

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF GLOSTER LIFESTYLE LIMITED****Report on the Audit of the Standalone Financial Statements**

1. We have audited the accompanying Standalone financial statements of **Gloster Lifestyle Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ("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 March 31, 2019, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our Report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirement that are relevant to our audit of the financial statements under the Provisions of the Act and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Assessment of the valuation of certain Investments :

The Company has investments amounting to Rs. 480.56 lacs in various securities. These Investments are measured at fair value. The fair value of the investments are determined by the Company as per Ind AS 113 Fair Value.

Valuation of investment carried at fair value is determined to be a key audit matter because of its inherently subjective nature and involvement of significant management judgements.

How our Audit addressed the key audit matter

Our procedures included the following:

(a) We understood, assessed and tested the design and operating effectiveness of key controls surrounding fair valuation of investments.

(b) Evaluated the competency and capabilities of management's valuation expert.

(c) We used auditors' experts to assess the methodology and the appropriateness of the valuation models and inputs used by management to value investments.

(d) We validated the source data on sample basis and tested the arithmetical accuracy of the calculation of valuation of investments.

Based on the above work performed, we did not identify any significant exceptions in management's assessment in respect of valuation of investments.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain Professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. 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), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account

- (d) In our opinion, the aforesaid 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The emphasis of matter relating to the maintenance of accounts and other matters connected therewith are stated in the Emphasis of matter paragraph above. Our opinion is not qualified in respect of these matters.
- (g) 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 A".
- (h) 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) Transfer to the Investor Education and Protection Fund by the Company is not applicable to the company.
 - (ii) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019

For K. Derasari & Co.
Chartered Accountants
Firm Registration No : 324091E

Place : Kolkata
Date : 13th May, 2019

Kishan Derasari
Partner
Membership No : 059741

Annexure to the Independent Auditor's Report

The Annexure referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of GLOSTER LIFESTYLE LIMITED on the financial statements as of and for the year ended March 31, 2019.

1. The Company does not have any fixed assets during the year ended March 31, 2019. Therefore, the provisions of Clause 3(i) of the Order are not applicable to the Company.
2. The Company does not carry any inventory. Consequently, clause 3(ii) of the Order are not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clauses 3(iii)(a) and 3(iii)(b) of the said Order are not applicable to the Company.
4. The company has not granted any loans, guarantees and securities. In respect of investments, section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under to the extent notified.
6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, income tax, and other material statutory dues, as applicable, with the appropriate authorities. As explained to us the provisions of Provident Fund, Employees's State Insurance, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service Tax are not applicable to the Company.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax and other statutory dues which have not been deposited on account of any dispute.
8. The Company has not defaulted in repayment of dues to Bank. Apart from this the company has no borrowings from any financial institution nor has it issued any debentures as at the balance sheet date.

9. According to the information and explanations given to us and the records of the Company examined by us, the company has neither raised money by way of initial public offer or further public offer nor borrowed any term loan. Therefore, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. During the year under review, no managerial remuneration has been paid or provided. Hence Clause 3(xi) is not applicable to the Company.
12. The Company is not a Nidhi Company. Therefore Clause 3(xii) is not applicable.
13. No transactions took place with the related parties during the year. Disclosure of related parties have been made in Financial Statements, as required by the applicable accounting standards.
14. During the year no preferential allotment or private placement of shares or fully or partly convertible debentures have been made.
15. The Company not entered into any non-cash transactions with directors or persons connected with him. Hence Clause 3(xiii) is not applicable to the company.
16. According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

For K. Derasari & Co.
Chartered Accountants
Firm Registration No : 324091E

Kishan Derasari
Partner
Membership No : 059741

Place : Kolkata
Date : 13th May, 2019

Annexure A to the Independent Auditor's Report

The Annexure referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of GLOSTER LIFESTYLE LIMITED on the financial statements as of and for the year ended March 31, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the Internal Financial Controls with reference to Financial Statements of **Gloster Lifestyle Limited** ("the Company") as of March 31, 2019 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

2. 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. 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statement 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference financial Statements included obtaining an understanding of internal financial controls with reference financial statements , 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference financial statements.

