# NUCLEUS IT ENABLED SERVICES LIMITED

# FINANCIAL STATEMENT 2017-18

# MANEK & ASSOCIATES

**CHARTERED ACCOUNTANTS**

3, Bhanu Kunj, 17, Prarthana Samaj Road, Vile Parle (East), Mumbai - 400 057.

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**SHAILESH MANEK**
B.Com (Hons), Grad. C.W.A., F.C.A


Independent Auditor's Report

**To,**
**The Members,**
**NUCLEUS IT ENABLED SERVICES LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NUCLEUS IT ENABLED SERVICES LIMITED** ('the Company'), which comprise the balance sheet as at 31 March, 2018, the statement of profit and loss(including other comprehensive income), the statement of changes in equity and 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 Standalone 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 preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015,as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March,2018 and its profit and loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

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

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

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

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

(c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind As standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on 31 March,2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March,2018 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 has disclosed the impact of pending litigation on its financial position in financial statements Refer Note 8 to the financial statements.

ii. The Company did not have any long-term contract including derivative contract for which there are 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.

**For MANEK & ASSOCIATES**
**Chartered Accountants**
**Firm's registration number:0126679W**

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI-57

**(SHAILESH MANEK)**
**Proprietor**
**Membership number.034925**

**Mumbai**
**Dated: May 11th, 2018**

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**SHAILESH MANEK**
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**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.

(c) There are no immovable properties in name of the company and therefore, the provisions of clause 3(i)(c) is not applicable.

(ii) The Company is a service company, primarily rendering information technology enabled services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

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

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Companies listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the Companies listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to Companies listed in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans granted, but the Company has not given any guarantees or security in respect of any loans and therefore, the provision of clause 3(iv) of the order is not applicable to that extent.

(v) The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, and the Rules framed there under are not applicable, and also no orders were passed by National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal and therefore close 3(v) of the order is not applicable.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013 in respect of the service activities carried on by the Company and therefore, the provision of clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax. sales tax, goods and service tax, service tax. custom duty, excise duty , value added tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, goods and service tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(c ) According to the information and explanation given to us. there are no dues of income tax, sale tax, goods and service tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank. Further, the Company has not issued any debentures and therefore, the provision of clause 3 (viii) of the Order to that extent is not applicable

(ix) During the financial year, the company has not raised any money by way of initial public offer or further public offer (includang debt instruments) and term loans and therefore, the provision of clause 3 (ix) of the Order is not applicable

# MANEK & ASSOCIATES

(x) According to information and explanations given to us there were no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year and therefore, the provision of clause 3 (x) of the Order is not applicable.

(xi) During the Financial year, no managerial remuneration has been paid or provided and therefore, the provision of clause 3 (xi) of the Order is not applicable.

(xii) In our opinion, the company is not a chit fund or a nidhi and therefore the provisions of clause 3(xii) of the Order are not applicable to the company.

(xiii) According to information and explanation given to us, all the transactions with related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the Ind As financial statements, as required under the applicable Accounting Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore, the provisions of clause 3(xiv) of the Order are not applicable to the company.

(xv) During the financial year, the Company has not entered into any non-cash transactions with directors or persons connected with him and therefore the provisions of clause 3(xv) of the Order are not applicable to the company.

(xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore, the provisions of clause 3(xvi) of the Order are not applicable to the company..

**For MANEK & ASSOCIATES**
**Chartered Accountants**
**Firm's registration number:0126679W**

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM NO 126679W MUMBAI-57

**(SHAILESH MANEK)**
**Proprietor**
**Membership number.034925**

**Mumbai**
**Dated: May 11th, 2018**

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**Annexure - B to the Auditors' Report**

Report on the Internal 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 **NUCLEUS IT ENABLED SERVICES LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

# MANEK & ASSOCIATES

**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 31 March, 2018, 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.

**For MANEK & ASSOCIATES**
**Chartered Accountants**
**Firm's registration number:0126679W**

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI-57

SLManek

**(SHAILESH MANEK)**
**Proprietor**
**Membership number.034925**

**Mumbai**
**Dated: May 11th, 2018**

**NUCLEUS IT ENABLED SERVICES LIMITED**
**BALANCE SHEET AS AT MARCH 31, 2018**

₹ In '000

| Particulars | Note No. | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Non-current Assets | | | | |
| (a) Property, Plant and Equipment | 3A | 1,016.49 | 1,044.60 | 1,406.57 |
| (b) Capital work-in-progress (Intangible) | 3B | 1,425.72 | - | - |
| (c) Financial Assets | | | | |
| (i) Investments | 4 | 99,000.00 | 9,000.00 | - |
| (ii) Other Financial Assets | 5 | 50.00 | 50.00 | 50.00 |
| (d) Current Tax Assets (net) | 6 | 3,363.00 | 1,920.10 | 437.10 |
| (e) Other Non-current Assets | 7 | - | 33.84 | 43.48 |
| **Sub-total** | | **1,04,855.21** | **12,048.54** | **1,937.14** |
| **Current Assets** | | | | |
| (a) Financial Assets | | | | |
| (i) Trade Receivables | 8 | 7,054.32 | 5,902.60 | 7,238.66 |
| (ii) Cash and Cash Equivalents | 9 | 272.21 | 770.52 | 688.62 |
| (iii) Loans | 10 | 6,205.00 | 42,020.00 | 8,660.30 |
| (iv) Others Financial Assets | 11 | 84.71 | 4,564.60 | 38.40 |
| (b) Other Current Assets | 12 | 749.87 | 889.85 | 519.79 |
| **Sub-total** | | **14,366.10** | **54,147.58** | **17,145.78** |
| **Total Assets** | | **1,19,221.31** | **66,196.13** | **19,082.92** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| (a) Equity Share capital | 13 | 30,000.00 | 30,000.00 | 30,000.00 |
| (b) Other Equity | 14 | (23,827.74) | (78,395.54) | (74,492.68) |
| **Sub-total** | | **6,172.26** | **(48,395.54)** | **(44,492.68)** |
| **Liabilities** | | | | |
| **Non-current Liabilities** | | | | |
| (a) Provisions | 15 | 73.65 | 161.11 | 1,251.54 |
| (b) Deferred Tax Liabilities (Net) | 16 | 25,388.55 | 2,190.18 | - |
| (c) Other Non-current Liabilities | 17 | 570.00 | 570.00 | 570.00 |
| **Sub-total** | | **26,032.19** | **2,921.29** | **1,821.54** |
| **Current Liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 18 | 82,806.32 | 1,09,713.60 | 59,933.54 |
| (ii) Trade Payables | 19 | 691.10 | 551.15 | 974.46 |
| (iii) Other Financial Liabilities | 20 | 1,175.24 | 74.30 | 86.30 |
| (b) Other Current Liabilities | 21 | 2,112.98 | 1,049.17 | 722.30 |
| (c) Provisions | 22 | 231.23 | 282.16 | 37.46 |
| **Sub-total** | | **87,016.86** | **1,11,670.38** | **61,754.05** |
| Total Liabilities | | 1,13,049.05 | 1,14,591.66 | 63,575.60 |
| **Total Equity and Liabilities** | | **1,19,221.31** | **66,196.13** | **19,081.92** |

Notes (Including Significant Accounting Policies) 1 to 36
Forming Part of the Financial Statements
The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date attached
For **Manek & Associates**
Chartered Accountants
Firm Registration No. -0126679W

