

**CENTURYWELLS ROOFING INDIA PRIVATE LIMITED**  
**23/6A, Vellanthal Village, Irunkattu Kottai, Sriperumbudur, Kancheepuram 602105**  
**CIN : U28112TN2002PTC049959      PHONE : 080 4011 7777**  
**E MAIL ID : cs@shankarabuildpro.com**

*(All amount are stated in Indian Rupees, unless stated otherwise)*

**Balance Sheet as at 31st March 2018**

Particulars	Note No.	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>I ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	4	5,12,81,531	4,54,37,809	4,46,40,940
(b) Financial Assets				
i) Loans	5	40,45,357	57,45,452	56,31,463
(c) Other non-current assets	6	24,35,200	-	16,86,858
<b>Total Non current assets</b>		<b>5,77,62,088</b>	<b>5,11,83,261</b>	<b>5,19,59,261</b>
<b>Current Assets</b>				
(a) Inventories	7	22,53,14,200	12,12,35,844	14,05,50,094
(b) Financial Assets				
i) Trade receivables	8	11,13,24,416	20,25,92,120	9,23,99,054
ii) Cash and cash equivalents	9	6,19,240	10,40,117	4,74,222
iii) Bank balances other than (ii) above	10	78,45,200	-	-
iv) Other financial assets	11	1,14,961	1,47,743	72,883
(c) Other current assets	12	6,69,94,587	38,99,240	33,05,305
<b>Total current assets</b>		<b>41,22,12,604</b>	<b>32,89,15,064</b>	<b>23,68,01,558</b>
<b>Total Assets</b>		<b>46,99,74,692</b>	<b>38,00,98,325</b>	<b>28,87,60,819</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	13	1,99,92,000	1,99,92,000	1,99,92,000
(b) Other equity	14	14,74,39,124	9,74,23,188	4,41,28,036
<b>Total Equity</b>		<b>16,74,31,124</b>	<b>11,74,15,188</b>	<b>6,41,20,036</b>
<b>Non-Current Liabilities</b>				
(a) Provisions	15	14,43,140	18,34,533	15,73,667
(b) Deferred tax liabilities (Net)	16	34,47,624	26,21,328	11,17,416
<b>Total Non-current liabilities</b>		<b>48,90,764</b>	<b>44,55,861</b>	<b>26,91,083</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
i) Borrowings	17	11,13,12,830	17,38,01,843	7,64,05,694
ii) Trade payables	18	8,81,28,880	4,77,87,187	11,98,94,991
iii) Other financial liabilities	19	8,67,78,656	34,38,371	28,32,318
(b) Provisions	20	26,893	46,729	1,06,447
(c) Current tax liabilities(Net)	16	92,83,786	1,87,72,190	1,48,32,190
(d) Other current liabilities	21	21,21,759	1,43,80,956	78,78,060
<b>Total current liabilities</b>		<b>29,76,52,804</b>	<b>25,82,27,276</b>	<b>22,19,49,700</b>
<b>Total Equity and Liabilities</b>		<b>46,99,74,692</b>	<b>38,00,98,325</b>	<b>28,87,60,819</b>

**See accompanying notes to the financial statements**

As per our report attached of even date

**For B.B.NAIDU & CO.**

Chartered Accountants

ICAI Firm Reg.No. 002291S

For and on behalf of the Board of Directors

A.SEKAR

Partner

Membership No: 018784

Sukumar Srinivas

Director

DIN: 01668064

C.Ravikumar

Director

DIN: 01247347

Place: Bangalore

Date: May 09, 2018

Place: Bangalore

Date: May 09, 2018

**CENTURYWELLS ROOFING INDIA PRIVATE LIMITED**  
**23/6A, Vellanthangal Village, Irunkattu Kottai, Sriperumbudur, Kancheepuram 602105**  
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(All amount are stated in Indian Rupees, unless stated otherwise)

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

Particulars	Note No.	For the Year ended March 31,2018	For the Year ended March 31,2017
I Revenue from operations	22	1,82,26,50,829	1,67,12,26,805
II Other Income	23	2,38,622	1,63,157
<b>III Total Income (I+II)</b>		<b>1,82,28,89,451</b>	<b>1,67,13,89,962</b>
<b>IV Expenses</b>			
Cost of Raw Materials Consumed	24	1,66,19,64,268	1,51,70,44,319
Changes in inventories of finished goods	25	7,11,852	(85,64,906)
Employee benefits expense	26	2,10,62,409	2,06,25,306
Finance costs	27	1,94,94,226	1,98,61,401
Depreciation and amortization expenses	4	33,83,403	32,64,492
Other expenses	28	3,91,76,536	4,31,67,278
<b>Total expenses (IV)</b>		<b>1,74,57,92,694</b>	<b>1,59,53,97,890</b>
<b>V Profit before tax (III-IV)</b>		<b>7,70,96,757</b>	<b>7,59,92,072</b>
<b>VI Tax expense:</b>	16		
Current tax		2,48,30,000	2,52,60,000
for earlier years		20,18,918	(40,40,858)
Deferred tax		8,10,376	15,08,757
		<b>2,76,59,294</b>	<b>2,27,27,899</b>
<b>VII Profit for the period</b>		<b>4,94,37,463</b>	<b>5,32,64,173</b>
<b>VIII Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to Profit or loss		5,94,393	26,134
(ii) Income tax relating to items will not be reclassified to Profit or loss		(15,920)	4,845
<b>Total A</b>		<b>5,78,473</b>	<b>30,979</b>
B (i) Items that will be reclassified to Profit or loss			
(ii) Income tax relating to items will be reclassified to Profit or loss			
<b>Total B</b>		-	-
<b>Total Other Comprehensive Income/(loss) (A+B)</b>		<b>5,78,473</b>	<b>30,979</b>
<b>IX Total Comprehensive Income/(loss)</b>		<b>5,00,15,936</b>	<b>5,32,95,152</b>
<b>X Earning per equity share:</b>	29		
Basic & Diluted		247.29	266.43

**See accompanying notes to the financial statements**

As per our report attached of even date

**For B.B.NAIDU & CO.**  
Chartered Accountants  
ICAI Firm Reg.No. 0022915

For and on behalf of the Board of Directors

**A.SEKAR**  
Partner  
Membership No: 018784

**Sukumar Srinivas**  
Director  
DIN: 01668064

**C.Ravikumar**  
Director  
DIN: 01247347

Place: Bangalore  
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**Statement of Changes in Equity for the year ended 31st March 2018**

**A. Equity Share Capital (Refer Note 13)**

As at 01-04-2016	Movement during the year	As at 31-03-2017	Movement during the year	As at 31-03-2018
1,99,92,000	-	1,99,92,000	-	1,99,92,000

**B. Other Equity (Refer Note 14)**

Particulars	Reserves & Surplus	Items of other comprehensive income		Total
	Retained Earnings	Remeasurements of the net defined benefit plans	Fair Valuation of Guarantee to Holding Company	
Opening Balance as at April 01, 2016	4,50,98,703	-	(9,70,667)	4,41,28,036
Profit for the year	5,32,64,173			5,32,64,173
Other comprehensive income for the year, net of income tax		(9,155)	40,134	30,979
Closing balance as at March 31, 2017	9,83,62,876	(9,155)	(9,30,533)	9,74,23,188
Profit for the year	4,94,37,463			4,94,37,463
Other comprehensive income for the year, net of income tax		30,080	5,48,393	5,78,473
Closing balance as at March 31, 2018	14,78,00,339	20,925	(3,82,140)	14,74,39,124

See accompanying notes to the financial statements

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A.SEKAR  
 Partner  
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**Statement of Cash Flows for the year ended 31-3-2018**