Meaning of Internal Financial Controls with reference Financial Statements

6. A company's internal financial control with reference financial statements 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 with reference financial statements 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 with reference Financial Statements

7. Because of the inherent limitations of internal financial controls with reference financial statements, 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 with reference financial statements to future periods are subject to the risk that the internal financial control with reference financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference financial statements and such internal financial controls with reference financial statements were operating effectively as at March 31, 2019 based on the internal control with reference 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 K. Derasari & Co.
Chartered Accountants
Firm Registration No : 324091E

Place : Kolkata
Date : 13th May, 2019

Kishan Derasari
Partner
Membership No : 059741

BALANCE SHEET AS AT 31 MARCH 2019

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Financial assets			
(i) Investments	3	222.21	226.34
Deferred tax Asset (net)	4	1.98	2.64
Total non-current assets		224.19	228.98
Current assets			
Financial assets			
(i) Investments	5	54.93	36.53
(ii) Cash and cash equivalents	6	0.58	0.63
(iii) Bank balances other than (ii) above	7	418.75	379.70
Current tax assets (net)	8	10.06	10.10
Other current assets	9	17.19	16.29
Total current assets		501.51	443.25
Total assets		725.70	672.23
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	400.00	400.00
Other equity	11	325.52	272.09
Total equity		725.52	672.09
Current liabilities			
Financial liabilities			
Other financial liabilities	12	0.18	0.13
Total current liabilities		0.18	0.13
Total liabilities		0.18	0.13
Total equity and liabilities		725.70	672.23
Corporate Information	1		
Summary of significant accounting policies	2		

The accompanying notes are an integral part of this financial statements

This is the balance sheet referred to in our report of even date

For K Derasari & Co.

Firm Registration No. 324091E
Chartered Accountants

Kishan Derasari

Partner
Membership No. 059741

Dharam Chand Baheti Chairman
Ajay Kumar Agarwal Director
Shankar Lal Kedia Director

Place : Kolkata
Date :13th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	31 March 2019	31 March 2018
Income			
Other income	13	43.78	55.49
Total income		43.78	55.49
Expenses			
Other expenses	14	0.66	0.54
Total expenses		0.66	0.54
Profit before tax		43.12	54.95
Income tax expense			
- Current tax		7.45	11.68
- Deferred tax		(2.52)	(2.28)
Total tax expense		4.93	9.40
Profit for the year (A)		38.19	45.55
Other comprehensive income/ (loss)			
<i>Items that will not be reclassified to profit or loss</i>			
(a) FVOCI - Equity instruments		18.40	(3.50)
Income tax relating to these items		(3.18)	(0.34)
Other comprehensive income for the year, net of tax (B)		15.22	(3.84)
Total comprehensive income for the year (A+B)		53.41	41.71
Earnings per equity share: [Nominal value per share ` 10 (previous year ` 10)]			
Basic and Diluted	15	0.95	1.14
Corporate Information	1		
Summary of significant accounting policies	2		

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

This is the Statement of profit and loss referred to in our report of even date.

For K Derasari & Co.

Firm Registration No. 324091E
Chartered Accountants

Place : Kolkata
Date : 13th May, 2019

Kishan Derasari
Partner
Membership No. 059741

Dharam Chand Baheti Chairman
Ajay Kumar Agarwal Director
Shankar Lal Kedia Director

Statement of Changes in Equity for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

A. Share capital		Notes	Amount
Description			
As at 01 April 2017			400.00
Changes in equity share capital		10	-
As at 31 March 2018			400.00
Changes in equity share capital		10	-
As at 31 March 2019			400.00

B. Other equity

Description	Notes	Reserve and surplus		Equity instruments through OCI	Total other equity
		General reserve	Retained earning		
Balance as at 01 April 2017	11	204.43	24.08	1.88	230.39
Profit/ (Loss) for the year	11	-	45.55	-	45.55
Other Comprehensive income for the year	11	-	-	(3.83)	(3.83)
Total comprehensive income		-	45.55	(3.83)	41.72
Transfer to general reserve	11	46.06	(46.06)	-	-
Balance as at 31 March 2018		250.49	23.57	(1.95)	272.11

Description	Notes	Reserve and surplus		Equity instruments through OCI	Total other equity
		General reserve	Retained earning		
Balance as at 01 April 2018	11	250.49	23.57	(1.95)	272.11
Profit/ (Loss) for the year	11	-	38.19	-	38.19
Other Comprehensive Income	11	-	-	15.22	15.22
Total comprehensive income		-	38.19	15.22	53.41
Transfer to general reserve	11	38.21	(38.21)	-	-
Balance as at 31 March 2019		288.69	23.56	13.27	325.52

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

This is the Statement of Changes in Equity referred to in our report of even date.

