Asset category	Useful life in years	
	Adopted by Company	As per Schedule II of Companies Act
Land - Freehold	-	-
Roads & Buildings	30 to 60 years	10 to 60 years
Plant and machinery	10 to 15 years	8 to 40 years
Office equipment	5 to 10 years	5 years
Furniture and fixtures	10 years	10 years
Electrical fittings	10 years	10 years
Vehicles	5 to 10 years	8 to 10 years
Computers	3 to 5 years	3 to 6 years
Books	3 years	Not prescribed
Biological assets	5 years	Not prescribed

Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.

f. Investment properties

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects, if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates building component of investment property over its useful life or lease term whichever is shorter.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual



evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

g. Intangible assets

General

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. 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.

The useful lives of intangible assets are assessed as either finite or indefinite.

h. Amortisation of intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

i. 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.

j. Leases

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.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable



to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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.

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. Initial direct costs incurred in negotiating and arranging an operating lease are recognised immediately in the statement of profit and loss.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfers 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. However, where the company is either manufacturer or dealer lessor, should recognise the transaction of sale in the statement of profit and loss for the period as an outright sales. Initial direct costs should be recognised as an expense in the statement of profit and loss at the inception of the lease.

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.

k. Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares:

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis and includes all applicable costs in bringing goods to their present locations and condition.

Contract work-in-progress:

Costs incurred that relate to future activities on the contract are recognised as contract work-in-progress. Contract work-in-progress comprises of construction cost and other directly attributable overheads and are measured at lower of cost and net realisable value.

Traded / Finished goods:

Traded goods are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



l. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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.

m. 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 outflow 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 realization 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.

n. Retirement and other Employee Benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Retirement benefit in the form of provident fund, pension fund, superannuation fund etc. are defined contribution scheme except in case of certain entities, wherein only pension fund and superannuation fund form part of the defined contribution scheme. The Company has no obligation, other than the contribution payable.

The Company recognizes contribution payable as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example: a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- i) The date of the plan amendment or curtailment, and
- ii) The date that the Company recognises related restructuring costs



Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ii) Net interest expense or income

Other Long term employee benefits

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Short term employee benefits

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

o. 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 7.



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.

Impairment of financial assets

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

- i) *Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance*
- ii) *Financial assets that are debt instruments and are measured as at FVTOCI*
- iii) *Lease receivables under Ind AS 17*
- iv) *Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18*
- v) *Loan commitments which are not measured as at FVTPL*
- vi) *Financial guarantee contracts which are not measured as at FVTPL*



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

- i) *Trade receivables or contract revenue receivables; and*
- ii) *All lease receivables resulting from transactions within the scope of Ind AS 17*

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

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

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

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

- i) *All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument*
- ii) *Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms*

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

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

- i) *Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.*
- ii) *Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.*
- iii) *Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.*

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



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.



De-recognition

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 de-recognition 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.

Re-classification of financial assets

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

Offsetting of financial instruments

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

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Convertible preference shares

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

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

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

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



p. 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.

q. Foreign currencies

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).

r. 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.

s. 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.

Others

- i. Income from management / technical services is recognised as per the terms of the agreement on the basis of services rendered.
- ii. Benefits arising out of duty free scrips utilised for the acquisition of fixed assets or inventory are recognised as income once it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- iii. On disposal of current investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. Such income is included under the head 'other operating income' for companies engaged in investing activities and under the head 'other income' for other companies in the statement of profit and loss.
- iv. Revenue from certified emission reductions is recognised as per the terms and conditions agreed with the customers on sale of the certified emission reduction units, when the risks and rewards are passed on to the customer.
- v. Insurance claim is recognised on acceptance of the claims by the insurance company.
- vi. Revenue from charter services is recognised based on services provided as per the terms of the contracts with the customers.

Revenue earned in excess of billings has been included under 'other assets' as unbilled revenue and billings in excess of revenue has been disclosed under 'other liabilities' as unearned revenue.

t. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Such grants related to income are deducted in reporting the related expense. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.



u. Taxes

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, 1961 enacted in India and 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.

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

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.

Minimum Alternate Tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. MAT credit available will be recognised as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which company recognises MAT credit as an asset in accordance with the Guidance Note on 'Accounting for Credit Available in respect of Minimum Alternative Tax' under IT Act, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT credit entitlement'. Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ Value added taxes paid on acquisition of assets or on incurring expenses

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.

v. Segment reporting policies

Identification of segments:

The company'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 company operate.

Inter segment transfers:

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

w. 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.

x. Corporate Social Responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