Particulars	For the Year ended March 31,2018	For the Year ended March 31,2017
<b>Cash flow from operating activities</b>		
Profit before tax	7,70,96,757	7,59,92,072
Adjustments for :		
Depreciation and amortization expenses	33,83,403	32,64,492
Interest expense	1,94,94,226	1,98,61,401
Bad Debts written off	4,806	17,844
Loss Allowance for doubtful trade receivables	2,51,027	5,64,583
<b>Operating profit before working capital changes</b>	<b>10,02,30,219</b>	<b>9,97,00,392</b>
Adjustments for :		
(Increase) / Decrease in inventories	(10,40,78,356)	1,93,14,250
(Increase) / Decrease in trade receivable	9,10,11,871	(11,07,75,493)
Decrease/ (Increase) in Other Assets	(6,13,62,467)	(7,82,784)
(Decrease)/ Increase in trade payables	4,03,41,693	(7,21,07,804)
(Decrease)/ Increase in other liabilities	7,10,81,085	71,08,949
(Decrease)/Increase in provisions	1,83,164	2,27,282
<b>Cash flow from operations</b>	<b>13,74,07,209</b>	<b>(5,73,15,208)</b>
Income taxes paid	(3,63,37,322)	(1,72,79,142)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>10,10,69,887</b>	<b>(7,45,94,350)</b>
<b>Cash flow from investing activities</b>		
Payment for Property, Plant & Equipment, Investment property, Intangible assets including capital Advances	(1,16,62,325)	(23,74,503)
Bank deposits not considered as cash and cash equivalents (net)	(78,45,200)	-
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>(1,95,07,525)</b>	<b>(23,74,503)</b>
<b>Cash flow from financing activities</b>		
Proceeds from/ (Repayment of) Current borrowings (net)	(6,24,89,013)	9,73,96,149
Interest paid	(1,94,94,226)	(1,98,61,401)
<b>Net cash used in financing activities (C)</b>	<b>(8,19,83,239)</b>	<b>7,75,34,748</b>
<b>Net increase in cash and cash equivalents(A+B+C)</b>	<b>(4,20,877)</b>	<b>5,65,895</b>
<b>Cash and cash equivalents - opening balances</b>	<b>10,40,117</b>	<b>4,74,222</b>
<b>Cash and cash equivalents - closing balances</b>	<b>6,19,240</b>	<b>10,40,117</b>

See accompanying notes to the financial statements

As per our report attached of even date

**For B.B.NAIDU & CO.**

Chartered Accountants

ICAI Firm Reg.No. 0022915

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A.SEKAR

Partner

Membership No: 018784

Sukumar Srinivas

Director

DIN: 01668064

C.Ravikumar

Director

DIN: 01247347

Place: Bangalore

Date: May 09, 2018

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Date: May 09, 2018

**Centurywells Roofing India Private Limited**  
**Notes to the Financial Statements**

**1 GENERAL INFORMATION**

M/s. Centurywells Roofing India (Pvt) Ltd was registered in the 2002, under the Companies 1956. The Company is engaged in the business of manufacturing and trading of steel roofing sheet profiling to suit the Customer's requirements like different thickness, colour, size and coating specifications.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**A STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 9 May 2018. These financial statements are prepared and presented in Indian Rupees and rounded-off to the nearest rupees, except when otherwise stated.

The Company's financial statements upto and for the year ended 31st March, 2017 were prepared in accordance with the Standards as per Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act which was the previous GAAP ("IGAAP"). These are the first Ind AS Financial Statements of the Company. The date of transition to Ind AS is 1 April, 2016. Refer note 2(T) below for the details of first-time adoption exemptions availed by the Company.

**B BASIS OF PREPARATION AND PRESENTATION**

These financial statements have been prepared and presented on the accrual basis of accounting under historical cost convention or fair values as per the requirements of Ind AS prescribed under section 133 of the Companies Act, 2013.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for sharebased payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and 12 months or other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of its business, the company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

**Centurywells Roofing India Private Limited**  
**Notes to the Financial Statements**

**C REVENUE RECOGNITION**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenues on sale of products, net of discounts, rebates, returns, sales taxes and duties when the products are delivered to customer or when delivered to a carrier for sale, which is when significant risks and rewards of ownership pass to the customer.

**Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

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

Interest income is recognised on time proportion basis

Other income is recognised on accrual basis provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

**D PROPERTY, PLANT AND EQUIPMENT**

The cost of property, plant and equipment comprises its purchase price, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning, net of any trade discounts and rebates. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred unless such expenditure results in a significant increase in the future benefits of the concerned asset.

An item of property, plant and equipment is derecognised upon disposal or on retirement of an item of property, plant and equipment when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses., if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. 1 April, 2016, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Management has re-assessed the useful lives of the Property, plant and equipment and on the basis of technical evaluation, management is of the view that useful lives used by management, as above, are indicative of the estimated economic useful lives of the Property, plant and equipment. In respect of additions to Property, plant and equipment, depreciation has been charged on pro rata basis. Individual assets costing less than Rs.5,000/- are depreciated fully during the year of purchase.

The Company reviews the residual value, useful lives and depreciation method annually and, if current estimates differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

## Centurywells Roofing India Private Limited

### Notes to the Financial Statements

#### **E IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

#### **F LEASES**

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

##### **Where the company is lessee**

Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease determined in the respective agreements which is representative of the time pattern in which benefit derived from the use of the leased asset. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### **G INVENTORIES**

Inventories are stated at lower of cost and net realizable value. Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on First in First out ('FIFO') basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stores and spares which does not meet the definition of Property, plant and equipment are accounted as inventories

All items of inventories which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

## H EMPLOYEE BENEFITS

In respect of defined contribution plan the company makes the stipulated contributions to provident fund, Employee state insurance and pension fund, in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.

The liability for gratuity, considered as defined benefit, is determined actuarially using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

## I TAXATION

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

### Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Indian Income Tax Act, 1961.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



## **Centurywells Roofing India Private Limited**

### **Notes to the Financial Statements**

Current and deferred tax are recognised in the statement of profit and loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

#### **J FOREIGN CURRENCIES**

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in Foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

#### **K PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities and Contingent Assets are not recognized but are disclosed in the notes.

#### **L EARNING PER SHARE**

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders 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 treasury shares, 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 attributable to equity shareholders 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 the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

**Centurywells Roofing India Private Limited**  
**Notes to the Financial Statements**

**M BORROWING COSTS**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

**N GOVERNMENT GRANTS AND SUBSIDIES**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to Property, plant and equipment are treated as deferred income and released to the Statement of profit and loss over the expected useful lives of the assets concerned. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**O FINANCIAL INSTRUMENTS**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

**a) Financial Assets**

**(i) Initial recognition and measurement**

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through Statement of Profit or Loss ('FVTPL')) are added to the fair value of the financial assets, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in Statement of Profit and Loss.

**(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

**Debt instruments at amortised cost:**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- 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.
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

## Centurywells Roofing India Private Limited

### Notes to the Financial Statements

#### Debt instrument at FVTOCI:

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

#### Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is chosen only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

#### (iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### b) Financial liabilities and equity instruments

##### (i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value plus transaction cost (if any) that is attributable to the acquisition of the financial liabilities which is also adjusted.

##### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

###### Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

###### Trade and other payables:

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated as fair value through profit and loss at the inception.

## Centurywells Roofing India Private Limited

### Notes to the Financial Statements

The Company enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 90 days. These arrangements for raw materials are recognized as Acceptances (under trade payables).

#### Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.

#### Derecognition of financial liabilities:

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 recognized in the statement of profit or loss.

