

**INDEPENDENT AUDITOR'S REPORT****To the Members of Peninsula Facility Management Services Limited****Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of **Peninsula Facility Management Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

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 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 including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with 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 Ind AS 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS 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.

**Other Information**

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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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 on this regard.



## Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued there under. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the 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 the 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS 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 the 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

## 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 section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Changes in Equity and the Statement of Cash Flows 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 Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued there under;



- e. On the basis of the written representations received from the directors as on March 31, 2019, and 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. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided any managerial remuneration.

- 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) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements - Refer Note no. 22 on Contingent Liabilities to the Ind AS Financial Statements;

(ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Snehal Shah

Partner

Membership No. 048539



Mumbai: May 27, 2019

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Peninsula Facility Management Services Limited ("the Company")** on the Ind AS Financial Statements for the year ended March 31, 2019]

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The Company does not have immovable property in the books of account. Accordingly, Paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) Based on information and explanation given to us and examination of relevant records, the Company does not have inventory in the books of account. Accordingly, Paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has granted unsecured loan, to company, covered in the register maintained under section 189 of the Act.
  - (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loan granted by the Company are not prejudicial to the interest of the Company.
  - (b) The schedule of repayment of principal and payment of interest in respect of such loans has not been stipulated. These loans are repayable on demand. Thus, we are unable to comment whether the repayments or receipts are regular and report amounts overdue for more than ninety days, if any, as required under paragraph 3(iii)(c) of the Order.
  - (c) In respect of the aforesaid loans, we are unable to comment whether the repayments or receipts are regular as these loans are repayable on demand granted to companies listed in the register maintained under section 189 of the Act.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Sections 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.





# HARIBHAKTI & CO. LLP

Chartered Accountants

(vii)

- (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, service tax, goods and services tax, cess and any other material statutory dues applicable to it. However, there have been slight delay in few cases.

AND

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues with respect to sales tax, value added tax, goods and services tax, customs duty, excise duty, which have not been deposited on account of any dispute. The dues outstanding with respect to, income tax and service tax on account of dispute, are as follows:

Nature of dues	Amount of disputed due	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
<b>Statute: Income Tax Act, 1961</b>				
Income Tax	11,67,680	Nil	2010-11	Deputy Commissioner of Income Tax
Income Tax	39,98,170	Nil	2011-12	Deputy Commissioner of Income Tax
Income Tax	1,00,670	15,100	2013-14	Commissioner of Income Tax (Appeals)
Income Tax	7,740	Nil	2014-15	Deputy Commissioner of Income Tax
<b>Statute: Finance Act, 1994</b>				
Service Tax	22,66,346	2,26,635	2006-07 to 2010-11	Commissioner of Central Excise (Appeals)
Interest u/s 75	Not ascertainable			
Penalty u/s 77	5,000			
Penalty u/s 78	22,66,346			
Service Tax	3,40,578	62,586	2011-12	Commissioner of Central Excise (Appeals)
Interest u/s 75	Not ascertainable			
Penalty u/s 76	3,14,279			
Penalty u/s 77	10,000			
Service Tax	4,32,328	4,71,787	2012-13, 2013-14	Commissioner of Central Excise (Appeals)
Interest u/s 75	Not ascertainable			
Penalty u/s 76	4,71,787			
Service Tax	1,55,206			
Interest u/s 75	Not ascertainable	1,73,361	2014-15	Commissioner of Central Excise (Appeals)
Penalty u/s 76	1,73,361			
Service Tax	1,28,054			



# HARIBHAKTI & CO. LLP

Chartered Accountants

Interest u/s 75	Not ascertainable	Nil	2015-16	Assistant Commissioner of Service Tax
Penalty u/s 76	0			

- (viii) According to the information and explanations given to us, the Company has not borrowed any funds from financial institution, bank and government or from issue of debentures. Accordingly, Paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Accordingly, Paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the Management.
- (xi) As per the information and explanations given to us, the Company has not paid / provided the managerial remuneration. Accordingly, Paragraph 3(xi) of the Order 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, Paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Section 188 of Act, where applicable and the details have been disclosed in the Ind AS Financial Statements, as required by the applicable Indian Accounting Standards.
- As the Company is not required to constitute an Audit Committee as required under Section 177 of the Act, the said section is not applicable to the Company.
- (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. Accordingly, Paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.




# HARIBHAKTI & CO. LLP

Chartered Accountants

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Snehal Shah

Partner

Membership No. 048539

Mumbai: May 27, 2019





## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Peninsula Facility Management Services Limited on the Ind AS financial statements for the year ended March 31, 2019]

**Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Ind AS financial statements of Peninsula Facility Management Services Limited ("the Company") as of March 31, 2019 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 with reference to financial statements 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 (the "Guidance Note") 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 ("the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to the Ind AS financial statements included obtaining an understanding of internal financial controls with reference to the Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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.

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 with reference to the Ind AS financial statements.



## Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to 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 to 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 to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to the Ind AS financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to the Ind AS financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

  
Snehal Shah

Partner

Membership No. 048539

Mumbai: May 27, 2019



**Peninsula Facility Management Services Limited**  
**Balance Sheet as at 31st March 2019**

(Rs. In Lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a. Property, Plant and Equipment	3	-	-
b. Intangible Assets	4	-	-
c. Deferred Tax Assets (net)	5	88.99	91.97
d. Non Current Tax Assets (net)	6	57.68	55.29
e. Other Non Current Assets	7	9.35	4.84
<b>Total Non-Current assets</b>		<b>156.02</b>	<b>152.10</b>
<b>Current Assets</b>			
a. Financial Assets			
i. Investments	8	98.47	792.85
ii. Trade Receivables	9	184.06	202.57
iii. Cash and Cash Equivalents	10	72.16	92.05
iv. Loans	11	738.22	-
b. Other Current Assets	12	0.55	0.60
<b>Total Current Assets</b>		<b>1,093.46</b>	<b>1,088.07</b>
<b>Total Assets</b>		<b>1,249.48</b>	<b>1,240.17</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share Capital	13	100.00	100.00
b. Other Equity	14	864.63	839.69
<b>Total Equity</b>		<b>964.63</b>	<b>939.69</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
a. Financial Liabilities			
i. Trade Payables			
Micro and Small Enterprises	15	2.48	2.48
Others	15	37.06	35.74
ii. Other Financial Liabilities	16	234.36	249.15
b. Other Current Liabilities	17	10.95	13.11
<b>Total Current Liabilities</b>		<b>284.85</b>	<b>300.48</b>
<b>Total Liabilities</b>		<b>284.85</b>	<b>300.48</b>
<b>Total Equity and Liabilities</b>		<b>1,249.48</b>	<b>1,240.17</b>
Significant accounting policies	2		
Notes forming part of accounts	24 to 35		

As per our report of even date attached

**For Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.103523W/W100048

  
**Snehal Shah**  
Partner  
Membership no. 048539



Place: Mumbai  
Date: 27th May 2019

**For and on behalf of the Board of Directors**

  
**Shardul Doshi**  
Director (DIN 02486626)

  
**Amish Yoddha**  
Director (DIN 07081489)



**Peninsula Facility Management Services Limited**  
**Statement of Profit and Loss for the year ended 31st March 2019**

(Rs. In Lakhs)

Particulars	Note No.	2018-19	2017-18
Revenue from Operations	18	49.95	50.20
Other Income	19	62.26	36.72
<b>Total Income (A)</b>		<b>112.21</b>	<b>86.92</b>
<b>EXPENSES:</b>			
Employee Benefits Expense	20	-	28.39
Depreciation and Amortisation Expenses	3 & 4	-	-
Other Expenses	21	79.84	197.57
<b>Total Expenses (B)</b>		<b>79.84</b>	<b>225.96</b>
<b>Profit / (Loss) before Tax (C = A-B)</b>		<b>32.36</b>	<b>(139.04)</b>
<u>Tax Expense:</u>	25		
Current Tax		4.60	4.23
Deferred Tax [includes MAT Credit (utilised)/ availed Rs. (1.49 lakhs) (Previous Year Rs. 4.23 lakhs)]		2.97	(40.17)
Prior Year Tax Adjustments		(0.14)	(8.07)
<b>Total Tax Expenses / Benefits (D)</b>		<b>7.43</b>	<b>(44.01)</b>
<b>Profit / (Loss) for the year (E = C-D)</b>		<b>24.94</b>	<b>(95.03)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss		-	-
Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
Other Comprehensive income for the year (Net of Tax)		-	-
<b>Total Comprehensive Income for the year</b>		<b>24.94</b>	<b>(95.03)</b>
<b>Earning Per Equity Share</b>			
1. Basic	24	2.49	(9.50)
2. Diluted		2.49	(9.50)
Significant accounting policies	2		
Notes forming part of accounts	24 to 35		

As per our report of even date attached

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

  
Snehal Shah

Partner

Membership no. 048539



Place: Mumbai

Date: 27th May 2019

**For and on behalf of the Board of Directors**

  
Shardul Doshi

Director (DIN 02486626)

  
Amish Yoddha

Director (DIN 07081489)



**Peninsula Facility Management Services Limited**  
Statement of Cash Flows for the year ended 31st March 2018

Particulars	2018-2019 Rs. in Lakhs	2017-2018 Rs. in Lakhs
<b>A Cash Flow from Operating Activities</b>		
Profit / (Loss) before Tax	32.36	(139.04)
<b>Adjustments for</b>		
Dividend from Current Investments	(5.61)	(36.19)
Depreciation	-	-
Loss on Sale of Current Investments	-	-
Doubtful Debts Provided / (Written back)	(4.66)	189.65
Balances Written off	74.60	2.56
Interest on Income tax Refund	-	(0.53)
Provision for Employee Benefits	-	-
	64.33	155.49
Operating Profit / (Loss) before Working Capital Changes	96.69	16.45
<b>Adjustments for</b>		
(Increase)/Decrease in Trade Receivables	(51.43)	(8.39)
(Increase)/Decrease in Loans	(738.22)	0.60
(Increase)/Decrease in Other Non Current Assets	(4.51)	(1.33)
(Increase)/Decrease in Other Current Assets	0.05	5.13
Increase/(Decrease) in Trade Payables	1.32	0.76
Increase/(Decrease) in Provisions	-	(20.65)
Increase/(Decrease) in Other Financial Liabilities (Current)	(14.79)	5.47
Increase/(Decrease) in Other Current Liabilities	(2.16)	4.53
	(809.74)	(13.88)
<b>Cash Generated from / (Used in) Operations</b>	(713.05)	2.57
Direct Tax Paid (Net of Refund Received)	(6.84)	6.57
<b>Net Cash Flow from / (Used in) Operating Activities [A]</b>	(719.89)	9.14
<b>B Cash Flow from Investing Activities</b>		
Redemption of Mutual Fund	700.00	-
Re-Investments in Mutual Fund	-	-
Dividend from Current Investments	-	-
<b>Net Cash Flow from Investing Activities [B]</b>	700.00	-
<b>C Cash Flow from Financing Activities</b>		
<b>Net Cash Flow from Financing Activities [C]</b>	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	(19.89)	9.14
<b>Add: Cash and Cash Equivalents at the beginning of the year</b>		
Balance with Banks in Current Account	92.05	82.91
<b>Cash and Cash Equivalents at the end of the year (Refer Note No. 10)</b>		
Balance with Banks in Current Account	72.16	92.05

**Explanatory notes to the Statement of Cash Flows:**

- Statement of Cash Flows is prepared in accordance with Ind AS 7 as notified by Ministry of Corporate Affairs.
- In Part A of the Statement of Cash Flows, figures in brackets indicates deduction made from the net profit for deriving the net cash flow from operating activities. In Part B and Part C, figures in brackets indicate cash outflows.

