Canvin Real Estate Private Limited
Balance Sheet as at March 31, 2018
(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2018
ASSETS		
Current Assets		
Financial Assets		
(i) Cash and Cash Equivalents	4	2,288,998
Other current assets	5	220,569,100
Total Current Assets		**222,858,098**
TOTAL ASSETS		**222,858,098**
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	6	100,000
Other Equity	7	(20,006,691)
Total Equity		**(19,906,691)**
Non-Current Liabilities		
Financial Liabilities		
(i) Borrowings	8	236,000,000
(ii) Other financial liabilities	9	2,351,589
Total Non-Current Liabilities		**238,351,589**
Current Liabilities		
Financial Liabilities		
(i) Trade Payables	10	2,429,200
Other Current Liabilities	11	1,984,000
Total Current Liabilities		**4,413,200**
Total Liabilities		**242,764,789**
TOTAL EQUITY AND LIABILITIES		**222,858,098**
Summary of Significant Accounting Policies	3	

The accounting notes are an integral part of the financial statements

As per our report of even date.
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

Sd/-
per Aniruddh Sankaran
Partner
Membership No: 211107

Place: Gurugram
Date: May 11, 2018

For and on behalf of the Board of Directors

Sd/-
Ajay Singh
Director

Place: Gurugram
Date: May 11, 2018

Sd/-
Shiwani Singh
Director

Place: Gurugram
Date: May 11, 2018

Canvin Real Estate Private Limited
Statement of Profit and Loss for the period ended March 31, 2018
(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	Period Ended March 31, 2018
Revenue from Operations		
Service Income		-
Total Revenue		**-**
Expenses		
Other expenses	12	17,655,102
Total Expenses		**17,655,102**
Earnings before interest, tax, depreciation and amortization (EBITDA)		**(17,655,102)**
Finance costs	13	(2,351,589)
(Loss) Before Tax		**(20,006,691)**
Income Tax Expense	14	
Current period		-
Deferred Tax		-
		-
(Loss) after tax for the period (A)		**(20,006,691)**
Other Comprehensive Income / (Loss) for the period, Net of Tax (B)		
Total Comprehensive Income / (Loss) for the period, Net of Tax (A) + (B)		**(20,006,691)**
Earnings per equity share of INR 10 each		
Basic		(2,000.67)
Diluted		(5,369.48)

The accounting notes are an integral part of the financial statements

As per our report of even date.
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors

Sd/-
per Aniruddh Sankaran
Partner
Membership No: 211107

Place: Gurugram
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Ajay Singh
Director

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Date: May 11, 2018

Sd/-
Shiwani Singh
Director

Place: Gurugram
Date: May 11, 2018

Canvin Real Estate Private Limited
Cash flow statement for the period ended March 31, 2018
(All amounts are in Indian Rupees, unless otherwise stated)

		March 31, 2018
A.	**Cash flow from operating activities**	
	(Loss) before tax and exceptional items	(20,006,691)
	Operating loss before working capital changes	**(20,006,691)**
	Movements in working capital:	
	Increase / (Decrease) in current assets	(220,569,100)
	Increase / (Decrease) in trade payables	2,429,200
	Increase / (Decrease) in other financial liabilities	2,351,589
	Increase / (Decrease) in other liabilities	1,984,000
	Cash generated from Operations	**(233,811,002)**
	Income Tax Paid	-
	Net Cash Flow from Operating Activity	**(233,811,002)**
B.	**Net Cash used in Investing Activity**	
C.	**Cash flow from financing activities**	
	Issue of Share Capital (Refer Note 5)	100,000
	Loan from SpiceJet	236,000,000
	Net Cash from Financing Activity	**236,100,000**
	Net increase / (decrease) in cash and cash equivalents	**2,288,998**
	Cash and cash equivalents at the beginning of the period	-
	Cash and cash equivalents at the end of the period	**2,288,998**
	Notes :	
	Components of cash and cash equivalents	
	On current accounts	2,288,998
	Cash on hand	-
	Total cash and cash equivalents (Note 4)	**2,288,998**