#### c) Offsetting

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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### d) Impairment of Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

### P Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**Centurywells Roofing India Private Limited**  
**Notes to the Financial Statements**

**Q CASH & CASH EQUIVALENTS**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**R FIRST TIME ADOPTION - MANDATORY EXCEPTIONS, OPTIONAL EXEMPTIONS**

**Overall principle**

The Company has prepared the opening Balance Sheet as per Ind AS as of 1 April, 2016 (the transition date) by,

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below. Since, the financial statements are the first financial statements, the first time adoption - mandatory exceptions and optional exemptions have been explained in detail.

**(i) Deemed cost for Property, plant and equipment**

The Company has elected to continue with the carrying value of all of its property, plant and equipment as of 1 April, 2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

**(ii) Determining whether an arrangement contains a lease**

The Company has opted to apply the Appendix C of Ind AS 17 - Determining whether an Arrangement contains a Lease, to determine whether the arrangements existing as on the transition date contains a lease, on the basis of facts and circumstances existing as at the transition date.

**(iii) De-recognition of financial assets and financial liabilities**

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2016 (the transition date).

**(iv) Designation of previously recognised financial instruments**

The Company has designated financial liabilities and financial assets at fair value through profit or loss on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**(v) Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**Centurywells Roofing India Private Limited**

**Notes to the Financial Statements**

**3 KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS**

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

**(i) Useful lives of property, plant and equipment**

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

**(ii) Provisions and liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(iii) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

**(iv) Fair value measurements**

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

**(v) Taxes**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Centurywells Roofing India Private Limited

Notes to the Financial Statements

(All amount are stated in Indian Rupees, unless stated otherwise)

4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total Tangible asset
<b>Deemed cost as at April 01, 2016</b>	<b>16,35,051</b>	<b>4,12,88,533</b>	<b>9,72,676</b>	<b>1,49,153</b>	<b>4,68,870</b>	<b>1,26,657</b>	<b>4,46,40,940</b>
Additions	1,65,415	38,11,502	-	61,192	6,302	16,950	40,61,361
Disposals	-	-	-	-	-	-	-
<b>Gross carrying amount as at March 31, 2017</b>	<b>18,00,466</b>	<b>4,51,00,035</b>	<b>9,72,676</b>	<b>2,10,345</b>	<b>4,75,172</b>	<b>1,43,607</b>	<b>4,87,02,301</b>
Additions	36,000	89,42,478	-	-	1,65,324	83,323	92,27,125
Disposals	-	-	-	-	-	-	-
<b>Gross carrying amount as at March 31, 2018</b>	<b>18,36,466</b>	<b>5,40,42,513</b>	<b>9,72,676</b>	<b>2,10,345</b>	<b>6,40,496</b>	<b>2,26,930</b>	<b>5,79,29,426</b>
<b>Accumulated depreciation / amortisation and impairment</b>							
<b>Balance as at April 01, 2016</b>	-	-	-	-	-	-	-
Depreciation for the year	58,118	28,49,220	1,23,788	26,377	1,40,638	66,351	32,64,492
Depreciation on disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>58,118</b>	<b>28,49,220</b>	<b>1,23,788</b>	<b>26,377</b>	<b>1,40,638</b>	<b>66,351</b>	<b>32,64,492</b>
Depreciation for the year	58,487	32,35,683	1,05,739	26,327	1,67,685	43,947	36,37,868
Depreciation reversed for the year	1,250	-	8,086	-	9,120	2,36,009	2,54,465
Depreciation on disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>1,15,355</b>	<b>60,84,903</b>	<b>2,21,441</b>	<b>52,704</b>	<b>2,99,203</b>	<b>(1,25,711)</b>	<b>66,47,895</b>
<b>Net Carrying amount</b>							
<b>As at March 31, 2018</b>	<b>17,21,111</b>	<b>4,79,57,610</b>	<b>7,51,235</b>	<b>1,57,641</b>	<b>3,41,293</b>	<b>3,52,641</b>	<b>5,12,81,531</b>
<b>As at March 31, 2017</b>	<b>17,42,348</b>	<b>4,22,50,815</b>	<b>8,48,888</b>	<b>1,83,968</b>	<b>3,34,534</b>	<b>77,256</b>	<b>4,54,37,809</b>
<b>As at April 01, 2016</b>	<b>16,35,051</b>	<b>4,12,88,533</b>	<b>9,72,676</b>	<b>1,49,153</b>	<b>4,68,870</b>	<b>1,26,657</b>	<b>4,46,40,940</b>
Useful Life of the asset (In Years)	Refer note (C)	15 Years	10 Years	8 - 10 Years	5 Years	3 Years	
Method of depreciation	Straight Line Method						

**Note**

- The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. 1 April, 2016, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The carrying value as at April 01, 2016 amounting to Rs. 4,48,76,949 of Property, plant and equipment represents gross cost of Rs. 9,10,65,858 net of accumulated depreciation of Rs. 4,61,88,909 as at March 31, 2016.
- Property, plant & equipment have been pledged as security against certain borrowings of the group as at 31 March 2018 (Refer note 17)
- 30 years for Factory buildings and 60 years for other buildings

**Centurywells Roofing India Private Limited**  
**Notes to the Financial Statements**

*(All amount are stated in Indian Rupees, unless stated otherwise)*

**5 LOANS (NON-CURRENT)**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Unsecured considered good:</b>			
Security Deposit	39,60,357	57,45,452	56,31,463
Dealers deposit	85,000	-	-
<b>Total</b>	<b>40,45,357</b>	<b>57,45,452</b>	<b>56,31,463</b>

**6 OTHER NON CURRENT ASSETS**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Unsecured, Considered good:</b>			
Capital advances	24,35,200	-	16,86,858
<b>Total</b>	<b>24,35,200</b>	<b>-</b>	<b>16,86,858</b>

**7 INVENTORIES**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Inventories:(at lower of cost and Net realisable value)</b>			
Raw Materials	20,08,16,818	9,86,33,203	12,76,65,493
Finished Goods	1,70,03,515	1,77,15,367	91,50,461
Stores and spares	74,93,867	48,87,274	37,34,140
<b>Total</b>	<b>22,53,14,200</b>	<b>12,12,35,844</b>	<b>14,05,50,094</b>

Inventories have been pledged as security against certain bank borrowings of the group as at 31 March 2018  
(Refer note 17)



**Centurywells Roofing India Private Limited**  
**Notes to the Financial Statements**

*(All amount are stated in Indian Rupees, unless stated otherwise)*

**Details of Goods in Transit**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Stock-in-trade		-	-
<b>Total</b>	-	-	-

**8 TRADE RECEIVABLES**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Unsecured:</b>			
Considered Good	11,13,24,416	20,25,92,120	9,23,99,054
Considered Doubtful	39,11,882	36,60,855	30,96,272
	11,52,36,298	20,62,52,975	9,54,95,326
Less: Allowance for doubtful debts	(39,11,882)	(36,60,855)	(30,96,272)
<b>Total</b>	<b>11,13,24,416</b>	<b>20,25,92,120</b>	<b>9,23,99,054</b>

**Ageing of receivables that are past due but not impaired**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
60 - 90 days	23,78,538	2,02,09,425	3,19,79,872
90 - 180 days	33,40,788	2,59,33,265	22,70,951
> 180 days	2,17,44,640	22,41,951	3,35,546
<b>Total</b>	<b>2,74,63,966</b>	<b>4,83,84,641</b>	<b>3,45,86,369</b>

The credit period on sales of goods ranges from 30 to 45 days without security. No interest is charged on trade receivables

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. There has been no significant change in the credit quality of receivables past due for more than 180 days.

Before accepting any new customer, the company evaluates the financial position, past performance, business opportunities, credit references etc of the new customer and defines credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Trade receivables have been given as collateral towards borrowings (refer security note below Note 17).

