INDEPENDENT AUDITOR'S REPORT

To the Members of Albasta Wholesale Services Limited
Report on the Financial Statements

We have audited the accompanying financial statements of **Albasta Wholesale Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. In conducting the Audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

Opinion

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

Other Matter

The Company had prepared separate sets of statutory financial statements for the year ended March 31, 2017, and March 31, 2016, in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports dated May 25, 2017, and May 05, 2016, respectively to the shareholders of the Company. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

2. As required under provisions of Section 143(3) of the Act, based on our audit we report that:

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

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

    c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. As detailed in Note 29 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position.

   ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration No.: 005975N

Saurabh Gupta
Partner
Membership No.: 517614

New Delhi
30 April 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under ' Report on Other Legal and Regulatory Requirements' section of our report to the members of Albasta Wholesale Services Limited of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

i) As the Company has no fixed assets during the year. Accordingly, the provisions of clauses 3(i)(a), 3(i)(b) and 3(i)(c) of the Order are not applicable to the Company.

ii) As the Company has no inventories during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.

iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act, and with respect to the same:

a. In our opinion, the terms and conditions of the grant are not prejudicial to the company's interest.

b. In our opinion, the schedule of repayment of principal amount and payment of interest has been stipulated and the repayment of principal amount and receipt of interest are regular.

c. There is no overdue amount in respect of loans granted to such companies, with regard to principal amount and interests.

iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.

v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

vi) To the best of our knowledge and as explained to us, the Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products / services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.

vii) In respect of Statutory dues :

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable.

b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax , Cess on account of any dispute, which have not been deposited except for the amount mentioned below:

Name of the statute	Demand amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	26,031,360/-	Assessment Year 2011-12	ITAT(Delhi)

viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any bank during the year. Further, the Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture-holders during the year.

ix) As explained to us, no money raised by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not obtained any term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or its employees was noticed or reported during the year.

xi) In our opinion, the provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company as the Company does not pay/provide for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.

xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 & 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by applicable accounting standards.

xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of Shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration No.: 005975N

Saurabh Gupta
Partner
Membership No.: 517614

New Delhi
30 April 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) under ' Report on Other Legal and Regulatory Requirements' section of our report to the members of Albasta Wholesale Services Limited of even date)

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

We have audited the internal financial controls over financial reporting of **Albasta Wholesale Services Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration No.: 005975N

Saurabh Gupta
Partner
Membership No.: 517614

New Delhi
30 April 2018

ALBASTA WHOLESALE SERVICES LIMITED

All amount in ₹ thousands, unless otherwise stated

Balance Sheet as at	Note	31 March 2018	31 March 2017	01 April 2016
I ASSETS				
Non-current assets				
(a) Financial assets				
Investments	6 A	1,00,000.00	1,00,000.00	1,00,000.00
(b) Deferred tax assets (net)	7	5,767.59	4,864.03	2,957.74
(c) Non-current tax assets (net)	8	3,374.12	34.39	635.96
		1,09,141.71	**1,04,898.42**	**1,03,593.70**
Current assets				
(a) Financial Assets				
Investments	6 B	8,74,676.00	8,74,676.00	8,74,676.00
Cash and cash equivalents	9	69.53	264.75	2,755.85
Loans	10	3,84,321.75	2,65,072.87	53,588.75
		12,59,067.28	**11,40,013.62**	**9,31,020.60**
Total of Assets		**13,68,208.99**	**12,44,912.04**	**10,34,614.30**
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	11	10,00,500.00	10,00,500.00	10,00,500.00
(b) Other equity	12	(2,56,746.05)	(2,62,003.52)	(2,67,577.29)
		7,43,753.95	**7,38,496.48**	**7,32,922.71**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
Borrowings	13 A	-	-	1,651.15
		-	**-**	**1,651.15**
Current liabilities				
(a) Financial liabilities				
Borrowings	13 B	6,21,333.00	5,05,933.00	3,00,000.00
Other financial liabilities	14	46.00	40.25	40.08
(b) Other current liabilities	15	2,172.48	159.14	-
(c) Provisions	16	-	-	0.36
(d) Current tax liabilities (net)	17	903.56	283.17	-
		6,24,455.04	**5,06,415.56**	**3,00,040.44**
Total of Equity and Liabilities		**13,68,208.99**	**12,44,912.04**	**10,34,614.30**

Summary of significant accounting policies 5

The accompanying notes are integral part of the financial statements

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

For **Agarwal Prakash & Co.**
Chartered Accountants
Firm's Registration Number: 005975N

For and on behalf of the board of directors

Saurabh Gupta
Partner

Dushyant Batra
Whole Time Director
[DIN:07098593]