As per our report of even date attached

For Haribhakti & Co LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100948

  
Snehal Shah  
Partner

Membership No.048539

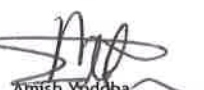
Place: Mumbai

Date: 27th May 2019



For and on behalf of the Board of Directors

  
Shardul Doshi  
Director (DIN 02486626)

  
Amish Yodha  
Director (DIN 07081489)





**Peninsula Facility Management Services Limited**  
**Statement of Changes in Equity for the year ended 31st March 2019**

**(a) Equity Share Capital**

(Rs. In Lakhs)

Particulars	2018-19	2017-18
Balance at the beginning of the reporting year	100.00	100.00
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	100.00	100.00

**(b) Other Equity**

(Rs. In Lakhs)

Particulars	Reserves and Surplus		Total
	Retained earnings	Securities Premium Reserve	
Balance as at 1st April, 2017	(505.28)	1,440.00	934.72
Profit / (Loss) for the year	(95.03)	-	(95.03)
Balance as at 31st March, 2018	(600.31)	1,440.00	839.69
Profit / (Loss) for the year	24.94	-	24.94
Balance as at 31st March, 2019	(575.37)	1,440.00	864.63

Significant accounting policies	2
Notes forming part of accounts	24 to 35

As per our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

  
Snehal Shah

Partner

Membership no. 048539

Place: Mumbai

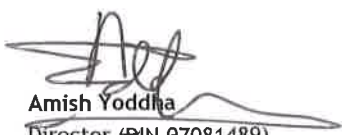
Date: 27th May 2019



For and on behalf of the Board of Directors

  
Shardul Doshi

Director (DIN 02486626)

  
Amish Yoddha

Director (DIN 07081489)





Peninsula Facility Management Services Limited  
Notes to Financial Statements for the Year Ended 31st March 2019

Note 3 : Property, Plant and Equipment

FY 2018-19

D E S C R I P T I O N	G R O S S B L O C K (C O S T)			D E P R E C I A T I O N				N E T B L O C K	
	As at 01.04.2018	Additions During The Year	Deductions During the Year	As at 31.3.2019	For The Year	Short /(Excess)	Deductions During The Year	As at 31.3.2019	As at 31.03.2019
Own Assets									
PLANT AND EQUIPMENTS									
Office Equipments	2.88	-	-	2.88	-	-	-	2.88	-
OTHERS									
Computers	11.31	-	-	11.31	-	-	-	11.31	-
Total	14.19	-	-	14.19	-	-	-	14.19	-

(Rs. In Lakh)

FY 2017-18

D E S C R I P T I O N	G R O S S B L O C K (C O S T)			D E P R E C I A T I O N				N E T B L O C K	
	As at 01.04.2017	Additions During The Year	Deductions During the Year	As at 31.3.2018	For The Year	Short /(Excess)	Deductions During The Year	Upto 31.03.2018	As at 31.03.2018
Own Assets									
PLANT AND EQUIPMENTS									
Office Equipments	2.88	-	-	2.88	-	-	-	2.88	-
OTHERS									
Computers	11.31	-	-	11.31	-	-	-	11.31	-
Total	14.19	-	-	14.19	-	-	-	14.19	-

(Rs. In Lakh)



Note 4 : Intangible Assets

FY 2018-19

D E S C R I P T I O N	G R O S S B L O C K (C O S T)			D E P R E C I A T I O N				N E T B L O C K		
	As at 01.04.2018	Additions During The Year	Deductions During the Year	As at 31.3.2019	As at 01.04.2018	For The Year	Short /(Excess) Depreciation	Deductions During The Year	As at 31.03.2019	As at 31.03.2018
Own Assets										
Computer Software	21.14	-	-	21.14	21.14	-	-	-	-	-
Total	21.14	-	-	21.14	21.14	-	-	-	-	-

FY 2017-18

D E S C R I P T I O N	G R O S S B L O C K (C O S T)			D E P R E C I A T I O N					N E T B L O C K		
	As at 01.04.2017	Additions During The Year	Deductions During the Year	As at 31.3.2018	Upto 01.04.2017	For The Year	Short /(Excess) Depreciation	Deductions During The Year	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Own Assets											
Computer Software	21.14	-	-	21.14	21.14	-	-	-	21.14	-	-
Total	21.14	-	-	21.14	21.14	-	-	-	21.14	-	-



Peninsula Facility Management Services Limited  
Notes to Financial Statements for the Year Ended 31st March 2019

Note 5 : Deferred Tax Assets <span style="float: right;">(Rs. In Lakhs)</span>		
Particulars	As at 31.03.2019	As at 31.03.2018
<b>Deferred Tax Assets (Components)</b>		
Relating to:		
Property, Plant and Equipment	1.48	1.75
Provision for Doubtful Debts	73.56	74.78
Provision for Bonus (Disallowed u/s 43B)	0.18	0.18
MAT Credit Entitlement Claim	13.77	15.26
(Also refer Note 25)		
<b>Net</b>	<b>88.99</b>	<b>91.97</b>