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

**Centurywells Roofing India Private Limited**  
**Notes to the Financial Statements**

*(All amount are stated in Indian Rupees, unless stated otherwise)*

**9 CASH AND CASH EQUIVALENT**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Balances with banks :			
In current account	1,50,101	1,50,101	1,54,885
Cash on hand	4,69,139	8,90,016	3,19,337
<b>Total</b>	<b>6,19,240</b>	<b>10,40,117</b>	<b>4,74,222</b>

**10 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Fixed Deposit	78,45,200	-	-
<b>Total</b>	<b>78,45,200</b>	<b>-</b>	<b>-</b>

**11 OTHER FINANCIAL ASSETS (CURRENT)**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unsecured, considered good			
Staff Advance	1,14,961	1,47,743	72,883
<b>Total</b>	<b>1,14,961</b>	<b>1,47,743</b>	<b>72,883</b>

**12 OTHER CURRENT ASSETS**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unsecured, considered good			
Advances other than capital advances:			
Advances for purchases	5,86,91,560	4,10,322	5,08,281
Prepayments and others	9,35,224	5,23,044	7,00,141
Balances with government authorities	73,67,803	29,65,874	20,96,883
<b>Total</b>	<b>6,69,94,587</b>	<b>38,99,240</b>	<b>33,05,305</b>

(All amount are stated in Indian Rupees, unless stated otherwise)

13 EQUITY SHARE CAPITAL

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares	Rs.	No. of Shares	Rs.	No. of Shares	Rs.
<b>Authorised Share Capital:</b>						
Equity shares of Rs.100/- each	5,00,000	5,00,00,000	5,00,000	5,00,00,000	5,00,000	5,00,00,000
<b>Issued, subscribed and paid up capital:</b>						
Equity shares of Rs.100/- each, fully paid	1,99,920	1,99,92,000	1,99,920	1,99,92,000	1,99,920	1,99,92,000

a) Reconciliation of number of equity shares and equity share capital

Particulars	31-03-2018		31-03-2017		31-03-2016	
	Number	Amount (Rs)	Number	Amount (Rs)	Number	Amount (Rs)
Balance as at the beginning of the year	1,99,920	1,99,92,000	1,99,920	1,99,92,000	1,99,920	1,99,92,000
Add: Shares issued	-	-	-	-	-	-
Balance as at the end of the year	1,99,920	1,99,92,000	1,99,920	1,99,92,000	1,99,920	1,99,92,000

b) Rights, preferences and restrictions attached to shares and terms of conversion of other securities into equity.

The company has one class of equity shares having par value of Rs.10 each. Each share holder is eligible for one vote per share held and carry a right to dividend. In the event of liquidation, the equity share holders are eligible to receive the 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.

c) Details of Shares held by holding Company:

Name of Shareholder	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Steel Network (Holdings) pte ltd	1,99,920	100.00%	1,99,920	100.00%	1,99,920	100.00%

d) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Steel Network (Holdings) pte ltd	1,99,920	100.00%	1,99,920	100.00%	1,99,920	100.00%

e) For the period of five years immediately preceding the date of Balance Sheet,

Aggregate number & class of shares allotted by the company as fully paid up pursuant to contracts without receipt of cash	Nil
Aggregate number & class of shares bought back by the company	Nil
Aggregate number & class of shares allotted by the company as fully paid up by way of bonus shares	Nil

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14 OTHER EQUITY

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Retained earnings	14,78,00,339	9,83,62,876	4,50,98,703
<b>OTHER COMPREHENSIVE INCOME:</b>			
Remeasurements of the net defined benefit plans	20,925	(9,155)	-
Fair Valuation of Guarantee to Holding Company	(3,82,140)	(9,30,533)	(9,70,667)
<b>Total</b>	<b>14,74,39,124</b>	<b>9,74,23,188</b>	<b>4,41,28,036</b>

15 PROVISIONS (NON-CURRENT)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Provision for Employee benefits</b>			
Provision for Gratuity	10,61,000	9,04,000	6,03,000
Provision for financial guarantee liability	3,82,140	9,30,533	9,70,667
	<b>14,43,140</b>	<b>18,34,533</b>	<b>15,73,667</b>

(All amount are stated in Indian Rupees, unless stated otherwise)

16 INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess.

a) Income tax expenses

Particulars	For the year ended	
	31-03-2018	31-03-2017
<b>Current tax:</b>		
Current tax	2,48,30,000	2,52,60,000
Tax pertaining to earlier years	20,18,918	(40,40,858)
<b>Deferred tax</b>	8,10,376	15,08,757
<b>Total</b>	<b>2,76,59,294</b>	<b>2,27,27,899</b>

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Particulars	For the year ended	
	31-03-2018	31-03-2017
Profit before tax	7,70,96,757	7,59,92,072
Enacted tax rate in India	34.608%	34.608%
Expected income tax expense at statutory tax rate	2,66,81,646	2,62,99,336
<u>Tax impact on account of</u>		
Depreciation under Income-tax Act	(12,33,043)	(10,57,494)
Provision for doubtful debts disallowed	86,875	1,95,391
Expenses allowed only on payment basis	2,48,064	-
Expenses not deductible in determining taxable profits	7,075	-
Others	(9,60,617)	(1,77,234)
<b>Tax expenses pertaining to current year</b>	<b>2,48,30,000</b>	<b>2,52,60,000</b>
<b>Effective income tax rate</b>	<b>32.206%</b>	<b>33.240%</b>

b) Current Tax Liabilities

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Current tax liabilities(Net)	92,83,786	1,87,72,190	1,48,32,190

Centurywells Roofing India Private Limited  
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(All amount are stated in Indian Rupees, unless stated otherwise)

c) **Deferred Tax Liabilities**

The majority of the deferred tax balance represents differential rates of depreciation for property plant and equipment under income tax act and disallowance of certain expenditure under income tax act. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Deferred Tax Liability:</b>			
On account of depreciation	51,93,425	39,02,735	21,97,173
<b>Deferred Tax Asset:</b>			
Expenses allowed on payment basis	(3,76,498)	-	-
Allowance for doubtful receivables and advances	(13,53,824)	(12,66,949)	(10,71,558)
Others	(15,479)	(14,458)	(8,199)
<b>Deferred Tax Asset/Liabilities (Net)</b>	<b>34,47,624</b>	<b>26,21,328</b>	<b>11,17,416</b>

Deferred tax balance (Asset)/Liability in relation to	As at 31-03-2017	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	As at 31-03-2018
Depreciation under income tax act	39,02,735	12,90,690		51,93,425
Provision for employee benefit	-	(3,92,418)	15,920	(3,76,498)
Allowance for doubtful receivables and advances	(12,66,949)	(86,875)		(13,53,824)
Others	(14,458)	(1,021)		(15,479)
<b>Total</b>	<b>26,21,328</b>	<b>8,10,376</b>	<b>15,920</b>	<b>34,47,624</b>

Deferred tax balance (Asset)/Liability in relation to	As at 01-04-2016	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	As at 31-03-2017
Depreciation under income tax act	21,97,173	17,05,562		39,02,735
Provision for employee benefit	-	(4,845)	4,845	-
Allowance for doubtful receivables and advances	(10,71,558)	(1,95,391)		(12,66,949)
Others	(8,199)	(6,259)		(14,458)
<b>Total</b>	<b>11,17,416</b>	<b>14,99,067</b>	<b>4,845</b>	<b>26,21,328</b>

(All amount are stated in Indian Rupees, unless stated otherwise)

**17 BORROWINGS (CURRENT)**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>SECURED LOAN</b>			
Working Capital Loans repayable on demand from Banks	11,13,12,830	17,38,01,843	7,64,05,694
<b>Total Borrowings</b>	<b>11,13,12,830</b>	<b>17,38,01,843</b>	<b>7,64,05,694</b>

Working capital loans are repayable on demand and carries interest @ 8% to 12% p.a. and secured by:

- First pari passu floating charge on the existing and future current assets & moveable fixed assets of the company and immoveable properties belonging to the holding company
- Guarantee by Managing Director

**18 TRADE PAYABLES**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Due to Micro and Small Enterprises	-	-	-
Due to Others			
- Acceptances	-	-	31,94,419
- Other than acceptances	8,81,28,880	4,77,87,187	11,67,00,572
<b>Total Trade Payables</b>	<b>8,81,28,880</b>	<b>4,77,87,187</b>	<b>11,98,94,991</b>

Acceptances include credit availed by the Company from banks for payment to suppliers for goods purchased by the Company. The arrangements are interest-bearing and are payable within 90 days.