Monica Kadyan
Director
[DIN:07858199]

Place: Gurugram	**Priya Jain**	**Saurabh Garg**
Date: 30 April 2018	Company Secretary	Chief Financial Officer

ALBASTA WHOLESALE SERVICES LIMITED

All amount in ₹ thousands, unless otherwise stated

Statement of Profit and Loss for the	**Note**	**Year ended March 31, 2018**	**2017**
Revenue			
Other income	18	34,291.98	7,417.17
Total Revenue		**34,291.98**	**7,417.17**
Expenses			
Finance costs	19	28,609.98	1,805.76
Other expenses	20	103.16	93.56
Total Expenses		**28,713.14**	**1,899.32**
Profit before tax		**5,578.84**	**5,517.85**
Tax expense	21		
Current tax (including earlier years)		1,224.63	921.81
Deferred tax charge/(credit)		(903.56)	(977.67)
Profit after tax		**5,257.77**	**5,573.71**
Total comprehensive income for the year		**5,257.77**	**5,573.71**
Earnings per equity share	22		
Equity share of par value ₹10/- each			
Basic (₹)		0.05	0.06
Diluted (₹)		0.05	0.06

Summary of significant accounting policies 5

The accompanying notes are integral part of the financial statements

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

For **Agarwal Prakash & Co.**
Chartered Accountants
Firm's Registration Number: 005975N

For and on behalf of the board of directors

Saurabh Gupta
Partner

Dushyant Batra
Whole Time Director
[DIN:07098593]

Monica Kadyan
Director
[DIN:07858199]

Place: Gurugram
Date: 30 April 2018

Priya Jain
Company Secretary

Saurabh Garg
Chief Financial Officer

ALBASTA WHOLESALE SERVICES LIMITED

All amount in ₹ thousands, unless otherwise stated

Statement of Cash Flows	Year ended March 31, 2018	2017
A. Cash flow from operating activities:		
Profit before tax for the year	5,578.84	5,517.85
Adjustments to reconcile net profit to net cash provided by operating activities:		
Interest expense	28,552.13	1,752.81
Interest income	(33,397.42)	(6,522.62)
Dividend income	(894.56)	(894.56)
Operating loss before working capital changes	**(161.01)**	**(146.52)**
Working capital changes and other adjustments:		
Increase in loans and advances	(903.56)	(1,850.44)
Increase in other liabilities and provisions	2,019.09	159.32
Cash generated from/(used in) operating activities	**954.52**	**(1,837.64)**
Income tax (paid)/refund received, net	(3,040.43)	884.74
Net cash used in operating activities	**(2,085.91)**	**(952.90)**
B. Cash flow from investing activities:		
Advances received back from related parties	11,150.00	53,588.75
Advances given to related parties	(1,35,900.00)	(2,59,571.75)
Interest received on inter-corporate deposits	38,898.56	1,021.50
Dividend income from investment in preference shares	894.56	894.56
Net cash used in investing activities	**(84,956.88)**	**(2,04,066.94)**
C. Cash flow from financing activities: (refer note-32)		
Inter-corporate borrowings taken	1,15,400	2,05,933
Inter-corporate borrowings repaid	-	(1,651.15)
Interest paid on inter-corporate borrowings	(28,552.13)	(1,752.81)
Dividends paid on preference share capital	(0.30)	(0.30)
Net cash generated from financing activities	**86,847.57**	**2,02,528.74**
D. Net decrease in cash and cash equivalents (A+B+C)	**(195.22)**	**(2,491.10)**
E. Cash and cash equivalents at the beginning of the year	264.75	2,755.85
F. Cash and cash equivalents at the end of the year (D+E)	**69.53**	**264.75**
G. Reconciliation of cash and cash equivalents as per cash flow statement		
Cash and cash equivalents includes		
Cash on hand	-	0.18
Balances with banks		
In current accounts	69.53	264.57
	69.53	**264.75**

Note:

a) The accompanying notes form an integral part of the financial statements.

b) Ind-AS-7 allows entities to report cash flow from operating activities using either the direct or indirect method, however listing regulations issued by SEBI (Securities Exchange Board of India) requires the listed companies to present cash flow only under indirect method .The company has presented the above cash flow statement by using the indirect method.

This is the statement of cash flows referred to in our report of even date.