Note 6 : Non Current Tax Assets		
Particulars	As at 31.03.2019	As at 31.03.2018
Advance Tax [Net of Provision for taxation Rs.131.81 Lakhs; Rs.127.35 lakhs as at 31st March 2018]	57.68	55.29
<b>Total</b>	<b>57.68</b>	<b>55.29</b>

Note 7 : Other Non Current Assets		
Particulars	As at 31.03.2019	As at 31.03.2018
Payment to Service Tax Authorities under Protest	9.35	4.84
<b>Total</b>	<b>9.35</b>	<b>4.84</b>

Note 8 : Current Investments		
Particulars	As at 31.03.2019	As at 31.03.2018
Investment in Units of Mutual Funds (Non Trade, Quoted) (Valued at Fair Value Through Profit or Loss)		
ICICI Prudential Flexible Income Plan - Daily Dividend as at 31st March, 2019	98.47	792.85
as at 31st March, 2018		
(Refer note No. 27 for information about fair value measurement & Market Risk)		
<b>Total</b>	<b>98.47</b>	<b>792.85</b>

Particulars	As at 31.03.2019	As at 31.03.2018
Aggregate amount of Quoted Investments*	98.47	792.85
Aggregate amount of Unquoted Investments	-	-
Aggregate amount of Impairment in value of Investments	-	-
<b>Total</b>	<b>98.47</b>	<b>792.85</b>

\*Market Value of quoted investments is equivalent to their carrying value.

**Note 9 : Trade Receivables (Unsecured & Considered Good, unless stated otherwise)#**

Particulars	As at 31.03.2019	As at 31.03.2018
Trade receivables considered good- Secured *	113.36	113.35
Trade receivables considered good - Unsecured	70.71	89.22
Trade receivables considered doubtful	282.94	287.60
Provision for Doubtful Debts	(282.94)	(287.60)
(Refer note No. 27 for information about fair value measurement & Credit Risk)		
<b>Total</b>	<b>184.06</b>	<b>202.57</b>

\* Major Trade Receivables are secured through their deposit with the Company or its Ultimate Holding Company even though these are by nature unsecured. Hence, no provision is considered necessary as per expected credit losses to the extent deposits are available which can be set off or adjusted, if required.

#The Company has not considered recent amendment in presentation of trade receivable into significant increase in credit risk and credit impaired as the Company has followed simplified approach for ECL provision on trade receivables. hence such disclosures are not required as the Company is not following general approach on trade receivables.



Peninsula Facility Management Services Limited  
Notes to Financial Statements for the Year Ended 31st March 2019

(Rs. In Lakhs)

**Note 10 : Cash and Cash Equivalents**

Particulars	As at 31.03.2019	As at 31.03.2018
Balance with Banks in Current Accounts	72.16	92.05
<b>Total</b>	<b>72.16</b>	<b>92.05</b>

**Note 11 : Loans (Considered good, Unsecured)**

Particulars	As at 31.03.2019	As at 31.03.2018
Loan to Ultimate Holding Company (Refer note No. 23)	738.22	-
<b>Total</b>	<b>738.22</b>	<b>-</b>

**Note 12 : Other Current Assets**

Particulars	As at 31.03.2019	As at 31.03.2018
Advance to Suppliers	0.55	0.55
Prepaid Expenses	-	0.05
<b>Total</b>	<b>0.55</b>	<b>0.60</b>

**Note 13 : Equity Share Capital**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Authorised Share capital</b> 10 Lakhs (10 Lakhs as at 31st March, 2018 ) Equity Shares of Rs.10/- each	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>
<b>Issued Subscribed and Fully Paid Up</b> 10 Lakhs (10 Lakhs as at 31st March, 2018 ) Equity Shares of Rs.10/- each, held by Peninsula Holding and Investments Private Limited (Holding Company)	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>
<b>Reconciliation of No. of Shares</b>		
Balance at the beginning of the year (in Lacs)	10	10
Equity Shares issued during the year (in Lacs)	-	-
Balance at the end of the year (in Lacs)	10	10
<b>Terms / Rights attached to Equity Shares</b> The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. All shares rank pari passu with regard to dividend.  In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
<b>Details of shareholders holding more than 5% shares in</b>		
Name of the Shareholder	No. of Shares	No. of Shares
Peninsula Holding and Investments Pvt. Ltd. and its nominee/s (In lakhs )	10	10
Ultimate Controlling Company : Peninsula Land Limited	% of Holding 100%	% of Holding 100%



Peninsula Facility Management Services Limited  
Notes to Financial Statements for the Year Ended 31st March 2019

**Note 14 : Other Equity**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Securities Premium Reserve</b>		
Opening Balance	1,440.00	1,440.00
Add: Additions during the year	-	-
Closing Balance (A)	1,440.00	1,440.00
<b>Retained Earnings</b>		
Opening Balance	(600.31)	(505.28)
Add : Profit / (Loss) after Tax for the year	24.94	(95.03)
Closing Balance (B)	(575.37)	(600.31)
<b>Total [A+B]</b>	<b>864.63</b>	<b>839.69</b>

**Nature and Purpose of Reserve**

**Securities Premium Reserve :** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

**Retained Earnings :** Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

**Note 15 : Trade Payables**

Particulars	As at 31.03.2019	As at 31.03.2018
Micro and Small Enterprises (Refer note 29)	2.48	2.48
Others (Refer note No. 27 for information about fair value measurement & Liquidity Risk)	37.06	35.74
<b>Total</b>	<b>39.53</b>	<b>38.22</b>