Payables Other than acceptances are normally settled within 30 to 90 days.

**19 OTHER FINANCIAL LIABILITIES (CURRENT)**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Advances from holding company	8,35,18,426	-	-
Employee Benefits payable	16,60,957	10,08,154	14,03,868
Other expense payable	15,99,273	24,30,217	14,28,450
<b>Total Other Financial Liabilities</b>	<b>8,67,78,656</b>	<b>34,38,371</b>	<b>28,32,318</b>

**20 PROVISIONS (CURRENT)**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Provision for Employee benefits</b>			
Provision for Gratuity (Refer note 34)	-	-	60,000
Provision for compensated absences (Refer note 34)	26,893	46,729	46,447
<b>Total Provisions</b>	<b>26,893</b>	<b>46,729</b>	<b>1,06,447</b>

**21 OTHER CURRENT LIABILITIES**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Advances from customer	18,02,057	34,85,912	21,74,583
Statutory liabilities	3,19,702	1,08,95,044	57,03,477
<b>Total Other Current liabilities</b>	<b>21,21,759</b>	<b>1,43,80,956</b>	<b>78,78,060</b>

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22 REVENUE FROM OPERATIONS

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Sale of Steel Roofing Sheets	1,82,07,88,651	1,66,82,91,170
Sale of Scrap	18,62,178	29,35,635
<b>Total</b>	<b>1,82,26,50,829</b>	<b>1,67,12,26,805</b>

23 OTHER INCOME

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Unwinding of interest income on rental deposits	1,88,816	1,45,388
Miscellaneous income	49,806	17,769
<b>Total</b>	<b>2,38,622</b>	<b>1,63,157</b>

24 COST OF RAW MATERIALS CONSUMED

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Opening stock of Raw Materials	9,86,33,203	12,76,65,493
Add: Purchases of Raw Materials	1,76,41,47,883	1,48,80,12,029
Less: Closing Stock of Raw Materials	(20,08,16,818)	(9,86,33,203)
<b>Total</b>	<b>1,66,19,64,268</b>	<b>1,51,70,44,319</b>

25 CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Closing stock of Finished Goods	(1,70,03,515)	(1,77,15,367)
Opening stock of Finished Goods	1,77,15,367	91,50,461
<b>Total</b>	<b>7,11,852</b>	<b>(85,64,906)</b>

26 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31- 03-2018	For the year ended 31- 03-2017
Salaries and Wages	1,93,47,043	1,90,62,624
Contribution for:		
Provident fund	6,17,494	5,95,504
Employee state insurance	2,46,116	1,57,352
Gratuity-Employees	2,03,000	2,27,000
Staff Welfare Expenses	6,48,756	5,29,736
Leave Travel Allowance	-	53,090
<b>Total</b>	<b>2,10,62,409</b>	<b>2,06,25,306</b>



Centurywells Roofing India Private Limited

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27 FINANCE COST

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Interest Expense	1,94,94,226	1,98,61,401
<b>Total</b>	<b>1,94,94,226</b>	<b>1,98,61,401</b>

28 OTHER EXPENSES

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Power & Fuel	24,77,828	23,42,535
Consumption of Stores and Spares	1,68,57,937	2,15,17,066
Rent	94,23,805	91,51,062
Repairs and Maintenance		
- Others	7,86,224	7,70,839
Insurance	2,26,601	1,28,400
Rates & Taxes	7,33,291	27,43,678
Travelling Expenses	9,10,335	6,36,615
Payment to Auditors (Refer note below)	1,50,000	1,50,000
Professional fees	5,66,228	8,00,290
Directors sitting fees	1,20,000	-
Communication Expenses	5,49,753	4,75,272
Advertisement & Publicity Expenses	4,571	1,34,374
Loss Allowance for doubtful trade receivables	2,51,027	5,64,583
Coolie Charges	4,17,923	43,932
Freight Charges	21,63,723	4,60,058
Commission Charges	28,276	2,17,130
Bad Debts written off	4,806	17,844
Miscellaneous Expenses	35,04,208	30,13,600
<b>Total</b>	<b>3,91,76,536</b>	<b>4,31,67,278</b>

Note : Breakup for Payment to Auditors is as under: (Excluding Service tax / GST)

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
a) For Statutory Audit	1,00,000	1,00,000
b) For Tax Audit	50,000	50,000
c) For Other Services	-	-
d) Out of Pocket Expenses	-	-
<b>Total</b>	<b>1,50,000</b>	<b>1,50,000</b>

Centurywells Roofing India Private Limited  
Notes to the Financial Statements

(All amount are stated in Indian Rupees, unless stated otherwise)

29 Earnings Per Share

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
<b>Basic &amp; Diluted</b>		
A. Profit attributable to equity shareholders (in Rs.)	4,94,37,463	5,32,64,173
B. Weighted average number of equity shares (in Nos.)	1,99,920	1,99,920
C. Basic and Diluted EPS (Rs.) [A/B]	247.29	266.43
Face value per share (Rs.)	100	100

30 Contingent liabilities:

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Corporate Guarantee given for Holding Company	55,00,00,000	55,00,00,000	55,00,00,000
	<b>55,00,00,000</b>	<b>55,00,00,000</b>	<b>55,00,00,000</b>

31 Commitments

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Estimated value of capital commitments (Net of advances)	-	-	-
	-	-	-

32 Operating lease

As lessee:

Various Buildings have been taken on operating lease with lease term between 11 and 24 months for office premises and residential accommodation of employees, which are renewable on a periodic basis by mutual consent of both parties. All the operating leases are cancellable by either parties for any reason by giving a prior notice before 1 to 3 months. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Lease payments recognized under rent expenses is as follows:

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Minimum lease payment made on operating lease	94,23,805	91,51,062

33 Additional Information

- CIF Value of imports - Nil (PY - Nil)
- Foreign currency earnings - Nil (PY - Nil)
- Details of Foreign currency expenditure - Nil (PY - Nil)
- Disclosure pertaining to micro and small enterprises as required under MSMED Act, 2006 (as per information available with the Company):

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Principal amount due outstanding as at end of year	-	-	-
Interest due on above and unpaid as at end of year	-	-	-
Balances pertaining to Micro and Small Enterprises	-	-	-

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(All amount are stated in Indian Rupees, unless stated otherwise)

34 Employee benefits

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Employer's Contribution to Provident Fund (includes pension fund)	6,17,494	5,95,504
Employer's Contribution to Employee State Insurance	2,46,116	1,57,352

b) Defined benefit plans

The Company has ascertained the gratuity liability on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to a maximum of Rs. 20 lacs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2018 by M/S Ankolekar & Co., Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Gratuity (Unfunded)

