

VRUNDAVAN SHALBY HOSPITALS LIMITED

ANNUAL ACCOUNTS

2017-2018

G. K. Choksi & Co.

Chartered Accountants

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.
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INDEPENDENT AUDITOR'S REPORT

To,
The Members,
VRUNDAVAN SHALBY HOSPITALS LIMITED
Ahmedabad.

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **VRUNDAVAN SHALBY HOSPITALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Change in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS financial statements').

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 Ind AS 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 Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including Ind AS, of the financial position of the company as at 31st March, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

We draw your attention to Note 33 with regard to preparation of the financial statements of the company on the assumption that the company is no longer a going concern in view of the circular resolution passed by the Board of Directors on 9th January, 2018 resolving to cease the business operations with immediate effect at both the hospitals located at Mapusa and Panjim since the same is financially not viable.

Our opinion is not modified in respect of the said matter.

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 paragraphs 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 appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rules issued thereunder.
 - (e) On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 pending litigations which would impact its financial position (refer note 34).
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants



J. D. Patel
J. D. PATEL
Partner

Mem. No. 32780

Place : Ahmedabad

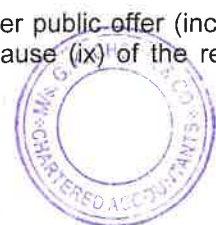
Date : - 5 MAY 2018

ANNEXURE - A to the Independent Auditors' Report of even date on Ind AS financial statements of VRUNDAVAN SHALBY HOSPITALS LIMITED

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals having regard to size of company and nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company doesn't have any inventory and hence reporting under clause (ii) of CARO, 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained u/s.189 of the Companies Act, 2013. Accordingly, the provisions of clause (iii) of the Order are applicable to the Company.
- (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, investments, guarantees and securities..
- (v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause (v) of the Order are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section (1) of Section 148 of the Companies Act, 2013.
- (vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31st March, 2018 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at 31st March, 2018, except as under:

Name of the Statute	Nature of Dues	₹ in Million	Period to which the amount relates	Forum where dispute is pending
Sales Tax	Demand Notice issued by Sales Tax Department	1.09	F.Y. 2011-2012	Assistant Commissioner of Commercial Tax
Sales Tax	Demand Notice issued by Sales Tax Department	2.26	F.Y. 2013-2014	Assistant Commissioner of Commercial Tax
TDS	TDS demand	0.52	F.Y. 2007-08 to 2015-16	Department of Income Tax

- (viii) According to the information and explanations given to us, the Company has not borrowed any funds from financial institutions and banks and by way of Debentures. Accordingly the clause (xiii) of the report is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year or term loans and hence reporting under clause (ix) of the report is not applicable.



- (x) According to the information and explanations given to us, no fraud by company or any fraud on the company by its officers and employees have been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not paid managerial remuneration during the year. Hence reporting under clause (xi) of the report is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of the report is not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the report is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants


J. D. PATEL
Partner

Mem. No. 32780

Place : Ahmedabad

Date : 5 MAY 2013



ANNEXURE - B to the Independent Auditors' Report of even date on Ind AS financial statements of VRUNDAVAN SHALBY HOSPITALS LIMITED

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 **VRUNDAVAN SHALBY HOSPITALS LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS 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 Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 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 G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants



J. D. PATEL

Partner

Mem. No. 32780

Place : Ahmedabad

Date : 5 MAY 2018



VRUNDAVAN SHALBY HOSPITALS LIMITED

Balance Sheet as at March 31, 2018

[₹ in Million]

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
Property, Plant and Equipment	5	66.75	76.48	80.94
Other Intangible asset	6	0.05	-	0.17
Financial Assets				
Other Financial Assets	7	-	-	0.11
Deferred Tax Assets (Net)	8	-	0.02	0.39
		66.80	76.50	81.61
Current assets				
Inventories	9	-	-	1.51
Financial Assets				
Trade Receivables	10	-	0.49	7.33
Cash and Cash Equivalents	11	0.40	0.36	6.05
Other Bank Balances	12	0.48	0.32	0.80
Other Financial Assets	7	0.22	0.05	0.86
Current Tax Assets (Net)	13	3.28	3.27	6.15
Other Current Assets	14	0.34	0.04	0.16
		4.72	4.53	22.86
TOTAL ASSETS		71.52	81.03	104.47
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	15	18.00	18.00	18.00
Other Equity	16	(45.24)	(33.11)	(10.60)
		(27.24)	(15.11)	7.40
Liabilities				
Non-current Liabilities				
Provisions	17	-	-	1.17
		-	-	1.17
Current liabilities				
Financial Liabilities				
Borrowings	18	77.70	65.56	63.01
Trade Payables	19	1.47	4.76	13.89
Other Financial Liabilities	20	19.09	25.46	17.71
Provisions	17	-	-	0.11
Other Current liabilities	21	0.50	0.36	1.18
		98.76	96.14	95.90
TOTAL EQUITY AND LIABILITIES		71.52	81.03	104.47