**Shailesh L. Manek**
Proprietor
Membership No- 34925
Mumbai: May 11, 2018

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI-57

For and on behalf of the Board of Directors

**Pankaj Parmar**
Director
[DIN: 06547336]

**Purvi Ambani**
Director
[DIN: 06546129]

**NUCLEUS IT ENABLED SERVICES LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

₹ in '000

| Particulars | Note No. | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---|---|---|---|
| Revenue from Operations | 23 | 26,994.44 | 33,670.84 |
| Other Income | 24 | 299.62 | 5,889.36 |
| **Total Income** | | **27,294.06** | **39,560.19** |
| **Expenses** | | | |
| Employee benefits expense | 25 | 15,728.56 | 20,603.93 |
| Finance costs | 26 | 8,364.71 | 11,440.27 |
| Depreciation and amortisation expense | | 281.62 | 501.49 |
| Other expenses | 27 | 15,243.78 | 16,036.66 |
| **Total Expenses** | | **39,618.66** | **48,582.34** |
| **Profit/(Loss) before tax** | | **(12,324.60)** | **(9,022.15)** |
| Tax Expense | | | |
| Current Tax | | | |
| Deferred Tax | | | |
| Tax Adjustment of Earlier Years | 28 | - | (22.90) |
| **Total Tax Expense** | | - | **(22.90)** |
| **Profit/(loss) for the year** | | **(12,324.60)** | **(9,045.05)** |
| **Other Comprehensive Income** | | | |
| **I) Items that will not be reclassified subsequently to profit or loss:** | | | |
| (a) Remeasurements of Defined Benefit Plans | | 90.76 | 132.37 |
| (b) Effect of measuring Equity Instruments on Fair Value | | 90,000.00 | 7,200.00 |
| (c) Income Tax on (a) and (b) | | (23,198.37) | (2,190.18) |
| **Total Other Comprehensive Income for the year** | | **66,892.39** | **5,142.19** |
| **Total Comprehensive Income for the year** | | **54,567.79** | **(3,902.86)** |
| Earnings per equity share (Face Value ₹ 10 Per Share) | | | |
| Basic (in ₹) | | **(4.11)** | **(3.02)** |
| Diluted (in ₹) | | **(4.11)** | **(3.02)** |

Notes (Including Significant Accounting Policies) 1 to 36

Forming Part of the Financial Statements

The above Profit and Loss Account should be read in conjunction with the accompanying notes

As per our report of even date attached

For **Manek & Associates**

Chartered Accountants

Firm Registration No. -0126679W

**Shailesh L. Manek**

Proprietor

Membership No- 34925

Mumbai: May 11, 2018

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI-57

For and on behalf of the Board of Directors

**Pankaj Parmar**

Director

[DIN: 06547336]

**Purvi Ambani**

Director

[DIN: 06546129]

**NUCLEUS IT ENABLED SERVICES LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

₹ In '000

| | | |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Net Profit / (Loss) Before Tax | (12,324.60) | (9,022.15) |
| **Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:** | | |
| Depreciation and Amortisation | 281.62 | 501.49 |
| Finance Costs | 8,364.71 | 11,440.27 |
| Interest Income | (206.57) | (5,117.69) |
| **Operating Profit Before Changes in Working Capital** | **(3,884.84)** | **(2,198.09)** |
| **Adjustment for Changes in Working Capital** | | |
| (Increase) / Decrease in Trade Receivables | (1,151.71) | 1,336.06 |
| (Increase) / Decrease in Loans/Advances | 35,815.00 | (33,354.70) |
| (Increase) / Decrease in Other Financial Assets | 4,479.90 | (4,526.20) |
| (Increase) / Decrease in Other Current Assets | 139.98 | (370.06) |
| (Increase) / Decrease in Other Non Current Assets | 33.84 | 9.64 |
| Increase / (Decrease) in Trade Payables,Other Current Liabilities and Short-term Provisions | 2,254.77 | 136.26 |
| Increase / (Decrease) in Provisions,Other Non Current liability | (87.46) | (1,090.43) |
| **Cash Generated from Operations** | **37,598.46** | **(40,062.52)** |
| Less: Direct Taxes refund/(paid) (net) | (1,479.84) | (1,373.54) |
| **NET CASH FLOW FROM OPERATING ACTIVITY (A)** | **36,168.62** | **(41,436.06)** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Interest Received | 206.57 | 5,117.69 |
| Purchase of Property, Plant and Equipment | (1,761.52) | (139.52) |
| Sale of Property, Plant and Equipment | 160.00 | - |
| Purchase of Non-current investments during the year | | (1,800.00) |
| **NET CASH FLOW FROM INVESTING ACTIVITY (B)** | **(1,394.95)** | **3,178.17** |
| **CASH FLOW FROM FINANCING ACTIVITY** | | |
| Finance Costs | (8,364.71) | (11,440.27) |
| Increase / (Decrease) in Short-term Borrowings | (26,907.28) | 49,780.06 |
| **NET CASH FLOW FROM FINANCING ACTIVITY (C)** | **(35,271.99)** | **38,339.79** |
| | | |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)** | **(498.32)** | **81.91** |
| Cash on hand (Refer Note 9) | 8.38 | 128.62 |
| Balance with Bank in Current Accounts (Refer Note 9) | 762.15 | 560.00 |
| **Opening Balance of Cash and Cash Equivalents** | **770.52** | **688.62** |
| Cash on hand (Refer Note 9) | 13.77 | 8.38 |
| Balance with Bank in Current Accounts (Refer Note 9) | 258.44 | 762.15 |
| **CLOSING BALANCE OF CASH and CASH EQUIVALENTS** | **272.21** | **770.52** |
| **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS** | **(498.32)** | **81.91** |

**Note :**

1. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts)Rules,2014

2. Figures in brackets represent outflows / deductions

As per our report of even date attached
For **Manek & Associates**
Chartered Accountants
Firm Registration No. -0126679W

**Shailesh L. Manek**
Proprietor
Membership No. 34925
Mumbai: May 11, 2018

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI-57

For and on behalf of the Board of Directors

**Pankaj Parmar**
Director
(DIN: 06547336)

**Purvi Ambani**
Director
(DIN: 06546129)

**Statement of Changes in Equity as at March 31, 2018**

A. **Equity Share Capital**

₹ In '000

| Particulars | Amount |
|---|---|
| **Balance as at April 1, 2016** | 30,000.00 |
| Changes in Equity Share Capital during the year 2016-17 | |
| **Balance as at March 31, 2017** | 30,000.00 |
| Changes in Equity Share Capital during the year 2017-18 | |
| **Balance as at March 31, 2018** | **30,000.00** |

B. **Other Equity**

₹ In '000

| Particulars | Retained Earnings | Equity Instruments through OCI | Total |
|---|---|---|---|
| **Balance as at April 1, 2016** | (74,492.68) | | **(74,492.68)** |
| Profit for the period | (9,045.05) | | **(9,045.05)** |
| Other Comprehensive Income for the year | 92.83 | 5,049.36 | **5,142.19** |
| **Balance as at March 31, 2017** | **(83,444.90)** | **5,049.36** | **(78,395.54)** |
| Profit for the period | (12,324.60) | | **(12,324.60)** |
| Other Comprehensive Income for the year | 67.39 | 66,825.00 | **66,892.39** |
| **Balance as at March 31, 2018** | **(95,702.10)** | **71,874.36** | **(23,827.74)** |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date attached
**For Manek & Associates**
Chartered Accountants
Firm Registration No. -0126679W

**Shailesh L. Manek**
Proprietor
Membership No- 34925
Mumbai: May 11, 2018

MANEK & ASSOCIATES MUMBAI

For and on behalf of the Board of Directors

**Pankaj Parihar**
Director
(DIN. 06547336)

**Purvi Ambani**
Director
(DIN: 06546129)

**Notes to Financial Statements**

1 **Corporate Information**

Nucleus IT Enabled Services Limited ("the Company") is a public limited company incorporated and domiciled in India and has its registered office at Nucleus House, Saki Vihar Road, Mumbai - 400 072

The Company is engaged in information technology enabled services and provides services to clients both domestic and abroad. Company started the Debt Recovery business during the year.

The financial statements for the year ended March 31, 2018 are approved for issue by the Company's Board of Directors on May 11, 2018.

2 **Significant Accounting Policies**

**Basis of Preparation**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

For all periods upto and including for the financial year ended March 31, 2017, the Company prepared its financial statements in accordance with Accounting Standards specified under Section 133 of the Act read with applicable rules and the relevant provisions of the Act ("Previous GAAP"). The figures for the year ended March 31, 2017 have now been restated as per Ind AS to provide comparability.

These financial statements for the year ended March 31, 2018 are the Company's first Ind AS standalone financial statements. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, "First Time Adoption of Indian Accounting Standards", the date of transition to Ind AS being April 1, 2016. Refer to Note 36 for details of adoption of Ind AS.

These Financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost, except for the following assets and liabilities, which have been measured at fair value:

i. Certain financial assets and liabilities

ii. Defined Benefits Plans- Plan assets

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency and all amounts are rounded off to the nearest hundred (INR 000) upto two decimals, except when otherwise indicated.

**2.1 Property, Plant and Equipment (PPE)**

PPE is recognised 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. PPE (other than Capital Work in-progress) are stated at cost less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. Cost includes for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit and Loss.