1.32

**Note 16 : Other Current Financial Liabilities**

Particulars	As at 31.03.2019	As at 31.03.2018
Payable to Societies / Customers *	226.76	226.76
Due to Ultimate Controlling Company (Refer note No. 25)	-	14.79
Security Deposits (Refer note 27 for information about fair value measurement & Liquidity Risk)	7.60	7.60
<b>Total</b>	<b>234.36</b>	<b>249.15</b>

\* These payables are long outstanding as settlement for societies are under process/dispute

**Note 17 : Other Current Liabilities**

Particulars	As at 31.03.2019	As at 31.03.2018
Statutory Dues	4.59	6.75
Others	6.36	6.36
<b>Total</b>	<b>10.95</b>	<b>13.11</b>



**Peninsula Facility Management Services Limited**  
**Notes to Financial Statements for the Year Ended 31st March 2019**

Note No.	Particulars	2018-2019 Rs.in Lakhs	2017-2018 Rs.in Lakhs
<b>18</b>	<b>Revenue from Operations</b>		
	<u>Sale of Services</u>		
	Income from Facility Management Service	49.95	50.20
	<b>Total</b>	<b>49.95</b>	<b>50.20</b>
<b>19</b>	<b>Other Income</b>		
	Dividend from Current Investments	5.61	36.19
	Interest Received on Income Tax Refund	-	0.53
	Interest received from Customers	3.65	-
	Interest form Ultimate holding company	48.33	-
	Reversal of Provision for Doubtful debts	4.66	-
	<b>Total</b>	<b>62.26</b>	<b>36.72</b>
<b>20</b>	<b>Employee Benefits Expense</b>		
	Salaries, Wages and Bonus	-	23.20
	Leave Encashment (Refer Note No.31)	-	1.10
	Gratuity (Refer Note No.31)	-	2.17
	Contribution to ESIC, Provident Fund, Super Annuation (Refer Note No.31)	-	1.92
	<b>Total</b>	<b>-</b>	<b>28.39</b>
<b>21</b>	<b>Other Expenses</b>		
	Professional Fees	1.83	2.38
	Auditors' Remuneration (Refer Note No. 28)	2.75	2.75
	Balances Written off	-	2.56
	Bad Debts Written off	74.60	-
	Provision for Doubtful Debts	-	189.65
	Miscellaneous Expenses	0.66	0.23
	<b>Total</b>	<b>79.84</b>	<b>197.57</b>





22 Contingent Liabilities

Particulars	As at 31.03.2019 Rs. in Lakhs	As at 31.03.2018 Rs. in Lakhs
Claims against the Company not acknowledged as debts in respect of		
i). Service Tax* (Including Penalties)	65.63	64.35
ii) Income Tax demand as per assessment order u/s 143(3) ( For the AY 2011-12 to 2013-14 )	77.24	77.24
<b>Total estimate of financial impact</b>	<b>142.87</b>	<b>141.59</b>

\* Interest for above demands is not ascertainable.

23 List of Related Parties and Transactions During the year as per Ind AS-24 "Related Party Disclosures"

a Controlling Company

Peninsula Holdings & Investments Private Limited - Holding Company

b Ultimate Controlling Company

Peninsula Land Limited

c Key Management Personnel and Their relatives with whom transaction where entered during the year,

Mr. Shardul Doshi -Director

Mr. Amish Yoddha -Director

Mr. Prakash Mahabala Shetty -Director

Details of Transactions are as Follows :	2018-2019 Rs. in Lakhs	2017-2018 Rs. in Lakhs
<b>A. Loan given to</b>		
Peninsula Land Limited	720.00	-
<b>B. Loan repaid by</b>		
Peninsula Land Limited	30.10	-
<b>C. Transfer of Employee Retirement Benefit Liability pursuant to transfer of an employee</b>		
Peninsula Land Limited	-	14.79
<b>D. Reimbursement of Expenses payable to</b>		
Peninsula Land Limited	17.66	2.21
<b>E. Amount Repaid - Expense / Deposit</b>		
Expenses paid to Peninsula Land Limited	32.45	2.21
<b>F. Interest Income Charged</b>		
Peninsula Land Limited	48.33	-
<b>G. Outstanding balances - Receivable / (Payable)</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Loan outstanding (including interest) from Peninsula Land Ltd.	738.22	-
Other payable to Peninsula Land Ltd	-	(14.79)
Other receivables from Peninsula Land Ltd.	0.52	0.52
<b>H. Sharing of resource with non monetary consideration</b>		
Peninsula Land Limited		

24 Earning Per Share (EPS)

Particulars	2018-2019 Rs. in Lakhs	2017-2018 Rs. in Lakhs
a. Profit / (Loss) after Tax attributable to Equity Shareholders (Rs.)	24.94	(95.03)
b. Weighted Average Number of Equity Shares (in lakhs)	10.00	10.00
c. Basic and Diluted EPS (Rs.)	2.49	(9.50)
d. Face Value of Equity Share (Rs.)	10.00	10.00