For K Derasari & Co.

Firm Registration No. 324091E
Chartered Accountants

Kishan Derasari

Partner
Membership No. 059741

Dharam Chand Baheti Chairman
Ajay Kumar Agarwal Director
Shankar Lal Kedia Director

Place : Kolkata
Date :13th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash Flow from Operating Activities		
Net profit / (loss) before tax	43.12	54.95
Adjustments for :		
Interest Income	(45.99)	(55.00)
Provision for diminution in Investment	-	(2.26)
Net gain/(losses) on fair value changes on investments classified at FVTPL	4.12	2.79
Dividend Received	(1.94)	(1.03)
Operating profit before working capital changes	(0.69)	(0.55)
Adjustments for :		
(Decrease)/Increase in Trade and Other Payables	0.05	0.06
Cash generated from operations	(0.64)	(0.49)
Income Taxes paid	(7.41)	(11.67)
Net Cash from Operating Activities A	(8.05)	(12.16)
B. Cash Flow from investing activities		
Interest received	45.10	47.40
Dividend Received	1.94	1.03
Intercompany Deposits Paid	-	200.00
Net Cash used in Investing activities B	47.04	248.43
C. Cash Flow from Financing Activities		
Net Proceeds/ (Repayment) of Short Term Borrowing	-	115.97
Net Cash used in Financing Activities C	-	115.96
Net Increase in Cash and Cash Equivalents (A+B+C)	38.99	352.24
Cash and Cash Equivalents (Opening Balance)	380.33	28.09
Cash and Cash Equivalents (Closing Balance)	419.33	380.33

Notes

- a) The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard -3, on Cash Flow Statement as per Companies Accounting Standard Rules, 2006.
- b) Previous year's figures have been regrouped/ rearranged wherever necessary.
- c) This is the Cash Flow statement referred to in our report of even date.

For K Derasari & Co.

Firm Registration No. 324091E
Chartered Accountants

Kishan Derasari

Partner
Membership No. 059741

Dharam Chand Baheti
Ajay Kumar Agarwal
Shankar Lal Kedia

Chairman
Director
Director

Place : Kolkata
Date :13th May, 2019

Notes to the standalone financial statements**1. Corporate Information**

Gloster Lifestyle Limited ("The Company"), a wholly owned subsidiary company of Gloster Limited, was incorporated on 23rd February, 2011 under the provisions of the Companies Act, 1956. The company has not done any business activities during the year.

2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation*(i) Compliance with Ind AS*

The Company is primifacie not mandated to prepare its financials statement in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act. However, being a wholly owned subsidiary company of Gloster Limited ("the parent company") who is required to prepare its financials statements as per Indian Accounting Standards, (Ind AS), the same is applicable on the Company and therefore the Company has prepared its financial statements in accordance with Ind AS.

These financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act.

ii) Classification of current and non-current

All asset and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 - Presentation of Financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

iii) Historical cost convention

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- certain financial assets and liabilities those are measured at fair value

Notes to the standalone financial statements**2.2 Use of estimates**

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

2.3 Financial assets

The financial assets are classified in the following categories:

- a) financial assets measured at fair value through profit and loss (FVTPL), and
- b) financial assets measured at fair value through other comprehensive income (FVOCI).

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow.

At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Profit or Loss. Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for arranging financial assets.

Financial instruments measured at FVTPL

Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in statement of profit and loss.

Investments in units of bonds and debentures are accounted for at fair value and the changes in fair value are recognised in the statement of Profit and Loss.

Financial assets at FVOCI

Financial assets are measured at FVOCI if these financial assets 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 the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments

The Company measures all equity investments at fair value. The Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, and accordingly there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Notes to the standalone financial statements**De-recognition of financial asset**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109 : Financial Instruments.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment loss allowance recognised /reversed during the year is charged/written back to Statement of Profit and Loss.

2.4 Financial Liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

For Trade and Other Payables maturing within one year from the balance sheet date, the carrying amount approximates fair value to short-term maturity of these instruments.