**Capital Work-in-progress**

Property, Plant and Equipment which are not ready for intended use on the date of balance sheet are disclosed as capital work-in progress. It is carried at cost, less any recognised impairment loss. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**2.2 Depreciation**

Depreciation on Property, Plant and Equipment (other than Capital Work in-progress) is commenced when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Management. Depreciation is provided on the Written down value Method as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013 or as per technical assessment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

**2.3 Intangible Assets and Amortisation**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis as per Schedule II of Companies Act, 2013. Software is being amortised over a period of ten years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

SUM

**2.4 Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may have been impaired. If any such indication exists, the recoverable amount, which is the higher of its value in use or its fair value less costs of disposal, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

In assessing the 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 for which the estimates of future cash flows have not been adjusted.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but upto the amount that would have been determined, had no impairment loss been recognised for that asset or cash- generating unit. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**2.5 Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value, as reduced by bank overdrafts.

**2.6 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised net of income earned on temporary investments from such borrowings. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

**2.7 Provisions, Contingent Liabilities and Contingent Assets**

Provision is 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 obligation. Provision is not recognised for future operating losses.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, 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. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Provisions, Contingent liabilities and Contingent assets are reviewed at each reporting date and are adjusted to reflect the current best estimate.

**2.8 Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits of a transaction will flow to the Company and the revenue can be reliably measured. 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

**Sale of Services**

Information Technology Enabled Services (ITES) and Software Services Fees - Fees from services rendered of ITES is recognised on services rendered. Software services fees are accounted on its completion and acceptance by the customers. Sales exclude Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of rebates and discounts.

**Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

**2.9 Leases**

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease and based on the substance of the lease arrangement, it is classified as a finance lease or an operating lease.

**Finance Leases:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee

Assets under finance leases are capitalised at the commencement of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments and a liability is created for an equivalent amount. Minimum 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.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

**Operating Leases:**

Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership.

Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental expense is recognised on a straight line basis over the term of the relevant lease.

**2.10 Employee Benefits**

**(i) Short term employee benefits**

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

**(ii) Long-term benefits:**

**Defined Contribution Plan:**

**Provident Fund, Employees State Insurance**

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

- **Defined Benefit Plan:**

**Gratuity:**

The Company has an obligation towards gratuity, a defined benefits retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or Loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

**Compensated absences:**

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Liability is recognized based on number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and loss in the period in which they arise.

**2.11 Taxes on Income**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income-tax Act, 1961 and other tax laws, as applicable.

**Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Current and Deferred Tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**2.12 Earnings Per Share**

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares, if any, outstanding during the year, except where the results would be anti-dilutive.

**2.13 Foreign Currency Transactions**

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

**2.14 Financial Instruments**

Financial assets and Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition:**

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the Financial assets.

**Amortised Cost:**

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through OCI:**

A financial asset shall be classified and measured at FVOCI, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification and Subsequent Measurement: Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Impairment of financial assets:**

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 Company expects to receive, discounted at original effective rate of interest.

**Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**Financial liabilities and equity instruments:**

- Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

- Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by a Company are recognised at the proceeds received.

**Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of:

• the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

• the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18

When guarantee in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognized as cost of investment.

**Derecognition of financial liabilities:**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

**Offsetting:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**2.15 Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods

**Key estimates, assumptions and judgements**

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**Income taxes**

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. Also, Refer Note 37.

**Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisaion for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

**Employee Benefit Plans**

The cost of the defined benefit gratuity plan and other-post employment benefits and the present value of gratuity obligations and compensated absences are determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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**Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for

**Recoverability of Trade Receivables**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment

**Fair Value measurements of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets (Net Assets Value in case of units of Mutual Funds), their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Impairment of Assets**

The Company has used certain judgements and estimates to work out future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets

**Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**2.16 First-time adoption-mandatory exceptions, optional exemptions**

**Overall Principle**

The Company has prepared the opening balance sheet as per Ind AS 101, First Time Adoption of Indian Accounting Standards as of April 1, 2016 (the date of transition) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company. The policy adotpted for the transition to Ind AS is detailed below:

**Significant items are as discussed below:**

**I. Deemed Cost for Property Plant and Equipment and Intangible Assets**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, intangible assets and investment property recognised as of the transition date, that is, as at April 1, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such Property, Plant and Equipment, Intangible Assets and Immovable Property. Accordingly, the Net block as at March 31, 2016 of these assets as per the previous GAAP have been considered as the deemed cost.

**II. Investments in Equity Instruments**

The Company has designated investment in equity shares held at the date of transition as fair value through OCI.

**2.17 Ind AS issued but not effective**

Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new amendments to Ind AS':

**Ind AS 21: The Effects of Changes in Foreign Exchange Rates**

Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration is inserted to clarify the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The Appendix explains that the date of the transaction, for the purpose of determining the exchange rate, to use on the initial recognition of the related asset, expense or income (or part of it) is the date on which the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the date of the transaction is determined for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on its financial statements and the impact is not material.

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**Ind AS 115: Revenue from Contracts with Customers**

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS18 on "Revenue" and Ind AS 11 on "Construction Contracts".

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Further, Ind AS 115, requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Ind AS 115 permits two possible methods of transition:

- Retrospective approach - Under this approach the standard is applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) only to contracts that are not completed contracts on that date. Under this method, cumulative effect is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period.

The effective date for adoption of Ind AS 115 is accounting period beginning on or after April 1, 2018.

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Note 3A:

**Property, Plant and Equipment**

₹ in '000

| Particulars | Furnitures and fixtures | Motor Vehicles | Office and Other Equipments | Computers | Electric Fittings | Total |
|---|---|---|---|---|---|---|
| **(I) Gross Carrying Value** | | | | | | |
| **Balance as at April 1, 2016** | 128.89 | 82.30 | 149.01 | 1,045.86 | 10.51 | 1,406.57 |
| Additions during the year | - | - | | 139.52 | - | 139.52 |
| Deductions/Adjustments during the year | | - | - | - | | - |
| Other Adjustments during the year | - | - | - | | - | - |
| **Balance as at March 31, 2017** | **128.89** | **82.30** | **149.01** | **1,175.38** | **10.51** | **1,546.09** |
| Additions during the year | - | | - | 335.80 | | 335.80 |
| Deductions/Adjustments during the year | | (82.30) | - | - | - | (82.30) |
| Other Adjustments during the year | - | - | - | - | - | |
| **Balance as at March 31, 2018** | 128.89 | - | 149.01 | **1,511.18** | 10.51 | **1,799.59** |
| **(II) Accumulated Depreciation** | | | | | | |
| **Balance as at April 1, 2016** | | | | | | |
| Depreciation expense for the year | - | - | 36.61 | 464.87 | - | 501.49 |
| Deductions/Adjustments during the year | | | | | - | |
| **Balance as at March 31, 2017** | - | - | **36.61** | **464.87** | - | **501.49** |
| Depreciation expense for the year | - | | 20.05 | 261.57 | | 281.62 |
| Deductions/Adjustments during the year | | | - | | - | - |
| **Balance as at March 31, 2018** | - | - | **56.66** | **726.44** | - | **783.10** |
| **Net Carrying Value (I-II)** | | | | | | |
| Balance as at April 1, 2016 | 128.89 | 82.30 | 149.01 | 1,035.86 | 10.51 | 1,405.57 |
| Balance as at March 31, 2017 | 128.89 | 82.30 | 112.39 | 710.51 | 10.51 | 1,044.60 |
| **Balance as at March 31, 2018** | **128.89** | - | **92.35** | **784.74** | **10.51** | **1,016.49** |

Note 3B:

**Capital work-in-progress (Intangible)**

₹ in '000

| Particulars | As at March 31, | As at March 31, | As at April 1, 2016 |
|---|---|---|---|
| Capital work-in-progress (Intangible) | 1,425.72 | - | |
| **Total** | **1,425.72** | - | - |

Note 4:

Investments : Non-current

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Investments measured at Fair Value through Other Comprehensive Income | | | |
| Unquoted | | | |
| Investments in Equity Shares | | | |
| 1,80,000 (As at March 31, 2017 - 1,80,000) Equity shares of Rs. 10 each of Pentation Analytics Private Limited | 99,000.00 | 9,000.00 | |
| Total | 99,000.00 | 9,000.00 | - |

| | | | |
|---|---|---|---|
| Aggregate Amount Of Quoted Investments | | | |
| Aggregate Amount Of Unquoted Investments | 99,000.00 | 9,000.00 | - |
| Aggregate provision made for diminution in value of investments | | | |

Note 5:

Other Financial Assets : Non-current

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Balances with Bank: | | | |
| Margin money with bank (for bank guarantee) | | | |
| Maturities beyond 12 months | 50.00 | 50.00 | 50.00 |
| Total | 50.00 | 50.00 | 50.00 |

Note 6:

Current Tax Assets (net) : Non-current

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Taxes Paid (Net) | 3,363.00 | 1,920.10 | 437.10 |
| Total | 3,363.00 | 1,920.10 | 437.10 |

Note 7:

Other Non-current Assets

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Prepaid Expenses | - | 33.84 | 43.48 |
| Total | - | 33.84 | 43.48 |

Note 8:

Trade Receivables

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Trade Receivables at Amortised Cost | | | |
| Unsecured, considered good | 7,054.32 | 5,902.60 | 7,238.66 |
| Less: Provision for Doubtful Debts | - | - | - |
| Total | 7,054.32 | 5,902.60 | 7,238.66 |

Note: A disputed debt of ₹1900.00(in '000) [Previous years ₹1900.00(in '000)] due from a party. The Company had referred the disputed matter to arbitration and an Award in favour of the Company was received on 17/4/2012 and hence, no provision was made by the Company. However, the party had challenged the Arbitration order in Bombay High Court in July 2012. The said Arbitration application of debtor was allowed recently by the Bombay High Court thereby setting aside the award dtd. 17.04.2012. The company has challenged the order of Bombay High Court before division bench, which is pending for hearing (at admission stage). Further, the Company has also filed winding up petition before Delhi High Court in which Debtor appeared and filed their representation. Now the Company has also filed a rejoinder and argued the matter. Matter is pending for further hearing. The management is confident, based on expert advice, that they have a good case and will recover the amount and hence, there is no need to make any provision.

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**Note 9:**

**Cash and Cash Equivalents**

₹ In '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Balances with Banks** | | | |
| Current Accounts | 258.44 | 762.15 | 560.00 |
| **Cash on hand** | 13.77 | 8.38 | 128.62 |
| **Total** | **272.21** | **770.52** | **688.62** |

**Note 10:**

**Loans : Current**

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Security Deposits (refer note 30) | 2,000.00 | 12,000.00 | 8,000.00 |
| Others | | | |
| Inter Corporate Deposits | 4,100.00 | 30,000.00 | 500.00 |
| Loans to staff | 105.00 | 20.00 | 160.30 |
| **Total** | **6,205.00** | **42,020.00** | **8,660.30** |

Notes : Security Deposit is given to the Holding Company against use of its premises on Leave and Licence basis.

**Note 11:**

**Other Financial Assets**

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Accrued Interest | 54.82 | 45.85 | 38.40 |
| Interest Receivable on Inter Corporate Deposits | 19.72 | 4,513.76 | - |
| Others | 10.17 | 5.00 | - |
| Total | **84.71** | **4,564.60** | **38.40** |

**Note 12:**

**Other Current Assets**

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Others** | | | |
| Input Tax Credit (GST / Service Tax) | 221.10 | 99.54 | 33.85 |
| Prepaid Expenses | 528.78 | 790.31 | 485.95 |
| **Total** | **749.87** | **889.85** | **519.79** |

**Note 13:**

**Equity Share Capital**

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Authorised Share Capital** | | | |
| 5,000,000 Equity Shares at Rs.10/- par value | 50,000.00 | 50,000.00 | 50,000.00 |
| **Total Authorised share Capital** | **50,000.00** | **50,000.00** | **50,000.00** |
| **Issued, Subscribed & Paid Up Share Capital** | | | |
| 3,000,000 Equity Shares at Rs.10/- par value | 30,000.00 | 30,000.00 | 30,000.00 |
| **Total Issued, Subscribed and Paid up Share Capital** | **30,000.00** | **30,000.00** | **30,000.00** |

**Terms/Rights attached to Equity Shares**

i. The Company has only one class of shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

ii. Dividend, if any, is declared and paid in Indian Rupees. Final dividend, If any, proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting except in case of Interim Dividend. However, no dividend is declared on equity shares for the year ended March 31, 2018 and March 31, 2017.

iii. 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 number of equity shares held by shareholders.

**a. Reconciliation of the number of shares outstanding**

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | No. of shares (in '000) | ₹ in '000 | No. of shares (in '000) | ₹ in '000 | No. of shares (in | ₹ in '000 |
| Equity Shares Outstanding at the beginning of the year | 3,000.00 | 30,000.00 | 3,000.00 | 30,000 | 3,000 | 30,000 |
| Changes during the year | - | - | - | - | - | - |
| Equity Shares oustanding at the end of the year | 3,000.00 | 30,000.00 | 3,000.00 | 30,000.00 | 3,000.00 | 30,000.00 |

**b. Shareholders having more than 5% holding**

| Name of the Shareholder | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | No. of shares (in '000) | % Holding | No. of shares (in '000) | % Holding | No. of shares (in '000) | % Holding |
| Asit C Mehta Financial Services Limited | 3,000.00 | 100.00% | 3,000.00 | 100.00% | 3,000 | 100.00% |

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Note 14:

Other Equity

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Retained Earnings** | | | |
| Balance as at the beginning of the year | (83,444.90) | (74,492.68) | |
| **Add:** Net Profit after Tax transferred from the Statement of Profit and Loss | (12,324.50) | (9,045.05) | |
| Other Comprehensive Income for the year | | | |
| Remeasurement gain/(loss) on Defined Benefit Plans (Net of tax) | 67.39 | 92.83 | |
| | (95,702.10) | (83,444.90) | (74,492.68) |
| **Equity Instruments through Other Comprehensive Income** | | | |
| Balance as at the beginning of the year | 5,049.36 | - | - |
| Add/(Less) : Movement during the year | 66,825.00 | 5,049.36 | |
| | 71,874.36 | 5,049.36 | - |
| Total | (23,827.74) | (78,395.54) | (74,492.68) |

**Description of the nature and purpose of Other Equity**

**Retained Earnings** : Retained Earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves, etc., the amount distributed as dividends and adjustments on account of transition to Ind AS. In case of losses, Retained Earnings reflected as negative.

**Equity Instruments through Other Comprehensive Income** : This represents cumulative gains / (losses) arising on the measurement of equity shares (other than subsidiaries and associate) at fair value through other comprehensive income.

Note 15:

Provisions : Non-current

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Provision for employee benefits | | | |
| Gratuity (funded) | - | - | 1,011.94 |
| Leave Encashment (unfunded) | 73.55 | 161.11 | 239.60 |
| Total | 73.65 | 161.11 | 1,251.54 |

Note 16:

Deferred Tax Liabilities (net):

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Deferred Tax Liabilites (net) (Refer Note 29) | 25,388.55 | 2,190.18 | - |
| Total | 25,388.55 | 2,190.18 | - |

Note 17:

Other Non-current liabilities:

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Financial Guarantee Obligation | 570.00 | 570.00 | 570.00 |
| Total | 570.00 | 570.00 | 570.00 |

**Note 17:**

**Other Non-current liabilities:**

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Financial Guarantee Obligation | 570.00 | 570.00 | 570.00 |
| **Total** | **570.00** | **570.00** | **570.00** |

**Note 18:**

**Borrowings : Current**

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Loans repayable on demand- | | | |
| **From Banks - Secured** | | | |
| Overdraft from Bank of India | 56,025.37 | 56,713.60 | 56,964.38 |
| (Secured against the FDR pledged with BANK of India, Stock Exchange Br.) | | | |
| ( Security provided by M/s. Asit C. Mehta Investment Intermediates Ltd., a fellow subsidiary) | | - | |
| ( Rate of Interest 3.7% above Term Deposit rate, P.Y. 1.5%)) | | - | |
| **From Other Parties- Unsecured** | | | |
| Inter Corporate Deposit | 26,780.95 | 53,000.00 | 2,969.16 |
| (Repayable on Demand and Rate of Interest from 11% to 13.5%, (P.Y. from 11% to 15%)) | | | |
| **Total** | **82,806.32** | **1,09,713.60** | **59,933.54** |

Note : The Company has sanctioned limit of Cash Credits, Letter of Credits, Bank Gaurantees etc., from banks. The Company has availed such credit facilities during the year.