25 Tax Expenses

a. Amount recognised in Statement of Profit and Loss

Particulars	2018-2019	2017-2018
Current Tax / Minimum Alternate Tax	4.60	4.23
Deferred Tax	2.97	(40.17)
[includes MAT Credit (utilised)/availed Rs. (1.49 lakhs) (Previous Year Rs. 4.23 lakhs)]		
Prior Year Tax Adjustments	(0.14)	(8.07)
<b>Tax Expense / (benefit) for the year</b>	<b>7.43</b>	<b>(44.01)</b>



b. Movement in Deferred Tax Assets

FY 2018-19				Rs. In Lakhs
Particulars	As at 01.04.2018	Recognised in		As at 31.03.2019
		Profit and Loss	OCI	
Property, Plant and Equipment	1.75	(0.28)	-	1.47
Provision for Doubtful Debts	74.78	(1.21)	-	73.57
Provision for Bonus	0.18	-	-	0.18
MAT Credit Entitlement Claim	15.26	(1.49)	-	13.77
<b>Total</b>	<b>91.97</b>	<b>(2.98)</b>	<b>-</b>	<b>88.99</b>

FY 2017-18				Rs. In Lakhs
Particulars	As at 01.04.2017	Recognised in		As at 31.03.2018
		Profit or Loss	OCI	
Property, Plant and Equipment	2.05	(0.31)	-	1.75
Provision for Gratuity	3.59	(3.59)	-	-
Provision for Leave Encashment	1.72	(1.72)	-	-
Provision for Doubtful Debts	25.22	49.55	-	74.78
Provision for Bonus	0.18	0.00	-	0.18
MAT Credit Entitlement Claim*	19.03	(3.76)	-	15.26
<b>Total</b>	<b>51.80</b>	<b>40.17</b>	<b>-</b>	<b>91.97</b>

\* Includes MAT Utilisation of Previous year of Rs. 7.99 Lakhs

c. Reconciliation of tax expense and accounting profit multiplied by tax rate

Particulars	2018-2019	2017-2018
	Rs. in Lakhs	Rs. in Lakhs
Profit / (Loss) before tax	32.36	(139.04)
Tax as per Indian Income Tax Act @ 26% (PY 25.75%)	8.41	(35.80)
Permanent Disallowances	0.48	1.00
Tax on Income Exempted from Income Taxes	(1.46)	(9.32)
Unrecognised Deferred Tax Asset on Business Loss	-	0.41
Others*	-	(0.30)
<b>Tax expense as per books</b>	<b>7.43</b>	<b>(44.01)</b>
<b>Effective Tax Rate</b>	<b>0.23</b>	<b>0.32</b>

\* Others include differences in tax rates relating to Deferred Tax, DTA on earlier periods adjustments.

26 Auditors' Remuneration :

Particulars	2018-2019	2017-2018
	Rs. in Lakhs	Rs. in Lakhs
Audit fees (excluding GST)	2.75	2.75
<b>Total</b>	<b>2.75</b>	<b>2.75</b>



Peninsula Facility Management Services Limited  
Notes to Financial Statements for the Year Ended 31st March 2019

27 Financial Instruments - Fair Values and Risk Management

A Accounting classification and fair values

(Rs. In Lakhs)

As at 31.03.2019

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Amount	Fair Value
<b>Financial Assets</b>					
Investments	98.47	-	-	98.47	98.47
Trade Receivable	-	-	184.06	184.06	184.06
Cash & Cash equivalents	-	-	72.16	72.16	72.16
Loans	-	-	738.22	738.22	738.22
<b>Total</b>	<b>98.47</b>	<b>-</b>	<b>994.44</b>	<b>1,092.91</b>	<b>1,092.91</b>

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Amount	Fair Value
<b>Financial Liabilities</b>					
Trade Payables	-	-	39.54	39.54	39.54
<b>Other Current Financial Liabilities</b>					
- Payable to Societies / Customers	-	-	226.76	226.76	226.76
- Security Deposits	-	-	7.60	7.60	7.60
<b>Total</b>	<b>-</b>	<b>-</b>	<b>273.91</b>	<b>273.91</b>	<b>273.91</b>

As at 31.03.2018

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Amount	Fair Value
<b>Financial Assets</b>					
Investments	792.85	-	-	792.85	792.85
Trade Receivable	-	-	202.57	202.57	202.57
Cash & Cash Equivalents	-	-	92.05	92.05	92.05
<b>Total</b>	<b>792.85</b>	<b>-</b>	<b>294.61</b>	<b>1,087.47</b>	<b>1,087.47</b>

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Amount	Fair Value
<b>Financial Liabilities</b>					
Trade Payables	-	-	38.22	38.22	38.22
Due to Ultimate controlling Company	-	-	14.79	14.79	14.79
<b>Other Current Financial Liabilities</b>					
- Payable to Society / Customers	-	-	226.76	226.76	226.76
- Security Deposits	-	-	7.60	7.60	7.60
<b>Total</b>	<b>-</b>	<b>-</b>	<b>287.37</b>	<b>287.37</b>	<b>287.37</b>

Note 1 : Fair Value hierarchy of financial assets and Liabilities measured at fair value as well as those measured at amortised cost but fair value disclosure is required:

As at 31.03.2019

(Rs. In Lakhs)

Particulars	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Investments	98.47	-	-

As at 31.03.2018

Particulars	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Investments	792.85	-	-
Loans	-	-	-

Note 2 : Carrying amounts of cash and cash equivalents, trade receivables, trade payables and other financial assets and liabilities as at 31st March, 2019 & 31st March, 2018 approximate the fair values.



**B Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**Risk management framework**

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

**i. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers, loans and investment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in normal course of business. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The carrying amount of following financial assets represents the maximum credit exposure:

**a. Trade and other receivables**

Customer credit risk is managed by requiring customers to pay within 30 days of bill raised and stringent credit terms, therefore substantially eliminating the credit risk in this respect.

**Impairment**

The ageing of trade and other receivables that were not impaired was as follows.