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration Number: 005975N

For and on behalf of the board of directors

Saurabh Gupta
Partner

Dushyant Batra
Whole Time Director
[DIN:07098593]

Monica Kadyan
Director
[DIN:07858199]

Place: Gurugram
Date: 30 April 2018

Priya Jain
Company Secretary

Saurabh Garg
Chief Financial Officer

ALBASTA WHOLESALE SERVICES LIMITED

Statement of changes in equity as at 31 March 2018

(A) Equity share capital*

All amount in ₹ thousands, unless otherwise stated

Particulars	Opening balance as at 1 April 2016	Issue of equity share capital during the year	Balance as at 31 March 2017	Issue of equity share capital during the year	Balance as at 31 March 2018
Equity share capital	10,00,500.00	-	10,00,500.00	-	10,00,500.00

(B) Other equity**

Particulars	Reserves and surplus		Other Comprehensive Income	Total
	Equity element of long term loans	Retained earnings		
Opening balance as at 1 April 2016	**195.39**	**(2,67,772.68)**	**-**	**(2,67,577.29)**
Profit for the year	-	5,573.71	-	**5,573.71**
Corporate dividend tax	-	0.06	-	**0.06**
Other comprehensive income	-	-	-	**-**
Balance as at 31 March 2017	**195.39**	**(2,62,198.91)**	**-**	**(2,62,003.52)**
Profit for the year	-	5,257.77	-	**5,257.77**
Proposed dividend	-	(0.30)	-	**(0.30)**
Corporate dividend tax		-		**-**
Other comprehensive income	-	-	-	**-**
Balance as at 31 March 2018	**195.39**	**(2,56,941.44)**	**-**	**(2,56,746.05)**

**Refer Note - 11*

***Refer Note - 12*

The accompanying notes are integral part of the financial statements

This is the statement of changes in equity referred to in our report of even date.

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration Number: 005975N

For and on behalf of the board of directors

Saurabh Gupta
Partner

Dushyant Batra
Whole Time Director
[DIN:07098593]

Monica Kadyan
Director
[DIN:07858199]

Place: Gurugram
Date: 30 April 2018

Priya Jain
Company Secretary

Saurabh Garg
Chief Financial Officer

1. Nature of principal activities

Albasta Wholesale Services Limited, ("the Company") was incorporated on April 25, 2008 with the main objects of carrying on the business of wholesale trading and retail business and other related and ancillary activities. The company is domiciled in India and its registered office is situated at M-62 and 63, First Floor, Connaught Place, New Delhi – 110001.

2. General information & statement of compliance with Ind AS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 ('the Act') (to the extent notified) and guidelines issued by Securities Exchange Board of India (SEBI), read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')) and relevant amendments rules issued thereafter. The Company has uniformly applied the accounting policies during the periods presented.

For all periods up to and including the year ended 31 March 2017, the Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). These financial statements for the year ended 31 March 2018 are the first which the Company has prepared in accordance with Ind AS. For the purpose of comparatives, financial statements for the year ended 31 March 2017 and opening balance sheet as at 1 April 2016 are also prepared under Ind AS.

The financial statements for the year ended 31 March 2018 were authorized and approved for issue by the Board of Directors on 30 April 2018.

3. Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measure at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorized into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

4. Recent accounting pronouncement

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 21, 'The effects of changes in foreign exchange rates. These amendments rules are applicable to the Company from 1 April 2018.

Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 21

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability), for recognizing related expense/income on the settlement of said asset/liability. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

5. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These were used throughout all periods presented in the financial statements, except where the company has applied certain accounting policies and exemptions upon transition to Ind AS.

5.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

5.2 Inventories

Land other than that transferred to real estate projects under development is valued at lower of cost or net realizable value.

Real estate project under development includes cost of land under development, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Constructions materials, stores and spares, tools and consumables are valued at lower of cost or net realizable value, on the basis of first-in-first-out method.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated necessary costs to make the sale.

5.3 Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

Interest income

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

Dividend income

Dividend income is recognized at the time when right to receive the payment is established, which is generally when the shareholders of the investee party approve the dividend

5.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

5.6 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

5.7 Foreign currency

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

5.8 Investments

Investment in equity instruments of subsidiaries are stated at cost as per Ind AS 27 'Separate Financial Statements'.

5.9 Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

i) **Debt instruments at amortized cost –** A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- 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 amortised cost using the effective interest rate (EIR) method.

ii) **Equity instruments -** All equity investments in scope of 'Ind AS 109 Financial Instruments' ('Ind AS 109') are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

iii) **Mutual funds -** All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognized 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.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement – Amortized cost

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized 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 and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

5.10 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109, which requires lifetime expected credit losses to be recognized for trade receivables.

Other financial assets

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

5.11 Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Minimum alternative tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealized tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

5.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

5.13 Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are review at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or,

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

5.14 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

5.15 Significant management judgment in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgments

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgment.