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Sanctioned Limit of Bank Overdraft | 57,000.00 | 57,000.00 | 57,000.00 |
| **Total** | **57,000.00** | **57,000.00** | **57,000.00** |

**Note 19:**

**Trade Payables**

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Due to Micro, Small and Medium enterprises | - | - | - |
| Due to Others | 691.10 | 551.15 | 974.46 |
| **Total** | **691.10** | **551.15** | **974.46** |

The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2007 ("MSMED Act"), and therefore no such disclosures under the Act is considered necessary. This has been relied upon by the auditors

| Amounts payable to Micro and Small Enterprises | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| (i) The principal amount and the interest due thereon | Nil | Nil | Nil |
| (ii) Interest Paid during the year | Nil | Nil | Nil |
| (iii) The amount of interest due and payable for the period of delay in making payment | Nil | Nil | Nil |
| (iv) The amount of interest accrued and remaining unpaid | Nil | Nil | Nil |
| (v) The amount of further interest remaining due and payable | Nil | Nil | Nil |

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Note 20:

**Other Financial Liabilities : Current**

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Interest Accrued | 1,175.24 | 74.30 | 86.30 |
| **Total** | **1,175.24** | **74.30** | **86.30** |

Note 21:

**Other Current Liabilities**

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Other Payables | | | |
| Other Statutory Dues | 2,112.98 | 1,049.17 | 673.54 |
| Due to Fellow subsidiary | - | | 48.76 |
| Total | **2,112.98** | **1,049.17** | **722.30** |

Note 22:

**Provisions : Current**

₹ in '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| For employee benefits : | | | |
| Provision for Gratuity | 166.71 | 141.62 | 33.71 |
| Provision for Leave Encashment | 64.51 | 140.54 | 3.75 |
| Total | **231.23** | **282.16** | **37.46** |

**Note 23:**

**Revenue From Operations**

₹ In '000

| **Particulars** | **For the year ended March 31, 2018** | **For the year ended March 31, 2017** |
|---|---|---|
| **Sale of Service** | | |
| Fees from Back office function - Domestic | 19,726.87 | 25,916.06 |
| Fees from Back office function - Exports | 2,659.46 | 7,635.27 |
| Fees from Debt Recovery Services | 4,381.68 | - |
| Out of pocket expenses | 226.43 | 119.51 |
| **Total** | **26,994.44** | **33,670.84** |

**Note 24:**

**Other Income**

₹ In '000

| **Particulars** | **For the year ended March 31, 2018** | **For the year ended March 31, 2017** |
|---|---|---|
| **Interest** | | |
| Interest | 206.57 | 5,098.52 |
| Interest on Income Tax Refund | - | 19.18 |
| Miscellaneous Income | 93.06 | - |
| **Other Non-operating Income** | | |
| Excess provision of Gratuity written back | - | 771.66 |
| **Total** | **299.62** | **5,889.36** |

**Note 25:**

**Employee Benefits Expense**

₹ In '000

| **Particulars** | **For the year ended March 31, 2018** | **For the year ended March 31, 2017** |
|---|---|---|
| Salaries, Wages and Bonus | 13,887.28 | 18,484.81 |
| Contribution to Provident and Other funds | 1,191.17 | 1,624.92 |
| Staff Welfare | 400.91 | 347.32 |
| Leave Encashment | 61.38 | 146.88 |
| Training Expenses | 71.97 | - |
| Gratuity | 115.86 | - |
| **Total** | **15,728.56** | **20,603.93** |

**Note 26:**

**Finance Costs**

₹ in '000

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|---|---|
| Interest Expense | 8,228.60 | 11,299.32 |
| Other borrowing cost- Bank Charges | 22.11 | 26.95 |
| Amortisation of Guarantee Commission | 114.00 | 114.00 |
| **Total** | **8,364.71** | **11,440.27** |

**Note 27:**

**Other Expenses**

₹ in '000

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|---|---|
| Leave and Licence fees | 8,796.00 | 9,366.00 |
| Rates and Taxes | 18.98 | 23.19 |
| Travelling and Conveyance | 93.15 | 346.28 |
| Electricity Exp. | 1,558.81 | 1,771.40 |
| Legal and Professional Fees | 1,847.97 | 1,379.40 |
| Repairs and Maintenance - Others | 554.42 | 271.17 |
| Insurance Exp. | 291.04 | 96.70 |
| Auditors Remuneration | | |
| Audit fees | 210.00 | 210.00 |
| Tax Audit fees | 50.00 | 50.00 |
| Office Expenses | 759.39 | 702.74 |
| Printing and Stationery | 110.19 | 247.03 |
| Computer Hiring Charges | 28.79 | 727.84 |
| Miscellaneous Exp. | 925.05 | 844.91 |
| **Total** | **15,243.78** | **16,036.66** |

Sd/-

Note 28:

Disclosure pursuant to Ind AS 12 on "Income Taxes"

A. Components of Tax Expenses/(Income)

₹ in '000

| a. Profit or Loss Section | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|---|---|
| Current Tax | - | - |
| Deferred Tax | - | - |
| Short /(Excess) provision for earlier years | - | 22.90 |
| **Income Tax Expense reported in the statement of Profit or Loss** | - | **22.90** |

₹ in '000

| b. Other Comprehensive Income Section | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|---|---|
| Remeasurements of Defined Benefit Plans | (23.37) | 39.54 |
| Effect of measuring Equity Instruments on Fair Value | (23,175.00) | 2,151 |
| **Income Tax Expense reported in Other Comprehensive Income** | **(23,198.37)** | **2,190.18** |

B.

Reconciliation of Income Tax Expense/(Income) and Accounting Profit multiplied by domestic tax rate applicable in India

₹ in '000

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|---|---|
| Profit (loss) before Tax | (12,324.60) | (9,022.15) |
| Corporate Tax rate as per Income Tax Act, 1961 | 25.75% | 29.87% |
| Tax on Accounting Profit * | - | - |
| **Tax effect of :** | | |
| Income Exempt from Tax | - | - |
| Income considered separately | - | - |
| Expenses Allowed separately | - | - |
| **Current Tax Provision (A)** | - | - |
| Deferred Tax Liability recognised | - | - |
| Deferred Tax Asset recognised | - | - |
| **Explanation for change in applicable tax rate** | | |
| **Deferred Tax (B)** | - | - |
| **Adjustments in respect of current income tax of previous years (C )** | | 22.90 |
| **Tax expenses recognised during the year (A+B+C)** | - | 22.90 |
| **Effective tax rate** | 0.00% | 0.00% |

* In view of loss, Tax on Accounting Profit is Nil for the year ended March 31, 2018 and March 31, 2017.

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**C. Deferred Tax**

**2017-18**

**Components and Reconciliation of Deferred Tax (Assets)/Liabilities**

₹ in '000

| Particulars | Opening Balance | Recognised in Profit or Loss | Recognised in Other Comprehensive Income | Closing Balance |
|---|---|---|---|---|
| Fair Valuation of Financial Assets | (2,150.64) | - | (23,175.00) | (25,325.64) |
| Net loss/(gain) on remeasurements of defined benefit plans | (39.54) | - | (23.37) | (62.91) |
| **Total** | **(2,190.18)** | - | **(23,198.37)** | **(25,388.55)** |

**2016-17**

**Components and Reconciliation of Deferred Tax (Assets)/Liabilities**

₹ in '000

| Particulars | Opening Balance | Recognised in Profit or Loss | Recognised in Other Comprehensive Income | Closing Balance |
|---|---|---|---|---|
| Fair Valuation of Financial Assets | - | - | (2,150.64) | (2,150.64) |
| Net loss/(gain) on remeasurements of defined benefit plans | - | - | (39.54) | (39.54) |
| **Total** | - | - | **(2,190.18)** | **(2,190.18)** |

Sd/-

**Note 29:**

**Employee Benefits**

The Company has classified various Employee Benefits as under :

**A. Defined Contribution Plans**

i Provident Fund

ii Employees' State Insurance Scheme

The Provident Fund and Employees' State Insurance Scheme are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

₹ In '000

The Company has recognised the following amounts in the Statement of Profit and Loss :

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Contribution to Provident Fund | 640.76 | 884.17 |
| Contribution to Employees' State Insurance Scheme | 484.22 | 631.91 |
| TOTAL | 1,125 | 1,516 |

**B. Defined Benefit Plans**

**Gratuity**

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

| | Particulars | Valuation as at | | |
|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| i. | Discount Rate (per annum) | 7.67% | 7.44% | 8.00% |
| ii. | Rate of increase in Compensation levels (per annum) | 6.50% | 6.50% | 5.00% |
| iii. | Attrition Rate | 1% for all ages | 1% for all ages | 1% for all ages |
| iv. | Retirement Age | 58years | 58years | 58years |

v. The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

vi. The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

vii. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

viii. Gratuity fund asset is managed by Kotak Life insurance has funding ratio of 100% (i.e. asset over liability ratio), which is on the top when compared to other companies,hence there is no material risk of the Company unable to meet the Gratuity payments.