	(Rs. In Lakhs)	
	As at 31.03.2019	As at 31.03.2017
Past due 1-180 days	58.94	58.65
Past due 181 & Above	125.12	143.92
	184.06	202.57

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. Further major outstanding are disputed and will be settled at the time of society formation. These receivables are secured by deposits given which can be adjusted against these receivables.

The movement in the allowance for impairment in respect of trade and other receivables was as follows.

Balance as at 31st March, 2018	287.60
Provision made / (Reversed)	(4.66)
Amounts written off	-
Balance as at 31st March, 2019	(282.94)
Balance as at 31st March, 2017	97.95
Provision made / (Reversed)	189.65
Amounts written off	-
Balance as at 31st March, 2018	287.60

b. The Company held cash and cash equivalents of Rs.72.16 Lakhs at 31st March, 2019 (92.05 Lakhs at 31st March, 2018 ). The cash and cash equivalents are held with banks with good credit ratings

c. Company has Investments of Rs.98.47 Lakhs as at 31st March 2019 Rs.792.85 Lakhs as at 31st March 2018 ) in Mutual Fund. These mutual funds have high credit ratings.

**ii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

**a. Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

**Contractual cash flow**

(Rs. In Lakhs)

As at 31.03.2019	Carrying Amount	Total	Within 12 months	1-2 Years	2-5 Years	More than 5 Years
Trade Payables	39.54	39.54	39.54	-	-	-
Due to Ultimate Controlling Company	-	-	-	-	-	-
Other Current Financial Liabilities						
- Payable to Societies / Customers	226.76	226.76	226.76	-	-	-
- Security Deposits	7.60	7.60	7.60	-	-	-

As at 31.03.2018	Carrying Amount	Total	Within 12 months	1-2 Years	2-5 Years	More than 5 Years
Trade Payables	38.22	38.22	38.22	-	-	-
Due to Ultimate controlling Company	14.79	14.79	14.79	-	-	-
Other Current Financial Liabilities						
- Payable to Society / Customers	236.33	236.33	236.33	-	-	-
- Security Deposits	7.60	7.60	7.60	-	-	-

**iii. Market Risk**

The Company is exposed to price / Interest rate risk related to investment in Mutual Funds. These investment are measured at Fair Value through profit and loss. Dividend income from these investment is fluctuating based on interest rate in the market. These mutual funds have debt portfolio and hence there is no significant market risk.



28 Capital Management

a. Risk Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

b. Dividend

The Company has not declared any dividend during the current year and previous years.



Peninsula Facility Management Services Limited  
Notes to Financial Statements for the Year Ended 31st March 2019

29 Disclosure Pursuant to the Micro, Small and Medium Enterprises Development Act, 2006.

The Company has sent letters to suppliers to confirm whether they are covered under Micro, Small and Medium Enterprises Act, 2006 as well as whether they have filed required memorandum with the prescribed authorities. Out of the letters sent to the parties, some confirmations have been received till the date of finalization of Balance Sheet. Based on the confirmations received, the outstanding amounts payable to suppliers covered under Micro, Small and Medium Enterprises Development Act 2006 are given below.

Particulars	As at 31.03.2019 Rs. in Lakhs	As at 31.03.2018 Rs. in Lakhs
The Principal amount remaining Unpaid at the end of the year	2.48	2.48
The Interest amount remaining unpaid at the end of the year	-	-
The Interest amount paid in terms of section 16 of MSMED Act, 2006	-	-
The Balance of MSME parties as at the end of the year	2.48	2.48

30 The 'management approach' as defined in "Ind AS 108 - Operating Segments" requires disclosure of segment-wise information based on the manner in which the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources in cases where a reporting entity operates in more than one business segment. Since the Company is primarily engaged in the business of rendering facility management services, which the Management and CODM recognise as the sole business segment, the disclosure of such segment-wise information is not required and accordingly, not provided.

31 Employee Benefits

During the previous year, 2 out of 3 employees have resigned and all the dues payable to them have been paid by the company. The remaining employee, along with the entire liability towards that employee, has been transferred to ultimate holding company. The company does not have any employees as at 31st March 2019 and 31st March 2018. Hence, it has not carried out actuarial valuation.

32 The Company is registered with the Ministry of Corporate Affairs under CIN U55101MH1999PLC118542.

33 The previous year figures are regrouped, recast and reclassified wherever necessary to make them comparable with the figures of the current year.

As per our report of even date attached

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.103523W / W100048


  
Snehal Shah  
Partner  
Membership No.048539

Place: Mumbai  
Date: 27th May 2019



For and on behalf of the Board of Directors

  
Shardul Doshi  
Director (DIN 02486626)

  
Amish Yodha  
Director (DIN 07081489)





## Notes forming part of Financial Statements

### 1. Company Overview

Peninsula Facility Management Services Limited ("the Company") is a public company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company is involved in the provision of integrated real estate services covering all aspects of real estate services including but not limited to technical operation & maintenance, housekeeping, pest control, landscaping, parking management, security management, support services etc.

The financial statements of the Company for the year ended 31st March, 2019 were authorized for issue in accordance with the resolution of the Board of Directors on 27th May 2019

### 2. Significant Accounting Policies

#### I Basis of Preparation of Financial Statements

##### a. Compliance with Ind AS

The financial statements comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act, as applicable.

##### b. Historical Cost Convention

The Financial Statements have been prepared under historical cost convention on the accrual basis, except for financial assets which are measured at fair value (Refer accounting policy).

##### c. Operating Cycle

The normal operating cycle in respect of operations carried out by Company is twelve months. All assets and liabilities have been classified into current and non-current based on a period of twelve months.

##### d. Functional and Presentation Currency

These financial statements are presented in Indian Rupees in Lakhs, which is also the functional currency of the Company.