Significant estimates

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

ALBASTA WHOLESALE SERVICES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

All amount in ₹ thousands, unless otherwise stated

		31 March 2018	31 March 2017	01 April 2016
	Note - 6			
A	**Investments - non-current**			
	Investment in equity shares			
	Unquoted			
	Subsidiary (at cost, fully paid up)			
	Airmid Aviation Services Limited	1,00,000.00	1,00,000.00	1,00,000.00
	[31-March-2018: 10,000,000 equity shares of face value ₹10/- each; 31-March-2017: 10,000,000 equity shares of face value ₹10/- each; 01-April-2016: 10,000,000 equity shares of face value ₹10/- each]			
		1,00,000.00	**1,00,000.00**	**1,00,000.00**
B	**Investments - current**			
	Investment in preference shares			
	Unquoted			
	Fellow Subsidiary (at cost, fully paid up)			
	SORIL Infra Resources Limited	8,74,676.00	8,74,676.00	8,74,676.00
	[31-March-2018: 993,950 9% non-convertible redeemable preference shares of face value ₹10/- each; 31-March-2017: 993,950 9% non-convertible redeemable preference shares of face value ₹10/- each; 01-April-2016: 993,950 9% non-convertible redeemable preference shares of face value ₹10/- each]			
		8,74,676.00	**8,74,676.00**	**8,74,676**
		9,74,676.00	**9,74,676.00**	**9,74,676.00**
	Aggregate book value of unquoted investments	**9,74,676.00**	**9,74,676.00**	**9,74,676.00**

Investments in equity instrument of subsidiaries are stated at cost as per IND AS 27 "Separate Financial statements"

	31 March 2018	31 March 2017	01 April 2016
Note - 7			
Deferred tax assets (net)			
Deferred tax asset arising on account of :			
Effective Interest on long-term borrowings	-	-	(55.86)
Minimum alternative tax credit entitlement	5,767.59	4,864.03	3,013.60
	5,767.59	**4,864.03**	**2,957.74**

Caption wise movement in deferred tax assets as follows:

Particulars	1 April 2016	Recognized in Other Comprehensive Income	Recognized in profit and loss	31 March 2017
Deferred tax asset/liabilities arising on:				
Effective Interest on long-term borrowings	(55.86)	-	55.86	-
Sub-Total	**(55.86)**	**-**	**55.86**	**-**
Minimum alternative tax credit entitlement	3,013.60	-	1,850.43	4,864.03
Total	**2,957.74**	**-**	**1,906.29**	**4,864.03**

Particulars	31 March 2017	Recognized in Other Comprehensive Income	Recognized in profit and loss	31 March 2018
Deferred tax asset/liabilities arising on:				
Effective Interest on long-term borrowings	-	-	-	-
Sub-Total	**-**	**-**	**-**	**-**
Minimum alternative tax credit entitlement	4,864.03	-	903.56	5,767.59
Total	**4,864.03**	**-**	**903.56**	**5,767.59**

	31 March 2018	31 March 2017	01 April 2016
Note - 8			
Non-current tax assets (net)			
Advance income tax, including tax deducted at source	3,374.12	34.39	635.96
	3,374.12	**34.39**	**635.96**
Note - 9			
Cash and cash equivalents			
Cash on hand	-	0.18	0.72
Balances with banks			
In current accounts	69.53	264.57	2,755.13
	69.53	**264.75**	**2,755.85**
Note - 10			
Loans - current			
(Unsecured, considered good)			
Inter-corporate loans to related parties	3,84,321.75	2,59,571.74	53,588.75
Interest accrued thereon	-	5,501.13	-
	3,84,321.75	**2,65,072.87**	**53,588.75**

All amount in ₹ thousands, unless otherwise stated

Note - 11
Equity share capital

		31 March 2018		31 March 2017		01 April 2016	
i	**Authorized**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
	Equity share capital of face value of ₹10 each	15,00,00,000	15,00,000.00	15,00,00,000	15,00,000.00	15,00,00,000	15,00,000.00
	Preference share capital of face value of ₹10 each	5,00,00,000	5,00,000.00	5,00,00,000	5,00,000.00	5,00,00,000	5,00,000.00
		20,00,00,000	**20,00,000.00**	**20,00,00,000**	**20,00,000.00**	**20,00,00,000**	**20,00,000.00**
ii	**Issued, subscribed and fully paid up**						
	Equity share capital of face value of ₹10 each fully paid up	10,00,50,000	10,00,500.00	10,00,50,000	10,00,500.00	10,00,50,000	10,00,500.00
		10,00,50,000	**10,00,500.00**	**10,00,50,000**	**10,00,500.00**	**10,00,50,000**	**10,00,500.00**
iii	**Reconciliation of number and amount of equity shares outstanding at the beginning and at the end of the year**						
	Equity shares						
	Balance at the beginning of the year	10,00,50,000	10,00,500.00	10,00,50,000	10,00,500.00	10,00,50,000	10,00,500.00
	Add: Issued during the year	-	-	-	-	-	-
	Less: Redeemed during the year	-	-	-	-	-	-
	Balance at the end of the year	**10,00,50,000**	**10,00,500.00**	**10,00,50,000**	**10,00,500.00**	**10,00,50,000**	**10,00,500.00**

iv Rights, preferences and restrictions attached to equity shares

The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In the event of liquidation of the Company, the remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. All shares rank equally with regard to the Company's residual assets.