A financial liability (or a part of financial liability) is de-recognised from Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

2.5 Other Income

Interest Income is recognized on a time proportion basis taking in to account the amount outstanding and the effective interest rate applicable.

Dividend income is recognized when the right to receive dividend is established.

Notes to the standalone financial statements**2.6 Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year based on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.7 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

2.8 Provisions and Contingent Liabilities

Provisions: Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value, except where the effect of the time value of money is material.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Notes to the standalone financial statements**2.9 Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.10 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, and balance with bank in current account.

2.11 Offsetting Financial Instruments

Financial assets and 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Company or the counterparty.

Notes to the standalone financial statements**Note : 3 Current Investments**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	No. of Units	31 March 2019	No. of Units	31 March 2018
I. Mandatorily measured at FVTPL					
Investments in Debt/Bonds Quoted					
National Highway Authority of India	1,000	20,386	222.21	20,386	226.34
Total			222.21		226.34
Aggregate amount of quoted investments			222.21		226.34
Aggregate market value of quoted investments			222.21		226.34
Aggregate amount of unquoted investments			-		-

Note: 4 Deferred tax liabilities (net)

Particulars	31 March 2019	31 March 2018
Deferred tax liabilities		
Financial assets at fair value through profit or loss	(3.62)	(1.09)
Financial assets at FVOCI	1.64	(1.55)
	(1.98)	(2.64)
Deferred tax assets		
	-	-
Net deferred tax liabilities [Refer note (a) below]	(1.98)	(2.64)

Note :

(a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Notes to the standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note : 5 Current Investments

Particulars	Face value	No. of Units	31 March 2019	No. of Units	31 March 2018
I. Designated at FVOCI					
Quoted Equity Instruments- Fully paid-up (Direct Investment)					
Infosys Limited	10	7,400	54.93	3,700	36.53
Total			54.93		36.53
Aggregate amount of quoted investments			54.93		36.53
Aggregate market value of quoted investments			54.93		36.53
Aggregate amount of unquoted investments			-		-

Note: 6 Cash and cash equivalents

Particulars	31 March 2019	31 March 2018
Cash and cash equivalents		
Cash on hand	0.005	0.01
Balances with banks : In current accounts	0.58	0.63
Total	0.58	0.63

Note: 7 Bank balances other than Note 6 above

Particulars	31 March 2019	31 March 2018
Bank balances other than Note 6 above		
Fixed deposits	418.75	379.70
Total	418.75	379.70

Notes to the standalone financial statements		
Note: 8 Current tax assets (net) (All amounts in INR lakhs , unless otherwise stated)		
Particulars	31 March 2019	31 March 2018
Advance for taxation [Net of provision ` 41.35 Lakhs (31.03.2018- ` 23.90Lakhs)]	10.06	10.10
Total	10.06	10.10
Note: 9 Other current assets		
Particulars	31 March 2019	31 March 2018
Unsecured, considered good		
Interest accrued on investments	17.19	16.29
Total	17.19	16.29
Note 10 Equity Share capital		
(a) Authorised share capital	Equity Share	
Particulars	Number of shares	Amount
As at 1 April 2017	50,00,000	500.00
Changes during the year	-	-
As at 31 March 2018	50,00,000	500.00
Changes during the year	-	-
As at 31 March 2019	50,00,000	500.00
(b) Issued, Subscribed and fully Paid - up Shares		
Particulars	Number of shares	Amount
As at 1 April 2017	40,00,000	400.00
Changes during the year	-	-
As at 31 March 2018	40,00,000	400.00
Changes during the year	-	-
As at 31 March 2019	40,00,000	400.00

Notes to the standalone financial statements
(All amounts in INR lakhs, unless otherwise stated)

Note 11 Other Equity	Refer Following items	31 March 2019	31 March 2018
Particulars			
Reserve and Surplus			
General Reserve	(i)	288.71	250.49
FVOCI-equity investments	(ii)	13.26	(1.96)
Surplus in the Statement of Profit and Loss	(iii)	23.55	23.57
Total		325.52	272.09