#### II Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of these Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.



**a. Impairment of Non Financial Assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Goodwill is tested for impairment at the end of each reporting period and is not subject to amortisation.

**b. Impairment of Financial Assets**

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

**c. Useful life and residual value of Property, Plant and Equipment and Intangible Assets**

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

**d. Fair Value Measurement of Financial Instruments**

When the fair values of the financial assets and liabilities recorded in the Balance Sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation technique. The inputs to these models are taken from the observable market wherever possible, but where this is not feasible, a review of judgment is required in establishing fair values. Any changes in assumptions could affect the fair value relating of financial instruments.

**e. Recognition and Measurement of Defined Benefit Obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, expected return on plan assets, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post employment benefit obligations.



### III Recent Accounting Developments

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Entity's financial statements are disclosed below. The Entity intends to adopt these standards, if applicable, when they become effective.

#### Ind AS 116 "Leases":

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. There is no impact of this amendment on the financial statements.

#### Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. There is no impact of this amendment on the financial statements.

#### Amendment to Ind AS 12 - Income Taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. There is no impact of this amendment on the financial statements.

### IV Measurement of Fair Values

The Company has an established control framework with respect to the measurement of fair values. The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Management assesses the evidence obtained from the



third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## **V Property, Plant and Equipment & Depreciation**

### **a. Recognition and Measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- i. its purchase price, including import duties and non refundable purchase taxes, after deducting trade discounts and rebates.
- ii. any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.
- iii. the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by Management, are recognised in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.





**b. Subsequent Expenditure**

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss of the Company in the year of disposal.

Expenses incurred for acquisition of capital assets excluding advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date are disclosed under Capital Work in Progress.

Capital Work in Progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

**c. Depreciation**

Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the tangible assets as prescribed under Part C of Schedule II of The Companies Act, 2013.

Depreciation is calculated on a prorata basis from the date of installation / acquisition till the date the assets are sold or disposed.

Depreciable amount for assets is the cost of an asset or amount substituted for cost, less its estimated residual value.

**VI Intangible Assets**

**a. Recognition and Measurement**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

**b. Subsequent Expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.



**c. Amortisation**

Intangible assets are amortised over their estimated useful lives on a straight line basis, not exceeding 7 years commencing from the date the asset is available to the Company for its use.

**VII Financial Instruments**

**a. Financial Assets**

**i. Classification**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**ii. Initial Recognition and Measurement**

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

**iii. Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified into two broad categories:

- a. Financial asset at fair value
- b. Financial asset at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit or loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

**iv. A financial asset mainly debt that meets the following 2 conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.**

- **Business Model Test** : the objective of the Company's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes)
- **Cash Flow Characteristics Test**: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following 2 conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.





- **Business Model Test** : the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets
- **Cash Flow Characteristics Test**: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different basis.

All other financial asset is measured at fair value through profit or loss.

#### v. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset.

#### vi. Impairment of Financial Asset

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial asset measured at amortised cost
- Financial asset measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, considering historical trend, industry practices and the business environment in which the Company operates or any other appropriate basis.

The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss



**b. Financial Liabilities**

**i. Classification**

The Company classifies all financial liabilities as subsequently measured at amortised cost or at fair value through Profit or Loss.

**ii. Initial Recognition and Measurement**

All financial liabilities are recognised initially at fair value and in case of payables net of directly attributable transaction cost.

The Company's financial liabilities include trade and other payables and other contractual liabilities.

**iii. De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**Offsetting of Financial Instruments**

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

**c. Equity Instruments**

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recognised at the proceeds received net off direct issue cost.

**VIII Revenue Recognition**

Income from Facility Management Services (including lease rentals) is recognised on an accrual basis.

Reimbursement towards expenses incurred for providing services are included in the revenue and related expenses are shown separately.

Interest income is accounted on an accrual basis at effective interest rate.

Dividend Income from Investments is recognized in the Statement of Profit and Loss when right to receive payment is established.



## IX Income Tax

Income Tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

### a. Current Tax

Current Tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities can be offset only if the Company

- (i) has a legally enforceable right to set off the recognised amounts; and
- (ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### b. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse using tax rates enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset only if:

- (i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.



**c. Minimum Alternate Tax (MAT)**

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognised as an asset (MAT Credit Entitlement) only if there is convincing evidence for realisation of such asset during the specified period. MAT paid during the year is charged to Statement of Profit and Loss as current tax. MAT credit entitlement is reviewed at each Balance Sheet date. For the purpose of disclosure of MAT in financial assets, the same has been considered as deferred tax assets.

**X Employee Benefits**

**a. Short term employee benefits**

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**b. Post Employment Benefits**

**(i) Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**(ii) Defined benefit plans**

Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.





When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**c. Other Long Term Employee Benefits**

Company's liability towards compensated absences is determined by an independent actuary using Projected Unit Credit Method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of the estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

**XI Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**XII Earnings Per Share**

Basic earnings per share is computed by dividing the profit / loss after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

**XIII Statement of Cash Flows**

Statement of Cash Flows is prepared under the "Indirect Method" as prescribed under the Indian Accounting Standard (Ind AS) 7 -Statement of Cash Flows.

Cash and Cash equivalents for the purpose of Statement of Cash Flows comprise of cash at bank and on hand and short term investments with original maturity of three months or less.





#### XIV Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

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

Contingent Assets are not recognised in Financial Statement. If an inflow of economic benefits has become probable, contingent assets are disclosed.

Contingent Assets are assessed continually to ensure that developments are appropriately reflected in the Financial Statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the Financial statements of the period in which the changes occurs.