v 100,050,000 (31-March-2017: 100,050,000; 01-April-2016: 100,050,000) equity shares of the Company is held by holding company namely SORIL Holdings and Ventures Limited and its nominees.

vi Details of shareholder holding more than 5% share capital

Name of the equity shareholder	Number of shares	Number of shares	Number of shares
SORIL Holdings and Ventures Limited (including nominee shares)	10,00,50,000	10,00,50,000	10,00,50,000

Note - 12

Nature and purpose of other reserves
General reserve
The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders.

		31 March 2018	31 March 2017	01 April 2016
	Note - 13			
A	**Borrowings- non-current**			
	Inter-corporate loans from related party	-	-	1,651.15
		-	**-**	**1,651.15**
B	**Borrowings-current**			
	Unsecured borrowings:			
	Preference Shares			
	Redeemable non -cumulative, non-convertible preference shares of face value ₹10/- each held by SORIL Holdings and Ventures Limited (31-March-18: 30,000,000 shares; 31-March-17: 30,000,000 shares; 01-April-2016: 30,000,000 shares)	3,00,000.00	3,00,000.00	3,00,000.00
	Inter-corporate loans from related party	3,21,333.00	2,05,933.00	-
		6,21,333.00	**5,05,933.00**	**3,00,000.00**
	Note - 14			
	Other financial liabilities - current			
	Expenses payable to others	46.00	40.25	40.08
		46.00	**40.25**	**40.08**
	Note - 15			
	Other current liabilities			
	Payable to statutory authorities	2,172.48	159.14	-
		2,172.48	**159.14**	**-**
	Note - 16			
	Provisions - current			
	Corporate dividend tax on dividend on preference shares	-	-	0.06
	Dividend on preference shares	-	-	0.30
		-	**-**	**0.36**
	Note - 17			
	Current tax liabilities (net)			
	Provision for income tax	903.56	283.17	-
		903.56	**283.17**	**-**

ALBASTA WHOLESALE SERVICES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended

All amount in ₹ thousands, unless otherwise stated

	31 March 2018	31 March 2017
Note - 18		
Other income		
Dividend income	894.56	894.56
Interest income	33,397.42	6,522.61
	34,291.98	**7,417.17**
Note - 19		
Finance costs		
Interest Expenses	28,609.98	1,805.76
	28,609.98	**1,805.76**
Note - 20		
Other expenses		
Auditor's remuneration - as auditor	29.50	28.75
Bank charges	1.43	3.55
Legal and professional charges	67.85	54.25
Printing and stationery	1.20	-
Rates and taxes	3.05	2.44
Traveling and conveyance expenses	0.13	-
Miscellaneous expenses	-	4.57
	103.16	**93.56**
Note - 21		
Income tax		
Tax expense comprises of:		
Current income tax	1,224.63	921.81
Deferred tax charge/(credit)	(903.56)	(977.67)
Tax expense reported in the statement of profit and loss	**321.07**	**(55.86)**
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Accounting profit before income tax	5,578.84	5,517.85
At India's statutory income tax rate (MAT)	34.608%	34.608%
Computed expected tax expense	1,930.72	1,909.62
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact on exempt income	(309.59)	(309.59)
Tax impact of expenses which will never be allowed	19.92	74.18
Tax impact of earlier year items	321.07	-
Tax impact of unabsorbed losses	(1,641.05)	(1,674.21)
Deferred tax impact on income taxable at the time of its realization	-	(55.86)
Tax expense	**321.07**	**(55.86)**

The company has unabsorbed business losses amounting to ₹ 2,65,073.2 thousands (Previous year₹ 2,69,815.03 thousands) that are available for offsetting for a maximum period of eight years from the incurrence of loss. The company has not created deferred tax assets on these unabsorbed losses considering uncertainty involved around future business income.