Particulars	31-03-2018	31-03-2017
<b>Liability recognized in the Balance Sheet</b>		
Present value of defined benefit obligation		
Opening Balance	9,04,000	6,63,000
Current Service Cost	1,88,000	1,77,000
Past Service Cost	-	-
Interest Cost	63,000	50,000
Actuarial Loss/(Gain) on obligation	(46,000)	14,000
Benefits paid	(48,000)	-
<b>Closing Balance</b>	<b>10,61,000</b>	<b>9,04,000</b>
Less: Fair Value of Plan Assets		
Opening Balance	-	-
Expected Return on Plan assets less loss on investments	-	-
Actuarial (Loss)/Gain on Plan Assets	-	-
Employers' Contribution	48,000	-
Benefits paid	(48,000)	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>Amount recognized in Balance Sheet</b>	<b>10,61,000</b>	<b>9,04,000</b>

Centurywells Roofing India Private Limited  
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(All amount are stated in Indian Rupees, unless stated otherwise)

<b>Expenses during the year</b>		
Current Service cost	1,88,000	1,77,000
Past Service cost	-	-
Interest cost	63,000	50,000
Expected Return on Plan assets	-	-
<b>Component of defined benefit cost recognized in statement of profit &amp; loss</b>	<b>2,51,000</b>	<b>2,27,000</b>
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(46,000)	14,000
- Actuarial Loss/(Gain) on Plan Assets	-	-
<b>Component of defined benefit cost recognized in other comprehensive income</b>	<b>(46,000)</b>	<b>14,000</b>
<b>Total</b>		

**Principal actuarial assumptions**

Particulars	31-03-2018	31-03-2017	01-04-2016
Discount Rate	7.50%	7.00%	7.60%
Expected rate(s) of salary increase	7.00%	7.00%	7.00%
Expected return on plan assets	7.00%	7.60%	7.80%
Attrition rate	10.00%	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2006-2008 Ult.		

**Experience adjustments**

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Defined Benefit Obligation	10,61,000	9,04,000	6,63,000	7,80,000	12,73,000
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(10,61,000)	(9,04,000)	(6,63,000)	(7,80,000)	(12,73,000)
Experience Adjustments on Plan Liabilities - (Loss)/Gain	6,000	26,000	1,82,000	1,63,000	16,97,000
Experience Adjustments on Plan Assets - (Loss)/Gain	-	-	-	-	-

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Effective March 29, 2018, the Government of India has notified the Payment of Gratuity (Amendment) Act, 2018 to raise the statutory ceiling on gratuity benefit payable to each employee to Rs 20 lacs from Rs 10 lacs. Accordingly the amended and improved benefits, if any, are recognised as current year's expense as provided under paragraph 103, Ind AS 19.

**Centurywells Roofing India Private Limited**  
**Notes to the Financial Statements**

*(All amount are stated in Indian Rupees, unless stated otherwise)*

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows:

Particulars	31-03-2018	31-03-2017	01-04-2016
Defined Benefit Obligation	10,61,000	9,04,000	6,63,000
Plan Assets	-	-	-
Net (liability) / asset arising from defined benefit obligation	(10,61,000)	(9,04,000)	(6,63,000)

**Sensitivity Analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Impact on Defined benefit obligation			
	31-03-2018		31-03-2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	85,000	74,000	76,000	66,000
Future salary growth (1% movement)	84,000	75,000	75,000	66,000
Attrition rate (1% movement)	1,000	2,000	4,000	4,000

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average expected remaining lifetime of the plan members is 7 years as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

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35 Related party disclosures

A. Names of Related parties and nature of relationship:

Holding Company	Steel Networks Holdings Pte Limited
Ultimate Holding Company	Shankara Building Products Ltd
Fellow subsidiary Companies	Vishal Precision Steel Tubes and Strips Private Limited Taurus Value Steel & Pipes Private Limited
Companies over which Key Managerial Personnel can exercise significant influence	Shankara Meta-Steel India Private Limited Shankara Holdings Private Limited
Key Managerial Personnel	Mr. Sukumar Srinivas (Director) Mr. C.Ravikumar (Director) Mr. V.Devanathan ( Director)

B. Transactions with Related Parties	For the year ended 31-03-2018	For the year ended 31-03-2017
<b>Purchase of Goods (Refer note 1 below)</b>		
Shankara Building Products Limited	1,18,90,794	1,68,09,401
<b>Sale of Goods (Refer note 2 below)</b>		
Shankara Building Products Limited	1,12,82,58,244	93,71,51,990
Taurus Value Steel & Pipes Private Limited	1,44,68,674	2,54,26,462
<b>Rent Paid</b>		
Shankara Building Products Limited	15,34,500	18,62,250
Taurus Value Steel & Pipes Private Limited	18,00,000	18,00,000
<b>Purchase of Fixed Assets</b>		
Vishal Precision Steel Tubes and Strips Pvt Ltd	10,00,000	-
<b>Remuneration paid to KMP (Refer note 3 below)</b>		
<b>Guarantees given to Holding Company:</b>		
Shankara Building Products Limited	-	55,00,00,000

Notes

- 1 The purchases from related parties are in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and market rates.
- 2 The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists. The Company has not recorded any loss allowances for trade receivables from related parties.
- 3 As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above

C. Amount due to/ from related parties	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Trade Receivables</b>			
Shankara Building Products Limited	-	11,53,76,600	31,94,419
<b>Advance received from customers</b>			
Shankara Building Products Limited	8,35,18,426	-	-
<b>Rent Payable</b>			
Shankara Building Products Limited	1,08,000	1,63,538	-
Taurus Value Steel & Pipes Private Limited	1,62,000	1,57,500	-
<b>Guarantees &amp; Collaterals given</b>			
Shankara Building Products Limited	55,00,00,000	55,00,00,000	-

Guarantees to subsidiaries:

Guarantees provided to the lenders of the subsidiaries are for availing working capital facilities from the lender banks.

**Centurywells Roofing India Private Limited**  
**Notes to the Financial Statements**

*(All amount are stated in Indian Rupees, unless stated otherwise)*

**36 Financial Instruments**

**A. Capital risk management**

The Company's capital requirements are mainly to fund its expansion, working capital and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by short term borrowing from bank and the financial support from holding company on need basis. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisitions, to capture market opportunities at minimum risk

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Short term borrowings	11,13,12,830	17,38,01,843	7,64,05,694
Less: Cash and cash equivalents	(6,19,240)	(10,40,117)	(4,74,222)
Less: Bank balances other than cash and cash equivalents	(78,45,200)	-	-
Net Debt	10,28,48,390	17,27,61,726	7,59,31,472
Total Equity	16,74,31,124	11,74,15,188	6,41,20,036
Gearing Ratio	0.61	1.47	1.18

- i) Equity includes all capital and reserves of the Company that are managed as capital.
- ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 17

Centurywells Roofing India Private Limited  
Notes to the Financial Statements

(All amount are stated in Indian Rupees, unless stated otherwise)