Particulars	31 March 2019	31 March 2018
(i) General Reserve		
Balance as at the beginning of the year	250.50	204.43
Add:		
Transferred from surplus in the statement of profit and loss during the year	38.21	46.06
Balance as at the end of the year	288.71	250.49
(ii) FVOCI equity investments		
Balance as at the beginning of the year	(1.96)	1.88
Changes in fair value of FVOCI equity instruments	18.40	(3.50)
Deferred tax	(3.18)	(0.34)
Balance as at the end of the year	13.26	(1.96)
(iii) Surplus in the Statement of Profit and Loss/ Retained earnings		
Balance as at the beginning of the year	23.57	24.09
Profit/ (Loss) for the year	38.19	45.55
Items of other comprehensive income:		
Transfer to General Reserve	(38.21)	(46.06)
Balance as at the end of the year	23.55	23.57
Total	325.52	272.10

Notes:

(i) General Reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

Notes to the standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

(ii) FVOCI- equity investments

The Company has elected to recognise changes in the fair value of all investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Note: 12 Other Financial Liabilities - current

Particulars	31 March 2019	31 March 2018
Other payable	0.18	0.13
Total	0.18	0.13

Note: 13 Other Income

Particulars	31 March 2019	31 March 2018
(a) Interest income from financial assets at amortised cost	45.98	54.99
(b) Dividend income from investments mandatorily measured at FVTPL	1.94	1.03
(c) Other non-operating income		
(i) Net gains (losses) on fair value changes		
Net fair value gain on investments classified at FVTPL	(4.14)	(2.79)
(ii) Other items		
Provision for diminution in Investment written back	-	2.26
Total	43.78	55.49

Notes to the standalone financial statements

Note : 14 Other Expenses

Particulars	31 March 2019	31 March 2018
Rates and taxes	0.05	0.05
Miscellaneous expenses	0.61	0.49
Total	0.66	0.54

Note

(a) Miscellaneous expenses includes remuneration to auditors for :

Particulars	31 March 2019	31 March 2018
Audit Fees	0.15	0.10
Total	0.15	0.10

Note : 15 Earning per equity share (EPS)

Net profit for the year has been used as the numerator and number of shares have been used as denominator for calculating the basic and diluted earnings per share

(All amounts in INR lakhs , unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(I) Basic		
a. Net Profit after tax (` in lakhs)	38.19	45.55
b. (i) Number of Equity Shares at the beginning of the year	40,00,000	40,00,000
(ii) Number of Equity Shares at the end of the year	40,00,000	40,00,000
(iii) Weighted average number of Equity Shares outstanding during the year	40,00,000	40,00,000
(iv) Face Value of Equity Share (`)	10	10
c. Basic Earning / (Loss) per share [a/b (iii)] (`)	0.95	1.14
(II) Diluted		
a. Dilutive Potential Equity Shares	-	-
b. Weighted average number of Equity Shares for computing diluted earnings per shares [(I)b(iii)+(II)a]	40,00,000	40,00,000
c. Diluted Earning / (Loss) per Share [(I)(a) / (II)(b)] (`)	0.95	1.14

Notes to the standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 16 Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(a) Income tax expense

Particulars	31 March 2019	31 March 2018
<i>Current tax</i>		
Current tax on profits for the year	7.45	11.68
Total current tax expense	7.45	11.68
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	(2.52)	(2.28)
Total deferred tax expense/(benefit)	(2.52)	(2.28)
Income tax expense	4.93	9.40

(b) Amounts recognised directly in other comprehensive income

Particulars	31 March 2019	31 March 2018
<i>The amount of income tax relating to each component of other comprehensive income</i>		
(i) FVOCI equity instruments		
- Current tax	-	-
- Deferred tax	(3.18)	(0.34)
	(3.18)	(0.34)

(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 March 2019	31 March 2018
Profit before tax	43.12	54.95
Tax at the indian tax rate of 26.00% (2017-18 – 30.90%)	11.21	16.98
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impact of change in tax rate	(5.77)	(5.48)
Tax effect on gains on which tax has been recognised in OCI	2.67	(1.76)
	(3.18)	(0.34)
Total income tax expense/(credit)	4.93	9.40

For K Derasari & Co.

Firm Registration No. 324091E

Chartered Accountants

Kishan Derasari

Partner

Membership No. 059741

Dharam Chand Baheti

Ajay Kumar Agarwal

Shankar Lal Kedia

Chairman

Director

Director

Place : Kolkata

Date : 13th May, 2019