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

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants


J. D. PATEL
Partner

Mem. No. 32780

Place : Ahmedabad

Date : 5 MAY 2018



FOR AND ON BEHALF OF THE BOARD


VIRAL SHAH
Director

DIN : 02928038

Place : Ahmedabad

Date : 5 MAY 2018


RAVI BHANDARI
Director

DIN : 06395271

VRUNDAVAN SHALBY HOSPITALS LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

[₹ in Million]

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from Operations	22	-	13.46
Other Income	23	7.90	7.52
TOTAL INCOME		7.90	20.98
EXPENSES			
Operative expenses	24	1.01	8.91
Purchase of Stock-in-trade	25	-	0.12
Changes in Inventories	26	-	0.89
Employee benefits expense	27	0.75	9.87
Finance Cost	28	6.22	9.18
Depreciation and Amortization	29	2.47	4.51
Other Expenses	30	9.56	9.63
TOTAL EXPENSES		20.01	43.11
Profit before exceptional items and tax		(12.11)	(22.13)
Exceptional Items		-	-
Profit Before Tax		(12.11)	(22.13)
Tax expense			
Current tax		-	-
Deferred tax		0.02	0.38
TOTAL TAX EXPENSE		0.02	0.38
Profit for the year from continuing operations		(12.13)	(22.51)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
		-	-
Total comprehensive income for the year, net of tax		(12.13)	(22.51)
Earning per Equity Share	31		
Basic		(67.39)	(125.06)
Diluted		(67.39)	(125.06)

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

As per our report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

J. D. PATEL

Partner

Mem. No. 32780

Place : Ahmedabad

Date : 5 MAY 2018



FOR AND ON BEHALF OF THE BOARD

VIRAL SHAH

Director

DIN : 02928038

RAVI BHANDARI

Director

DIN : 06395271

Place : Ahmedabad

Date : 5 MAY 2018

VRUNDAVAN SHALBY HOSPITALS LIMITED

Statement of Cash Flows for the year ended March 31, 2018

[₹ in Million]

Particulars	2017-2018	2016-2017
A. Cash flow from operating activities		
Profit/(Loss) for the year before taxation	(12.11)	(22.13)
Adjustments for		
Depreciation and amortisation	2.47	4.51
Provision for doubtful debts	-	4.49
Profit on sale of assets	(0.06)	-
Impairment on asset	7.10	-
Finance cost	6.22	9.18
Interest Income from financial assets measured at amortised cost		
- on fixed deposits with Bank	(0.01)	(0.05)
Fixed asset written off	1.17	0.17
Provision no longer required	(0.26)	(0.26)
Sundry balances written back	(7.57)	(6.64)
Operating profit before working capital changes	(3.05)	(10.73)
Adjustments for changes in working capital		
Decrease / (Increase) in Inventories	-	1.51
Decrease / (Increase) in Trade receivables	0.49	2.35
Decrease / (Increase) in Other current assets	(0.30)	0.11
Decrease / (Increase) in Other non-current financial assets	-	0.11
Decrease / (Increase) in Other current financial assets	(0.22)	0.76
Increase / (Decrease) in Trade Payables	4.54	(2.23)
Increase / (Decrease) in Provisions	-	(1.28)
Increase / (Decrease) in Other current financial liabilities	(0.72)	(0.51)
Increase / (Decrease) in Other current liabilities	0.14	(0.82)
Cash generated from operations	0.88	(10.73)
Direct taxes Refund/(paid)	(0.01)	2.88
Net Cash from Operating Activities	[A] 0.87	(7.85)
B. Cash flow from investing activities		
Purchase of property, plant and equipment / intangible assets	(1.22)	(0.05)
Proceeds from Maturity of fixed deposits	(0.16)	0.48
Proceeds from sale of asset	0.22	-
Interest received	0.06	0.10
Net Cash from / (used in) investing activities	[B] (1.10)	0.53
C. Cash flow from financing activities		
Proceeds from borrowings	12.14	2.55
Interest paid	(11.87)	(0.92)
Net cash flow from financial activities	[C] 0.27	1.63
Net Increase/(Decrease) in cash & cash equivalents	[A+B+C] 0.04	(5.69)
Cash and cash equivalents opening	0.36	6.05
Cash and cash equivalents closing	0.40	0.36
Components of Cash and cash equivalent		
Balances with scheduled banks	0.40	0.35
Cash in hand	-	0.01
	0.40	0.36

Explanatory Notes to Cash Flow Statement

- The above Cash Flow Statement has been prepared under the Indirect method as set out in IND AS - 7 on Statement of Cash Flows notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended.
- Figures in brackets indicate cash outflow. The above statement of cash flow should be read in conjunction with the accompanying notes.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

As per our attached report of even date

FOR **G. K. CHOKSI & CO.**
[Firm Registration No. 101895W]
Chartered Accountants

S. D. PATEL
Partner
Mem. No. 32780



Place : Ahmedabad
Date : - 5 MAY 2018

FOR AND ON BEHALF OF THE BOARD

VIRAL SHAH
Director
DIN : 02928038

RAVI BHANDARI
Director
DIN : 06395271

Place : Ahmedabad
Date : 5 MAY 2018

VRUNDAVAN SHALBY HOSPITALS LIMITED

Statement of changes in Equity for the year ended March 31, 2018

A. Equity share capital

	[₹ in Million]
As at April 1, 2016	18.00
Issue of Equity Share capital	-
As at March 31, 2017	18.00
Issue of Equity Share capital	-
As at March 31, 2018	18.00