Note - 22

Earnings per share (EPS)

The Company's Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS computation

Profit/(Loss) attributable to equity holders	5,257.77	5,573.71
Weighted average number of equity shares for basic/diluted EPS*	10,00,50,000	10,00,50,000

* No transaction is there which have impacted the calculation of weighted average number of shares. No other transaction involving Equity shares or potential Equity shares is there between the reporting date and the date of authorization of these financial statements.

Earnings per equity share		
(1) Basic (₹)	0.05	0.06
(2) Diluted (₹)	0.05	0.06

Note - 23

A First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out have been applied consistently in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in note 24, note 25 and note 26.

B Ind AS optional exemptions

1 Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

C Ind AS mandatory exemptions

1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Investment in equity instruments carried at FVTPL or FVOCI

b) Impairment of financial assets based on expected credit loss model.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The Company has availed the exemption for inter-corporate loans. All the other financial assets and financial liabilities have been restated retrospectively.

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Note - 24 *All amount in ₹ thousands, unless otherwise stated*

Financial risk management

i) Financial instruments by category

For amortized cost instruments, carrying value represents the best estimate of fair value.

	31 March 2018			31 March 2017			01 April 2016		
	FVTPL (See note 1 below)	FVOCI (See note 2 below)	Amortized cost	FVTPL (See note 1 below)	FVOCI (See note 2 below)	Amortized cost	FVTPL (See note 1 below)	FVOCI (See note 2 below)	Amortized cost
Financial assets									
Loans	-	-	3,84,321.75	-	-	2,65,072.87	-	-	53,588.75
Cash and cash equivalents	-	-	69.53	-	-	264.75	-	-	2,755.85
Total financial assets	**-**	**-**	**3,84,391.28**	**-**	**-**	**2,65,337.62**	**-**	**-**	**56,344.60**

Notes

1. These financial assets are mandatorily measured at fair value through profit and loss

2. These financial assets represent investments in equity instruments designated as such upon initial recognition

Investments in equity instrument of subsidiaries are stated at cost as per IND AS 27 "Separate Financial statements"

	31 March 2018			31 March 2017			01 April 2016		
	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
Financial liabilities									
Borrowings (including interest accrued)	-	-	6,21,333.00	-	-	5,05,933.00	-	-	3,00,000.00
Other financial liabilities	-	-	46.00	-	-	40.25	-	-	40.08
Total financial liabilities	**-**	**-**	**6,21,379.00**	**-**	**-**	**5,05,973.25**	**-**	**-**	**3,00,040.08**

ii) Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortized cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Assets under credit risk –

Credit rating	Particulars	31 March 2018	31 March 2017	01 April 2016
A: Low credit risk	Cash and cash equivalents and loans	3,84,391.28	2,65,337.62	56,344.60

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

31 March 2018	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Non-derivatives					
Borrowings	6,21,333.00	-	-	-	6,21,333.00
Other financial liabilities	46.00				46.00
Total	**6,21,379.00**	**-**	**-**	**-**	**6,21,379.00**

31 March 2017	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Non-derivatives					
Borrowings	5,05,933.00	-	-		5,05,933.00
Other financial liabilities	40.25				40.25
Total	**5,05,973.25**	**-**	**-**	**-**	**5,05,973.25**

01 April 2016	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Non-derivatives					
Borrowings	3,00,000.00	-	-	-	3,00,000.00
Other financial liabilities	40.08				40.08
Total	**3,00,040.08**	**-**	**-**	**-**	**3,00,040.08**

(C) Market risk

Foreign exchange risk

Company does not have any foreign currency risks and therefore sensitivity analysis has not been shown.

Interest rate risk

Company does not have any interest rate risks and therefore sensitivity analysis has not been shown.

Price risk

Company does not have any price risk

Note - 25

Fair value measurements

(i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the financial statements are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: unobservable inputs for the asset or liability.

Company does not have any financial assets and financial liabilities that are required to be measured at fair value so no analysis has been shown at the fair value measurements.

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ALBASTA WHOLESALE SERVICES LIMITED

Note - 26

Explanation of transition to Ind AS

A Reconciliation of total equity as at 31 March 2017 and 1 April 2016

All amount in ₹ thousands, unless otherwise stated

Particulars	31 March 2017			01 April 2016		
	Previous GAAP*	Effect of transition to Ind AS	Ind AS	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Non-current assets						
Financial assets						
Investments	1,00,000.00	-	1,00,000.00	1,00,000.00	-	1,00,000.00
Deferred tax assets (net)	4,864.03	-	4,864.03	3,013.59	(55.86)	2,957.74
Non-current tax assets (net)	34.39	-	34.39	635.96	-	635.96
Total non-current assets	**1,04,898.42**	**-**	**1,04,898.42**	**1,03,649.55**	**(55.86)**	**1,03,593.70**
Current assets						
Financial assets						
Investments	8,74,676.00	-	8,74,676.00	8,74,676.00	-	8,74,676.00
Cash and cash equivalents	264.75	-	264.75	2,755.85	-	2,755.85
Loans	2,65,072.87	-	2,65,072.87	53,588.75	-	53,588.75
Total current assets	**11,40,013.62**	**-**	**11,40,013.62**	**9,31,020.60**	**-**	**9,31,020.60**
Total assets	**12,44,912.04**	**-**	**12,44,912.04**	**10,34,670.15**	**(55.86)**	**10,34,614.30**