**Note on other risks:**

**Investment risk** - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Interest Risk** –A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset

**Salary risk** -The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

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₹ in '000

| | Particulars | Year ended March 31, 2018<br>Gratuity Funded | Year ended March 31, 2017<br>Gratuity Funded |
|---|---|---|---|
| i. | **Changes in Present value of Obligation** | | |
| | Present value of defined benefit obligation at the beginning of the year | 1230.28 | 1045.65 |
| | Current Service Cost | 118.53 | 239.09 |
| | Interest Cost | 78.32 | 87.14 |
| | Actuarial (Gains)/Loss on obligation | (121.82) | (98.82) |
| | Actuarial (gains)/ losses arising from changes in demographic assumption | | |
| | Actuarial (gains)/ losses arising from changes in financial assumption | | |
| | Actuarial (gains)/ losses arising from changes in experience adjustment | | |
| | Past Service cost - Vested Benefits | | |
| | Benefits Paid | (355.10) | (37.78) |
| | Present value of defined benefit obligation at the end of the year | 950.22 | 1230.28 |
| ii. | **Fair value of Plan Assets** | | |
| | Fair value of plan assets at the beginning of the year | 1088.67 | 1011.94 |
| | Interest Income | 81.00 | 80.96 |
| | Return on Plan Assets excl. Interest Income | (31.06) | 33.55 |
| | Actuarial Gain/(Loss) | | - |
| | Employer's Contributions | - | - |
| | Benefits Paid | (355.10) | (37.78) |
| | Fair value of plan assets at the end of the year | 783.51 | 1088.67 |
| iii. | **Amount to be recognised in the Balance Sheet and Statement of Profit and Loss Account** | | |
| | PVO at end of period | 950.22 | 1230.28 |
| | Fair Value of Plan Assets at end of period | 783.51 | 1088.67 |
| | Funded Status | (166.71) | (141.62) |
| | Net Assets/(Liability) recognised in the Balance Sheet | (166.71) | (141.62) |
| iv. | **Net Benefit (Asset) /Liability** | | |
| | Defined benefit obligation at beginning of period | 1230.28 | 1045.65 |
| | Fair value of plan assets at beginning of period | 1088.67 | 1011.94 |
| | Net Benefit Asset /(Liability) | 141.62 | 33.70 |
| v. | **Net Interest Cost for Current Period** | | |
| | Interest Cost | 78.32 | 87.14 |
| | (Interest Income) | 81.00 | 80.96 |
| | Net Interest Cost for Current Period | (2.67) | 1.19 |
| vi. | **Return on plan assets** | | |
| | Actual Return on plan assets | 49.94 | 114.51 |
| | Interest Income included in above | 81.00 | 80.96 |
| | Return on plan assets excluding interest income | (31.06) | 33.55 |
| vii. | **Expenses recognised in the Statement of Profit and Loss** | | |
| | Current Service Cost | 118.53 | 239.09 |
| | Interest cost on benefit obligation (net) | (2.67) | 1.19 |
| | Total Expenses recognised in the Statement of Profit and Loss | 115.86 | 240.28 |
| viii. | **Remeasurement Effects Recognised in Other Comprehensive Income for the year** | | |
| | Actuarial (gains)/ losses arising from changes in demographic assumption | - | - |
| | Actuarial (gains)/ losses arising from changes in financial assumption | (31.40) | 97.67 |
| | Actuarial (gains)/ losses arising from changes in experience adjustment | (90.41) | (196.48) |
| | Return on plan asset excluding net interest | 31.06 | (33.55) |
| | Recognised in Other Comprehensive Income | (90.76) | (132.37) |

SUM

| | | | |
|---|---|---|---|
| ix. | **Movements in the Liability recognised in Balance Sheet** | | |
| | Opening Net Liability | 141.62 | 33.71 |
| | Adjustment to opening balance | | - |
| | Expenses as above | 115.86 | 240.28 |
| | Contribution paid | - | |
| | Other Comprehensive Income (OCI) | (90.76) | (132.37) |
| | Closing Net Liability | 166.71 | 141.62 |
| x. | **Cash flow Projection: From the Fund** | | |
| | Within the next 12 months (next annual reporting period) | 16.97 | 71.40 |
| | 2nd following year | 31.75 | 33.77 |
| | 3rd following year | 48.43 | 51.17 |
| | 4th following year | 66.59 | 71.87 |
| | 5th following year | 96.09 | 94.57 |
| | Sum of Years 6 To 10 | 903.73 | 1143.96 |
| xi. | **Sensitivity Analysis** | | |
| | Projected Benefit Obligation on Current Assumptions | | |
| | Delta Effect of +1% Change in Rate of Discounting | 829.23 | 1063.45 |
| | Delta Effect of -1% Change in Rate of Discounting | 1096.17 | 1436.44 |
| | Delta Effect of +1% Change in Rate of Salary Increase | 1097.30 | 1436.32 |
| | Delta Effect of -1% Change in Rate of Salary Increase | 827.93 | 1060.69 |
| xii. | **The major categories of plan assets as a percentage of total** | | |
| | Insurer managed funds | | - |

**Note on Sensitivity Analysis**

Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year.

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**Note 30:**

**Disclosures of transactions with related parties required under Ind AS 24 on "Related Party Disclosures"**

**A. List of Related Parties with whom transactions have taken place during the year**

(I) **Holding Company :**

Asit C Mehta Financial Services Limited

(II) **Key Management Personnel (KMP):**

| | |
|---|---|
| Mr. Pankaj Parmar | - Director |
| Ms. Purvi Ambani | - Director |
| Mr. Tushar Kapadia | - Director |

(III) **Other Related party:**

**Fellow Subsidiary**

Asit C Mehta Investment Intermediates Limited

**B. Transactions With Related Parties** ₹ in '000

| | Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|---|---|---|
| | **Leave & Licence fees paid** | | |
| i. | Asit C. Mehta Financial Services Limited | 8,796.00 | 9,366.00 |
| | **Interest paid** | | |
| i. | Asit C. Mehta Financial Services Limited | 1,196.03 | 53.53 |
| | Asit C. Mehta Investment Intermediates Limited | 1,108.47 | 4,131.86 |
| | **Reimbursement of Expenses - Paid** | | |
| . | **Asit C. Mehta Financial Services Limited** | | |
| | Electricity Expenses | - | 280.82 |
| | Internet Charges | - | 0.86 |
| | Stamp Duty Charges | 9.75 | 9.75 |
| i | **Asit C. Mehta Investment Intermediates Limited** | | |
| | Internet Charges | - | 2.70 |
| | Printing & Stationery Expenses | - | 12.82 |
| | **Guarantee Commission Charges** | | |
| | Asit C Mehta Investment Intermediates Limited | 114.00 | 114.00 |
| | **Back office Income** | | |
| | Asit C Mehta Investment Intermediates Limited | 989.25 | 1,809.85 |

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C. Outstanding Balances

₹ in '000

| | PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|---|
| | Inter-corporate loan taken | | | |
| i. | Asit C. Mehta Financial Services Limited | 67,060.00 | 10,175.00 | 53,875.34 |
| ii | Asit C. Mehta Investment Intermediates Limited | 34,400.00 | 2,03,000.00 | 3,100.00 |
| | Inter-corporate loan repaid | | | |
| i. | Asit C. Mehta Financial Services Limited | 55,779.05 | 12,809.12 | 57,905.86 |
| ii | Asit C. Mehta Investment Intermediates Limited | 87,400.00 | 1,50,000.00 | 3,100.00 |
| | Additional Deposit for Office Premises- | | | |
| i. | Asit C. Mehta Financial Services Limited | - | 4,000.00 | |
| | Closing balance payable | | | |
| i. | Asit C. Mehta Investment Intermediates Limited | - | 53,000.00 | 63.58 |
| ii | Asit C. Mehta Financial Services Limited | 11,280.95 | 9.75 | 3,075.15 |
| | Closing balance receivable | | | |
| i. | Asit C. Mehta Financial Services Limited (towards lease deposit) | 2,000.00 | 12,000.00 | 8,000.00 |

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances on account of trade receivable, trade payable, other receivable, other payable and interest receivable on loan at the year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received in respect of outstanding receivables or payables from/to any related party. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates

**Note 31:**

**Earnings Per Share (EPS)**

₹ in '000

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders | (12,325) | (9,045) |
| Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS | 30,00,000 | 30,00,000 |
| Face Value per Equity Share | 10 | 10 |
| Basic and Diluted Earnings per Share | (4.11) | (3.02) |

**Note 32:**

**Leases**

**a. Rental Expenses Relating to Operating Leases**

₹ in '000

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|---|---|
| Minimum Lease payments | 8,796.00 | 9,366.00 |

**b. General description of the leasing arrangement:**

i. Future lease rentals are determined on the basis of agreed terms

ii. At the expiry of the lease term, the Company has an option either to vacate the asset or extend the term by giving notice in writing

iii. The Company has three Leave and licence arrangement in respect of Office Premises with its holding company. Two arrangements are for a period of five years and one arrangement is for the period of three year, all are renewable for further period with mutual consent. Under the arrangement, refundable interest free security deposit is given and the arrangement is on a cancellable operating lease

**Note 33:**

**Financial Instruments**

The fair values of the financial assets and liabilities are defined as 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.