B. Categories of financial instruments

Particulars	31-03-2018		31-03-2017		01-04-2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>						
<b>Measured at amortised cost</b>						
Loans	40,45,357	40,45,357	57,45,452	57,45,452	56,31,463	56,31,463
Other financial assets	1,14,961	1,14,961	1,47,743	1,47,743	72,883	72,883
Trade receivables	11,13,24,416	11,13,24,416	20,25,92,120	20,25,92,120	9,23,99,054	9,23,99,054
Cash and cash equivalents	6,19,240	6,19,240	10,40,117	10,40,117	4,74,222	4,74,222
Bank balances other than cash and cash equivalents	78,45,200	78,45,200	-	-	-	-
<b>Total financial assets at amortised cost (A)</b>	<b>12,39,49,174</b>	<b>12,39,49,174</b>	<b>20,95,25,432</b>	<b>20,95,25,432</b>	<b>9,85,77,622</b>	<b>9,85,77,622</b>
<b>Measured at fair value through other comprehensive income (B)</b>	-	-	-	-	-	-
<b>Measured at fair value through profit and loss (C)</b>	-	-	-	-	-	-
<b>Total financial assets (A+B+C)</b>	<b>12,39,49,174</b>	<b>12,39,49,174</b>	<b>20,95,25,432</b>	<b>20,95,25,432</b>	<b>9,85,77,622</b>	<b>9,85,77,622</b>
<b>Financial liabilities</b>						
<b>Measured at amortised cost</b>						
Short term Borrowings	11,13,12,830	11,13,12,830	17,38,01,843	17,38,01,843	7,64,05,694	7,64,05,694
Trade payables	8,81,28,880	8,81,28,880	4,77,87,187	4,77,87,187	11,98,94,991	11,98,94,991
Other financial liabilities	8,67,78,656	8,67,78,656	34,38,371	34,38,371	28,32,318	28,32,318
<b>Total financial liabilities carried at amortised cost</b>	<b>28,62,20,366</b>	<b>28,62,20,366</b>	<b>22,50,27,401</b>	<b>22,50,27,401</b>	<b>19,91,33,003</b>	<b>19,91,33,003</b>

\* including current maturities of long term debt



**Centurywells Roofing India Private Limited**  
**Notes to the Financial Statements**

*(All amount are stated in Indian Rupees, unless stated otherwise)*

**C. Financial risk management**

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

**D. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

**E. Commodity price risk:**

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel and other building products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company purchases the steel and other building products in the open market from third parties as well as from subsidiaries in prevailing market price. The Company is therefore subject to fluctuations in the prices of Steel coil, Steel pipes, zinc, Sanitary wares etc.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs move in the same direction.

**F. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk since funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

**Centurywells Roofing India Private Limited**  
**Notes to the Financial Statements**

*(All amount are stated in Indian Rupees, unless stated otherwise)*

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Fixed rate borrowings	-	-	-
Floating rate borrowings	11,13,12,830	17,38,01,843	7,64,05,694
<b>Total borrowings</b>	<b>11,13,12,830</b>	<b>17,38,01,843</b>	<b>7,64,05,694</b>

**G. Credit risk management:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arises principally from the trade receivables and advances

**Trade receivables:**

Customer credit risk is managed centrally by the company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

**H. Liquidity risk management**

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for strategic acquisitions. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term borrowings provide liquidity. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Centurywells Roofing India Private Limited  
Notes to the Financial Statements

(All amount are stated in Indian Rupees, unless stated otherwise)

Liquidity exposure as at 31 March 2018

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Loans	-	-	40,45,357	40,45,357
Other financial assets	1,14,961	-	-	1,14,961
Trade receivables	11,13,24,416	-	-	11,13,24,416
Cash and cash equivalents	6,19,240	-	-	6,19,240
Bank balances other than cash and cash equivalents	78,45,200	-	-	78,45,200
Non-current Investments	-	-	-	-
<b>Total financial assets</b>	<b>11,99,03,817</b>	<b>-</b>	<b>40,45,357</b>	<b>12,39,49,174</b>
<b>Financial liabilities</b>				
Short term Borrowings	11,13,12,830	-	-	11,13,12,830
Trade payables	8,81,28,880	-	-	8,81,28,880
Other financial liabilities	8,67,78,656	-	-	8,67,78,656
<b>Total financial liabilities</b>	<b>28,62,20,366</b>	<b>-</b>	<b>-</b>	<b>28,62,20,366</b>

Liquidity exposure as at 31 March 2017

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Loans	-	-	57,45,452	57,45,452
Other financial assets	1,47,743	-	-	1,47,743
Trade receivables	20,25,92,120	-	-	20,25,92,120
Cash and cash equivalents	10,40,117	-	-	10,40,117
Bank balances other than cash and cash equivalents	-	-	-	-
<b>Total financial assets</b>	<b>20,37,79,980</b>	<b>-</b>	<b>57,45,452</b>	<b>20,95,25,432</b>
<b>Financial liabilities</b>				
Short term Borrowings	17,38,01,843	-	-	17,38,01,843
Trade payables	4,77,87,187	-	-	4,77,87,187
Other financial liabilities	34,38,371	-	-	34,38,371
<b>Total financial liabilities</b>	<b>22,50,27,401</b>	<b>-</b>	<b>-</b>	<b>22,50,27,401</b>

Centurywells Roofing India Private Limited  
Notes to the Financial Statements

(All amount are stated in Indian Rupees, unless stated otherwise)

Liquidity exposure as at 01 April 2016

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Loans		-	56,31,463	56,31,463
Other financial assets	72,883	-	-	72,883
Trade receivables	9,23,99,054	-	-	9,23,99,054
Cash and cash equivalents	4,74,222	-	-	4,74,222
Bank balances other than cash and cash equivalents	-	-	-	-
<b>Total financial assets</b>	<b>9,29,46,159</b>	<b>-</b>	<b>56,31,463</b>	<b>9,85,77,622</b>
<b>Financial liabilities</b>				
Short term Borrowings	7,64,05,694	-	-	7,64,05,694
Trade payables	11,98,94,991	-	-	11,98,94,991
Other financial liabilities	28,32,318	-	-	28,32,318
<b>Total financial liabilities</b>	<b>19,91,33,003</b>	<b>-</b>	<b>-</b>	<b>19,91,33,003</b>

The amount of guarantees given on behalf of subsidiaries included in Note No. 15 represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

**Collateral**

The Company has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is an obligation to return the securities to the Company once these banking facilities are surrendered. (Refer note 17)

**I. Level wise disclosure of financial instruments**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	Level	Valuation techniques and key inputs
Security Deposit	39,60,357	57,45,452	56,31,463	2	Discounted cash flow -observable future cash flows are based on terms discounted at a rate that reflects market risks.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.

(All amount are stated in Indian Rupees, unless stated otherwise)

37 First time adoption Ind AS reconciliations

A. Reconciliations of Balance Sheet

Particulars	Notes	As at 31-03-2017			As at 01-04-2016		
		Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
<b>I ASSETS</b>							
<b>Non-current assets</b>							
(a) Property, plant and equipment	4	4,54,37,809	-	4,54,37,809	4,46,40,940	-	4,46,40,940
(b) Financial Assets							
i) Loans	5	61,93,253	(4,47,801)	57,45,452	62,24,652	(5,93,189)	56,31,463
(c) Other non-current assets	6	-	-	-	16,86,858	-	16,86,858
<b>Total Non current assets</b>		<b>5,16,31,062</b>	<b>(4,47,801)</b>	<b>5,11,83,261</b>	<b>5,25,52,450</b>	<b>(5,93,189)</b>	<b>5,19,59,261</b>
<b>Current Assets</b>							
(a) Inventories	7	12,12,35,844	-	12,12,35,844	14,05,50,094	-	14,05,50,094
(b) Financial Assets							
i) Trade receivables	8	20,62,52,975	(36,60,855)	20,25,92,120	9,54,95,326	(30,96,272)	9,23,99,054
ii) Cash and cash equivalents	9	10,40,117	-	10,40,117	4,74,222	-	4,74,222
iii) Bank balances other than (iii) above	10	-	-	-	-	-	-
iv) Others (to be specified)	11	1,47,743	-	1,47,743	72,883	-	72,883
(c) Other current assets	12	34,93,216	4,06,024	38,99,240	27,35,808	5,69,497	33,05,305
<b>Total current assets</b>		<b>33,21,69,895</b>	<b>(32,54,831)</b>	<b>32,89,15,064</b>	<b>23,93,28,333</b>	<b>(25,26,775)</b>	<b>23,68,01,558</b>
<b>Total Assets</b>		<b>38,38,00,957</b>	<b>(37,02,632)</b>	<b>38,00,98,325</b>	<b>29,18,80,783</b>	<b>(31,19,964)</b>	<b>28,87,60,819</b>