Particulars	31 March 2017			01 April 2016		
	Previous GAAP*	Effect of transition to Ind AS	Ind AS	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Equity						
Equity share capital	10,00,500.00	-	10,00,500.00	10,00,500.00	-	10,00,500.00
Other equity	(2,62,003.52)	-	(2,62,003.52)	(2,67,682.83)	105.54	(2,67,577.29)
Total equity	**7,38,496.48**	**-**	**7,38,496.48**	**7,32,817.17**	**105.54**	**7,32,922.71**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	-	-	-		-	-
Provisions	-	-	-	1,812.55	(161.40)	1,651.15
Total non-current Liabilities	**-**	**-**	**-**	**1,812.55**	**(161.40)**	**1,651.15**
Current liabilities						
Financial liabilities						
Borrowings	5,05,933.00	-	5,05,933.00	3,00,000.00	-	3,00,000.00
Other financial liabilities	40.25	-	40.25	40.08	-	40.08
Other current liabilities	159.14	-	159.14	-	-	-
Provisions				0.36		0.36
Current tax liabilities (net)	283.17	-	283.17	-	-	-
Total current liabilities	**5,06,415.56**	**-**	**5,06,415.56**	**3,00,040.44**	**-**	**3,00,040.44**
Total equity and liabilities	**12,44,912.04**	**-**	**12,44,912.04**	**10,34,670.16**	**(55.86)**	**10,34,614.30**

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

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

All amount in ₹ thousands, unless otherwise stated

Particulars	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Other income	7,417.17	-	7,417.17
Total revenue	**7,417.17**	**-**	**7,417.17**
Expenses			
Finance costs	1,644.36	161.40	1,805.76
Other expenses	93.56	-	93.56
Total expenses	**1,737.92**	**161.40**	**1,899.32**
Profit before tax	**5,679.25**	**(161.40)**	**5,517.85**
Tax expense:			
Current tax (including earlier years)	921.81	-	921.81
Deferred tax	(921.81)	(55.86)	(977.67)
Profit for the year	**5,679.25**	**(105.54)**	**5,573.71**

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

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C Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31 March 2017 and 1 April 2016

All amount in ₹ thousands, unless otherwise stated

	Notes to first time adoption	31 March 2017	01 April 2016
Total equity (shareholder's funds) as per previous GAAP		7,38,496.48	7,32,817.17
Adjustments:			
Impact of effective interest rate adjustment on borrowings	Note - 1	-	105.54
Total adjustments		**-**	**105.54**
Total equity as per Ind AS		**7,38,496.48**	**7,32,922.71**

2 Reconciliation of total comprehensive income for the year ended 31 March 2017

	Notes to first time adoption	31 March 2017
Profit after tax as per previous GAAP		**5,679.25**
Adjustments:		
Impact of effective interest rate adjustment on borrowings	Note - 1	(161.40)
Tax impact on above adjustment	Note – 2	55.86
Total adjustments		**(105.54)**
Total comprehensive income		**5,573.71**

3 Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31 March 2017

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash used in operating activities	(952.89)	-	(952.90)
Net cash flow from investing activities	(2,04,066.96)	0	(2,04,066.94)
Net cash flow from financing activities	2,02,528.75	-	2,02,528.74
Net increase in cash and cash equivalents	**(2,491.10)**	**0**	**(2,491.10)**
Cash and cash equivalents as at 01 April 2016	2,755.85	-	2,755.85
Cash and cash equivalents as at 31 March 2017	**264.75**	**0**	**264.75**

Notes to first time adoption

Note - 1

Borrowings

Ind AS 109 requires transaction costs incurred towards borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the statement of profit and loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to statement of profit and loss over the period of loan basis on straight lining basis.

Note – 2

Deferred tax

Retained earnings/statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

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Note – 27
Capital Management
The Company's objectives when managing capital are:
- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by overseeing the following ratios –

Debt equity ratio ***(₹ in thousands)***

Particulars	**31 March 2018**	**31 March 2017**	**1 April 2016**
Net debt *	6,21,263.48	5,05,668.25	2,98,895.30
Total equity	7,43,753.95	7,38,496.48	7,32,922.71
Net debt to equity ratio	**0.84**	**0.68**	**0.41**

***** Net debt includes long term borrowings + short term borrowings + current maturity of long term borrowings net off cash and cash equivalents (Including fixed deposits and other liquid securities).