**Valuation**

The fair values of investment in quoted equity shares is based on the current bid price of respective investment as at the Balance Sheet date.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Fair Value measurement hierarchy**

The fair value of financial instruments as referred below have been classified into three categories depending on the inputs used in the valuation technique.

The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are :

**Level 1** - This hierarchy uses quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3** - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The carrying amounts and fair values of financial instruments by class are as follows:

₹ in '000

| Particulars | As at March 31, 2018 | | | | As at March 31, 2017 | | | | As at April 1, 2016 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Carrying Amounts | Fair Value | | | Carrying Amounts | Fair Value | | | Carrying Amounts | Fair Value | | |
| | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 |
| **Financial Assets** | | | | | | | | | | | | |
| Measured at Amortised Cost | | | | | | | | | | | | |
| Loans | 6,205.00 | | | | 42,020.00 | | | | 8,660.30 | | | |
| Trade Receivable | 7,054.32 | | | | 5,902.60 | | | | 7,238.66 | | | |
| Cash and Bank Balance | 272.21 | | | | 770.52 | | | | 688.62 | | | |
| Others | 134.71 | | | | 4,614.60 | | | | 88.40 | | | |
| | 13,666.23 | - | - | - | 53,307.73 | - | - | - | 16,675.98 | - | - | - |
| Measured at Fair Value through Other Comprehensive Income | | | | | | | | | | | | |
| Investment in equity instruments | 99,000.00 | - | | 99,000.00 | 9,000.00 | - | | 9,000.00 | | - | | |
| **Total Financial Assets** | **1,12,666.23** | - | - | **99,000.00** | **62,307.73** | - | - | **9,000.00** | **16,675.98** | - | - | - |
| **Financial Liabilities** | | | | | | | | | | | | |
| Measured at Amortised Cost | | | | | | | | | | | | |
| Borrowing | 82,806.32 | | | | 1,09,713.60 | | | | 59,933.54 | | | |
| Trade Payables | 691.10 | | | | 551.15 | | | | 974.46 | | | |
| Others | 1,175.24 | | | | 74.30 | | | | 86.30 | | | |
| **Total Financial Liabilities** | **84,673** | - | - | - | **1,10,339** | - | - | - | **60,994** | - | - | - |

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Note 34:

**Capital Management and Financial Risk Management Policy**

**A. Capital Management**

For the purpose of the Company's Capital Management, Capital includes issued Equity Capital and all Other Reserves attributable to the Equity shareholders of the Company. The Primary objective of the Company's Capital Management is to maximise the shareholders' value. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholder's value. The Company monitors capital using debt equity ratio as its base, which is total debt divided by total equity

**1. Debt Equity Ratio - Total Debt divided by Total Equity** ` In '000

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Total Debt | 82,806.32 | 1,09,719.60 | 59,933.54 |
| Total Equity | 6,177.26 | (48,395.54) | (44,492.68) |
| Debt Equity Ratio | 13.42 | (2.27) | (1.35) |

**B. Financial Risk Management and Policies**

The Company's Financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the Company's Board. The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations in select instances. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations and investments. The company is exposed to market risk, credit risk, liquidity risk etc. The objective of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital.

Company has exposure to following risk arising from financial instruments

Credit risk

Market risk

Liquidity risk

i. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments in units of mutual funds, other balances with banks, deposits and other receivables.

a. Trade Receivable

Customer credit risk is managed by Company's established policy, procedure and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored

ii. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial Instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.The Company has designed risk management framework to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

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The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar.
The carrying amount of the Company's foreign currency denominated monetary assets as at the end of the reporting period is as follows :

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | Amount in Foreign currency ( in '000) | Amount (₹ in '000) | Amount in Foreign currency ( in '000) | Amount (₹ in '000) | Amount in Foreign currency ( in '000) | Amount (₹ in '000) |
| Receivable USD | - | - | 20.70 | 1,347.35 | 23.74 | 1,574.70 |

Particulars of un-hedged foreign currency asset / liability as at the end of the reporting period is as follows :

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | Amount in Foreign currency ( in '000) | Amount (₹ in '000) | Amount in Foreign currency ( in '000) | Amount (₹ in '000) | Amount in Foreign currency ( in '000) | Amount (₹ in '000) |
| Payable USD | - | - | 20.70 | 1,342.35 | 23.74 | 1,574.70 |

**Foreign currency sensitivity:**
The following table demonstrates the sensitivity to a 5% increase/decrease in foreign currencies exchange rates, with all other variables held constant.
5% increase or decrease in foreign exchange rate will have the following impact on before profit before tax and impact on equity.

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | 5% increase | 5% decrease | 5% increase | 5% decrease |
| Impact on Profit and Loss | | | | |
| USD | - | - | (67.12) | 67.12 |
| Total | 0.00 | (0.00) | (67.12) | 67.12 |

**Note 35:**

**Information on Segment Reporting as per Ind AS 108 on "Operating Segments"**

Operating Segments are those components of business whose operating results are regularly reviewed by the Chief Operating Decision making body in the Company to make decisions for performance assessment and resource allocation.

During the year, the Company was engaged in the business of Information Technology Enabled Services (ITES), which is the only operating segment as per Ind AS 108.

**Geographical Information :** ₹ in '000

| Particulars | As at March 31, 2018 | | | As at March 31, 2017 | | |
|---|---|---|---|---|---|---|
| | Revenue from Customers by location | Carrying Amount of Segment Assets by Location | Addition to Fixed Assets | Revenue from Customers by location | Non Current Assets | Addition to Fixed Assets |
| Domestic | 24,334.98 | 1,19,221.31 | 335.80 | 26,035.57 | 66,196.13 | 139.52 |
| Overseas | 2,659.46 | - | | 7,635.27 | - | - |
| Total | 26,994.44 | 1,19,221.31 | 335.80 | 33,670.84 | 66,196.13 | 139.52 |