(All amount are stated in Indian Rupees, unless stated otherwise)

37 First time adoption Ind AS reconciliations

A. Reconciliations of Balance Sheet

Particulars	Notes	As at 31-03-2017			As at 01-04-2016		
		Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
<b>II EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity Share capital	13	1,99,92,000	-	1,99,92,000	1,99,92,000	-	1,99,92,000
(b) Other equity	14	10,07,74,946	(33,51,758)	9,74,23,188	4,71,38,910	(30,10,874)	4,41,28,036
		<b>12,07,66,946</b>	<b>(33,51,758)</b>	<b>11,74,15,188</b>	<b>6,71,30,910</b>	<b>(30,10,874)</b>	<b>6,41,20,036</b>
<b>Non-Current Liabilities</b>							
(a) Provisions	15	9,04,000	9,30,533	18,34,533	6,03,000	9,70,667	15,73,667
(b) Deferred tax liabilities (Net)	16	39,02,735	(12,81,407)	26,21,328	21,97,173	(10,79,757)	11,17,416
<b>Total Non-current liabilities</b>		<b>48,06,735</b>	<b>(3,50,874)</b>	<b>44,55,861</b>	<b>28,00,173</b>	<b>(1,09,090)</b>	<b>26,91,083</b>
<b>Current liabilities</b>							
(a) Financial liabilities							
i) Borrowings	17	17,38,01,843	-	17,38,01,843	7,64,05,694	-	7,64,05,694
ii) Trade payables	18	4,77,87,187	-	4,77,87,187	11,98,94,991	-	11,98,94,991
iii) Other financial liabilities	19	34,38,371	-	34,38,371	28,32,318	-	28,32,318
(b) Provisions	20	46,729	-	46,729	1,06,447	-	1,06,447
(c) Current tax liabilities(Net)		1,87,72,190	-	1,87,72,190	1,48,32,190	-	1,48,32,190
(d) Other current liabilities	21	1,43,80,956	-	1,43,80,956	78,78,060	-	78,78,060
<b>Total current liabilities</b>		<b>25,82,27,276</b>	<b>-</b>	<b>25,82,27,276</b>	<b>22,19,49,700</b>	<b>-</b>	<b>22,19,49,700</b>
<b>Total Equity and Liabilities</b>		<b>38,38,00,957</b>	<b>(37,02,632)</b>	<b>38,00,98,325</b>	<b>29,18,80,783</b>	<b>(31,19,964)</b>	<b>28,87,60,819</b>

(All amount are stated in Indian Rupees, unless stated otherwise)

37 First time adoption Ind AS reconciliations

B. Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Note No.	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
I Revenue from operations	22	1,67,12,26,805	-	1,67,12,26,805
II Other Income	23	17,769	1,45,388	1,63,157
<b>III Total Income (I+II)</b>		<b>1,67,12,44,574</b>	<b>1,45,388</b>	<b>1,67,13,89,962</b>
<b>IV Expenses</b>				
Purchases of Stock-in-trade		1,51,70,44,319	-	1,51,70,44,319
Changes in inventories of finished goods, stock in trade and work-in - progress	25	(85,64,906)	-	(85,64,906)
Employee benefit expense	26	2,06,39,306	(14,000)	2,06,25,306
Finance cost	27	1,98,61,401	-	1,98,61,401
Depreciation and amortization expense	4	32,64,492	-	32,64,492
Other expenses	28	4,24,39,222	7,28,056	4,31,67,278
<b>Total expenses (IV)</b>		<b>1,59,46,83,834</b>	<b>7,14,056</b>	<b>1,59,53,97,890</b>
<b>V Profit before tax (III-IV)</b>		<b>7,65,60,740</b>	<b>(5,68,668)</b>	<b>7,59,92,072</b>
<b>VI Tax expense:</b>	16			
Current Tax				
Current year		2,52,60,000	-	2,52,60,000
Tax refund / reversal pertaining to earlier years		(40,40,858)	-	(40,40,858)
Deferred tax		17,05,562	(1,96,805)	15,08,757
		<b>2,29,24,704</b>	<b>(1,96,805)</b>	<b>2,27,27,899</b>
<b>VII Profit for the period</b>		<b>5,36,36,036</b>	<b>(3,71,863)</b>	<b>5,32,64,173</b>
<b>VIII Other Comprehensive Income</b>		-	30,979	<b>30,979</b>
<b>IX Total Comprehensive Income/(loss)</b>		<b>5,36,36,036</b>	<b>(3,40,884)</b>	<b>5,32,95,152</b>

C. Effects of IND AS adoption on Total Equity

Particulars	Note below	As at 31-03-2017	As at 01-04-2016
<b>Net Worth under IGAAP</b>		<b>12,07,66,946</b>	<b>6,71,30,910</b>
Amortisation of prepaid rent component of security rental deposit	4	(4,15,913)	(2,52,440)
Recognition of unwinding interest income on Rental Deposits	4	3,74,136	2,28,748
Provision for doubtful debts made	2	(36,60,855)	(30,96,272)
Deferred tax impact	5	12,81,407	10,79,757
Fair valuation og guarantee to holding company	3	(9,30,533)	(9,70,667)
<b>Net Worth under IND AS</b>		<b>11,74,15,188</b>	<b>6,41,20,036</b>

D. Effects of IND AS adoption on Cash Flows for year ended 31 March 2017

Particulars	Note No.	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities		(7,29,07,494)	(16,86,856)	(7,45,94,350)
Net cash generated from/(used in) investing activities		(40,61,361)	16,86,858	(23,74,503)
Net cash generated from/(used in) financing activities		7,75,34,748	-	7,75,34,748
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,65,895</b>	<b>-</b>	<b>5,65,895</b>
Cash and cash equivalents at start of year/period		4,74,222	-	4,74,222
<b>Cash and cash equivalents at close of year/period</b>		<b>10,40,117</b>	<b>-</b>	<b>10,40,117</b>

*(All amount are stated in Indian Rupees, unless stated otherwise)*

### **37 First time adoption Ind AS reconciliations**

#### **Notes:**

1 To comply with the Companies (Indian Accounting Standard) Rules, 2015, as amended, certain account balances have been regrouped as per the format prescribed under Schedule III to the Companies Act, 2013.

#### **2 Recognition of expected credit losses**

The company has recognised a loss allowance for expected credit losses on financial assets in accordance with the requirements of Ind AS 109 retrospectively. However, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised.

#### **3 Fair valuation of Guarantees**

Guarantees given to holding company have been recognised at their fair value which is measured based on cash shortfalls that are expected to reimburse the holder for a credit loss that it incurs less any amounts that the entity expects to receive from the holder.

#### **4 Financial assets at amortised cost:**

Certain financial assets held on with an objective to collect contractual cash flows in the nature of principal and interest have been recognized at amortised cost on transition date as against historical cost under the previous GAAP with the difference been adjusted to the opening retained earnings.

#### **5 Deferred tax as per balance sheet approach:**

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under IND AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

#### **6 Defined benefit liabilities:**

Under IND AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in previous GAAP.

#### **7 Other comprehensive income:**

Under IND AS, all items of income and expense recognized in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss and "other comprehensive income" includes remeasurements of defined benefit plans, foreign currency monetary item translation difference account, effective portion of gains and losses on cash flow hedging instruments and fair value gain or losses on FVTOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.