Note – 28
Related party transactions

a) Name and nature of relationship with related parties:

Relationship	**Name of related parties**
Related party exercising control **Holding Company**	SORIL Holdings and Ventures Limited(Formerly known as Indiabulls Wholesale Services Limited)
Related party where control exists **Subsidiary Company**	Airmid Aviation Services Limited
Related party (others) **Fellow Subsidiary Company**	SORIL Infra Resources Limited

b) Summary of transactions with related parties ***(₹ in thousands)***

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Loans and advances taken / (repaid) back, net		
Holding Company		
SORIL Holding and Ventures Limited	-	(1,812.54)
Fellow Subsidiary Company		
SORIL Infra Resources Limited	1,15,400.00	2,05,933.00
Loans and advances given/(received back), net		
Subsidiary Company		
Airmid Aviation Services Limited	1,24,750.00	2,41,383.00

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Fellow Subsidiary Company		
SORIL Infra Resources Limited	-	35,400.00
Dividend on preference shares		
Fellow Subsidiary Company		
SORIL Infra Resources Limited	894.56	894.56
Interest Income on Loans and advances given		
Subsidiary Company		
Airmid Aviation Services Limited	33,397.42	6,112.37
Fellow Subsidiary Company		
SORIL Infra Resources Limited	-	410.25
Interest paid on Loans and advances taken		
Fellow Subsidiary Company		
SORIL Infra Resources Limited	28,552.13	1,591.41

c) Statement of balance outstanding: ***(₹ in thousands)***

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Loans and advances taken			
Holding Company			
SORIL Holding and Ventures Limited	**-**	**-**	1,812.54
Fellow Subsidiary Company			
SORIL Infra Resources Limited	3,21,333.00	2,05,933.00	-
Loans and advances given			
Subsidiary Company			
Airmid Aviation Services Limited	3,84,321,75	2,59,571.75	18,188.75
Fellow Subsidiary Company			
SORIL Infra Resources Limited	**-**	**-**	35,400.00
Interest receivable on Loans and advances given			
Subsidiary Company			
Airmid Aviation Services Limited	-	5,501.13	-

Note – 29
Contingent liabilities and Commitment

A. Summary of contingent liabilities

Contingent liabilities, not acknowledged as debt, include:

Particulars	31 March 2018	31 March 2017	01 April 2016
Contingent liabilities			
Income Tax matters for the Assessment Year 2012-13 in respect of the which appeals have been filed	-	42.76	42.76
Income Tax matters for the Assessment Year 2011-12*	26,031.36	-	-
Commitments			
Arrears of preference dividends	-	0.36	-

*The Company has received the order in its favour from CIT (A) and the department filed appeal to ITAT Delhi.

There are no other commitments and contingent liabilities to be reported as at 31 March 2018, 31 March 2017 & 01 April 2016.

Note – 30
Segmental information
The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. carrying on the business of wholesale trading and retail business and other related and ancillary activities which as per Ind AS 108 on 'Segment Reporting' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

Note – 31
Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

Particulars	31 March 2018	31 March 2017	01 April 2016
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

ALBASTA WHOLESALE SERVICES LIMITED
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note – 32
Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 – Cash flows

The changes in the Company's liabilities arising from financing activities can be classified as follows: ***(₹ in thousands)***

Particulars	Borrowings	Total
Net debt as at 01 April 2016	**301651.15**	**301651.15**
Fair valuation impact	-	-
Proceeds from current borrowings	205933.00	205933.00
Repayment of current borrowings	1651.15	1651.15
Net debt as at 31 March 2017	**505933.00**	**505933.00**
Fair valuation impact	-	-
Proceeds from current borrowings	115400.00	115400.00
Repayment of current borrowings	-	-
Net debt as at 31 March 2018	**621333.00**	**621333.00**

Note – 33
Other matters

a. The Company has not entered into any derivative instrument during the year. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged.

b. In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2018, 31 March 2017 and 1 April 2016.

c. In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the balance sheet as at 31 March 2018, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration Number: 005975N

For and on behalf of the Board of Directors

Saurabh Gupta
Partner

Dushyant Batra
Whole Time Director
[DIN: 07098593]

Monica Kadyan
Director
[DIN: 07858199]

Place: Gurugram
Date: 30 April 2018

Priya Jain
Company Secretary

Saurabh Garg
Chief Financial Officer