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**Note 36:**

**Disclosure pursuant to Ind AS 101 on "First-time Adoption of Indian Accounting Standards"**

A. Effect of Ind AS adoption on Balance Sheet as at April 1, 2016 and March 31, 2017

₹ in '000

| Particulars | As at March 31, 2017 | | | As at April 1, 2016 | | |
|---|---|---|---|---|---|---|
| | Previous GAAP | Effect of transition to Ind AS | Ind AS | Previous GAAP | Effect of transition to Ind AS | Ind AS |
| **ASSETS** | | | | | | |
| **Non-Current Assets** | | | | | | |
| (a) Property, Plant and Equipment | 1,044.60 | - | 1,044.60 | 1,406.57 | - | 1,406.57 |
| (b) Intangible assets | - | - | - | | - | - |
| (c) Financial Assets | | | | | | |
| (i) Loans | 14,003.94 | (14,003.94) | - | 530.57 | (530.57) | - |
| (ii) Investments | 1,800.00 | 7,200.00 | 9,000.00 | | | |
| (iii) Others | - | 50.00 | 50.00 | - | 50.00 | 50.00 |
| (d) Non-Current Tax Assets | - | 1,920.10 | 1,920.10 | - | 437.10 | 437.10 |
| (e) Other non-current assets | 1,900.04 | (1,866.20) | 33.84 | 1,900.04 | (1,856.56) | 43.48 |
| **Sub-total** | **18,748.58** | **(6,700.04)** | **12,048.54** | **3,837.18** | **(1,900.04)** | **1,937.14** |
| **Current Assets** | | | | | | |
| (a) Financial Assets | | | | | | |
| (i) Trade receivables | 4,002.56 | 1,900.04 | 5,902.60 | 5,348.62 | 1,900.04 | 7,238.66 |
| (ii) Cash and cash equivalents | 770.52 | - | 770.52 | 688.62 | - | 688.62 |
| (iii) Loans | 30,572.85 | 11,447.15 | 42,020.00 | 8,724.09 | (63.79) | 8,660.30 |
| (iv) Others Financial Assets | | 4,564.60 | 4,564.60 | | 38.40 | 38.40 |
| (b) Other current assets: | 4,559.60 | (3,669.75) | 889.85 | 38.40 | 481.39 | 519.79 |
| **Sub-total** | **39,905.54** | **14,242.04** | **54,147.58** | **14,789.74** | **2,356.04** | **17,145.78** |
| [redacted] | | | | | | |
| **EQUITY AND LIABILITIES** | | | | | | |
| **Equity** | | | | | | |
| (a) Equity Share capital | 30,000.00 | | 30,000.00 | 30,000.00 | - | 30,000.00 |
| (b) Other Equity | (83,177.36) | 4,781.82 | (78,395.54) | (74,378.68) | (114.00) | (74,492.68) |
| **Sub-total** | **(53,177.36)** | **4,781.82** | **(48,395.54)** | **(44,378.68)** | **(114.00)** | **(44,492.68)** |
| **LIABILITIES** | | | | | | |
| **Non-Current Liabilities** | | | | | | |
| (a) Financial Liabilities | | | | | | |
| (i) Provisions | 161.11 | - | 161.11 | 1,251.54 | - | 1,251.54 |
| (b) Other non-current liabilities | - | 570.00 | 570.00 | - | 570.00 | 570.00 |
| (c) Deferred tax liabilities | | 2,190.18 | 2,190.18 | - | | - |
| **Sub-total** | **161.11** | **2,760.18** | **2,921.29** | **1,251.54** | **570.00** | **1,821.54** |
| **Current Liabilities** | | | | | | |
| (a) Financial Liabilities | | | | | | |
| (i) Borrowings | 1,09,713.60 | - | 1,09,713.60 | 59,933.54 | - | 59,933.54 |
| (ii) Trade payables | 551.15 | - | 551.15 | 974.46 | - | 974.46 |
| (iii) Other financial liabilities | - | 74.30 | 74.30 | - | 86.30 | 86.30 |
| (b) Other Current Liabilities | 1,123.47 | (74.30) | 1,049.17 | 808.60 | (86.30) | 722.30 |
| (c) Provisions | 282.16 | - | 282.16 | 37.46 | - | 37.46 |
| **Sub-total** | **1,11,670.38** | - | **1,11,670.38** | **61,754.05** | - | **61,754.05** |
| TOTAL LIABILITIES | 1,11,831.49 | 2,760.18 | 1,14,591.66 | 63,005.60 | 570.00 | 63,575.60 |
| [redacted] | | | | | | |

B. C.H

B. Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

₹ in '000

| Particulars | previous GAAP* | Effect of transition to | Ind AS |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | 33,670.84 | - | 33,670.84 |
| Other Income | 6,021.72 | (132.37) | 5,889.36 |
| Total Income | **39,692.56** | **(132.37)** | **39,560.19** |
| **EXPENSES** | | | |
| Employee benefits expense | 20,603.93 | - | 20,603.93 |
| Finance costs | 11,326.27 | 114.00 | 11,440.27 |
| Depreciation and amortisation expense | 501.49 | | 501.49 |
| Other expenses | 16,036.66 | - | 16,036.66 |
| **Total expenses** | **48,468.34** | **114.00** | **48,582.34** |
| **Profit/(loss) before exceptional items and tax** | - | | - |
| **Profit/(loss) before tax** | **(8,775.78)** | **(246.37)** | **(9,022.15)** |
| Tax expense | | | |
| Current Tax | | - | |
| Deferred Tax | | | |
| - Prior year tax adjustment | | - | |
| MAT Credit | (22.90) | - | (22.90) |
| **Total Tax Expense** | (22.90) | - | (22.90) |
| **Profit/(loss) for the period** | **(8,798.68)** | **(246.37)** | **(9,045.05)** |
| **Other Comprehensive Income** | | | |
| **Items that will not be reclassified subsequently to profit or loss :** | | | |
| Re-measurement gains/ (losses) on defined benefit plans | - | 132.37 | 132.37 |
| Net (loss)/gain on FVTOCI of Equity securities | - | 7,200.00 | 7,200.00 |
| Income tax effect | - | (2,190.18) | (2,190.18) |
| **Other comprehensive income for the year, net of tax** | - | **5,142.19** | **5,142.19** |
| **Total comprehensive income for the year** | (8,798.68) | 4,895.82 | (3,902.86) |

C. Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017:

₹ in '000

| Particulars | previous GAAP | Effect of transition to | Ind AS |
|---|---|---|---|
| Net cash flows from operating activities | (41,558.96) | 122.90 | (41,436.06) |
| Net cash flows from investing activities | 3,159.00 | 19.17 | 3,178.17 |
| Net cash flows from financing activities | 38,481.87 | (142.08) | 38,339.79 |
| Net increase in cash and cash equivalents | 81.91 | - | 81.91 |
| Cash and cash equivalents as on April 1, 2016 | 688.62 | - | 688.62 |
| Cash and cash equivalents as on March 31, 2017 | 770.53 | - | 770.53 |

Sum

**D. Statement of reconciliation of Total Equity reported under Indian GAAP and under Ind AS**

₹ in '000

| Particulars | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|
| **Total Equity as per previous GAAP** | (53,177.36) | (44,378.68) |
| Ind AS Adjustments : | | |
| Amortisation of Financial Guarantee | (228.00) | (114.00) |
| P&L Ind AS Adjustment for the year | (132.37) | - |
| Remeasurements of Defined Benefit Plans (net of tax) | 92.83 | - |
| Effect of measuring Equity Instruments on Fair Value (net of tax) | 5,049.36 | - |
| **Total Ind AS Adjustments** | 4,781.82 | (114.00) |
| **Total Equity as per Ind AS** | (48,395.54) | (44,492.68) |

**E. Statement of reconciliation of Total Comprehensive Income for the year ended March 31, 2017**

₹ in '000

| Particulars | For the year ended March 31, 2017 |
|---|---|
| **Net Profit as per Previous GAAP** | (8,798.68) |
| **Add /(Less) : Adjustments in Statement of Profit and Loss** | |
| a. Financial Guarantee Expenses | (114.00) |
| b. Remeasurement [(gain)/loss] on the Defined Benefit Plans (Net of Tax) | (132.37) |
| Total effect of transition to Ind AS | (246.37) |
| **Net profit as per Ind AS** | **(9,045.05)** |
| Other Comprehensive Income (Net of Tax) | 5,142.19 |
| **Total Comprehensive Income** | **(3,902.86)** |

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**F Notes to the Reconciliation**

**1 Defined Benefit Plans**

Under previous GAAP, actuarial gains and losses were recognised Statement of profit and loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability/ asset, are recognised in the Other Comprehensive Income instead of profit or loss. Consequently, the tax effect of the same has also been recognised in Other Comprehensive Income under Ind AS instead of Profit and Loss.

**2 Non-Current Investments**

The Company has valued investment in Equity shares (other than investment in subsidiaries, associate and joint ventures which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Other Comprehensive Income.

**3 Property,Plant and Equipment**

The company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and intangibles as recognised in the Financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

**4 Financial Guarantee Expenses**

The Company has received the guarantee from its fellow subsidiary for availing overdraft facility from Bank and the same was not accounted under IGAAP as there was no accounting standard requirement. However, Financial guarantee contracts have been recognised at fair value at the inception in accordance with Ind AS 109 along with accrued guarantee charges.

As per our report of even date attached
For **Manek & Associates**
Chartered Accountants
Firm Registration No. -0126679W

**Shailesh L. Manek**
Proprietor
Membership No. 34925
Mumbai: May 11, 2018

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM No 126679W MUMBAI-57

For and on behalf of the Board of Directors

**Pankaj Parmar**
Director
[DIN: 06547336]

**Purvi Ambani**
Director
[DIN: 06546129]