B. Other equity

Particulars	Reserves and Surplus		Other Comprehensive Income	Total equity
	Securities Premium	Retained Earnings		
Balance as at April 1, 2016	75.10	(85.70)	-	(10.60)
Profit / (Loss) for the year	-	(22.51)	-	(22.51)
Other comprehensive income for the year	-	-	-	-
Balance as at March 31, 2017	75.10	(108.21)	-	(33.11)
Profit / (Loss) for the year	-	(12.13)	-	(12.13)
Other comprehensive income for the year	-	-	-	-
Balance as at March 31, 2018	75.10	(120.34)	-	(45.24)

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

As per our report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

J. D. PATEL
Partner

Mem. No. 32780

Place : Ahmedabad

Date : **5 MAY 2018**

FOR AND ON BEHALF OF THE BOARD

[Signature]

VIRAL SHAH
Director

DIN : 02928038

Place : Ahmedabad

Date : **5 MAY 2018**

RAVI BHANDARI
Director

DIN : 06395271



VRUNDAVAN SHALBY HOSPITALS LIMITED

Notes forming part of financial statements

Note 1 : Corporate Information

Vrundavan Shalby Hospitals Limited is a public company limited by shares, domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

The Board of Directors of the company has vide circular resolution deemed to be passed on 9th December, 2016 consented to suspend the operations of both hospitals located at Mapusa and Panjim to surrender available licences, bio medical authorisation and other licences & approval of both hospitals, to close pharmacy with immediate effect and also to apply for cancellation of power connection.

Although the company intended to resume operations upon favourable resolution of the disputes between the shareholders, more particularly elaborated in note 32 and 33, the Board of Directors of the company, vide circular resolution dated 9th January, 2018, decided to cease the operations on account of adverse financial viability. Therefore the financial statements for the current financial year have been prepared on the assumption other than going concern.

Note 2 : Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. The comparative figures in the Balance Sheet as at March 31, 2017 and April 1, 2016 and Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2017 have been restated accordingly. Accounting Policies have been consistently applied except where newly issued accounting standard is initially adopted or revision to the existing standards requires a change in the accounting policy hitherto in use.

Refer Note 4.15 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

The financial statements are prepared in INR, except when otherwise indicated.

2.1 Statement of Compliance

The financial statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement, together with notes for the year ended March 31, 2018 have been prepared in accordance with Ind AS as notified under section 133 of the Companies' Act, 2013 ("The Act") duly approved by the Board of Directors at its meeting held on May 5, 2018.

2.2 Basis of Measurement

Due to the company ceasing to operate, the Board of Directors have decided to prepare the financial statements on a basis other than that of a going concern (Refer note 32 and 33). The financial statements have been prepared by adopting following measurement :

- (i) All assets, at yearend date, have been disclosed at lower of carrying values or the values at which they are expected to be realized
- (ii) All liabilities, at yearend date, have been reflected at the values at which they are expected to be settled.

2.3. Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian Rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees (Rs.) which is the company's presentation currency.

2.4. Standard issued but not yet effective

Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, ('The Rules') on 28 March 2018. The rules notify the new Revenue Standard Ind AS 115 'Revenue from Contracts with Customers' and also bring in amendments to existing Ind AS. The rules shall be effective from reporting period beginning on or after 1 April, 2018 and cannot be reported early, hence, not applied in the preparation of financials.

Note 3 : Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the financial statements.

3.1 Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

3.2 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

3.3 Impairment of Property, Plant & Equipment

Determining whether Property, Plant & Equipment requires an estimation of the value in use of the cash-generating units to which Property, Plant & Equipment has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss which is material in nature is accounted for.



Note 4: Significant Accounting Policies

4.1 Financial Instruments

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

(a) Financial Assets

Financial Assets comprises of investments in equity instruments, trade receivables, cash and cash equivalents and other financial assets.

Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair Value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company committed to purchase or sell the asset.

Subsequent Measurement:

(i) Financial assets measured at amortized Cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and where contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

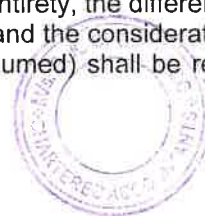
Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

(iii) Fair Value through Profit or Loss (FVTPL):

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

De-recognition of Financial Assets:

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.



(b) Financial Liabilities

Initial Recognition and Measurement

Financial Liabilities are initially recognized at fair value plus any transaction costs if any) which are attributable to acquisition of the financial liabilities.

Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

(i) Financial liabilities at Amortized Cost:

The Company is classifying the following under amortized cost:

- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

(ii) Financial liabilities at Fair Value through Profit or Loss:

Financial liabilities held for trading are measured at Fair Value through Profit or Loss

De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

(d) Reclassification of Financial Assets

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