As per our report of even date.
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

Sd/-
per Aniruddh Sankaran
Partner
Membership No: 211107
Place: Gurugram
Date: May 11, 2018

For and on behalf of the Board of Directors

Sd/-
Ajay Singh
Director

Place: Gurugram
Date: May 11, 2018

Sd/-
Shiwani Singh
Director

Place: Gurugram
Date: May 11, 2018

Canvin Real Estate Private Limited
Statement of Changes in Equity for the period ended March 31, 2018
(All amounts are in Indian Rupees, unless otherwise stated)

a. Equity Share Capital

Particulars	No of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at November 16, 2017	10,000	100,000
As at March 31, 2018	**10,000**	**100,000**

b. Other Equity

For the period ended March 31, 2018

Particulars	Retained Earnings	Other Comprehensive Income	Total Equity
As at November 16, 2017	-	-	-
(Loss) for the period	(20,006,691)	-	(20,006,691)
Other Comprehensive Income for the period	-		-
As at March 31, 2018	**(20,006,691)**	**-**	**(20,006,691)**

The accounting notes are an integral part of the financial statements

As per our report of even date.
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

Sd/-
per Aniruddh Sankaran
Partner
Membership No: 211107

Place: Gurugram
Date: May 11, 2018

For and on behalf of the Board of Directors

Sd/-
Ajay Singh
Director

Place: Gurugram
Date: May 11, 2018

Sd/-
Shiwani Singh
Director

Place: Gurugram
Date: May 11, 2018

Canvin Real Estate Private Limited
Notes to the Financial Statements for the period ended March 31, 2018
(All amounts are in Indian Rupees, unless otherwise stated)

1 General Information of the Company

Canvin Real Estate Private Limited ("the Company") is a private company domiciled in India. The registered office of the Company is B-1, Kalindi Colony, New Delhi, South Delhi - 110 065. The company was incorporated on November 16, 2017 (CIN - U70109DL2017PTC326068) under the Companies Act, 2013. The objective of the Company is to be engaged in the business of purchase, construction, development and sale of land or buildings. The company has not commenced operations as at March 31, 2018.
The financial statements were authorised for issue in accordance with a resolution of the directors on May 11, 2018.

2 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. The current period financials statements are the first post incorporation and are from the period from November 16, 2017 to March 31, 2018.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:
- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest rupee, except when otherwise indicated

3.1 Current vs Non Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
• Expected to be realised or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period, or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
• It is expected to be settled in normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3.2 Cash and Cash Equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company’s cash management.

3.3 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

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
• Debt instruments at amortised cost
• Debt instruments at fair value through other comprehensive income (FVTOCI)
• Debt instruments and derivatives at fair value through profit or loss (FVTPL)
• Equity instruments at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b. 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b. 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). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Company does not have any debt instrument as at FVTOCI.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company does not have any debt instrument at FVTPL.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company has classified its investments in mutual funds as Investments at FVTPL.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

Financial Liability

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

Subsequent measurement

All financial liabilities except derivatives are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

	Period Ended March 31, 2018
4 Cash and Cash Equivalents	
Balances with banks:	
- On current accounts	2,288,998
	2,288,998
5 Other current assets	
(Considered Good, Unsecured unless stated otherwise)	
Balance with Government authorities	404,100
Advance to Suppliers	220,165,000
	220,569,100
6 Equity Share Capital	
Authorised Share Capital	
(10,000 equity shares of Rs.10/- each)	
As at November 16, 2017	-
Increase during the year	100,000
As at March 31, 2018	**100,000**
Issued, Subscribed and Paid-up Capital	
(10,000 equity shares of Rs.10/- each)	
As at November 16, 2017	-
Increase during the year	100,000
As at March 31, 2018	**100,000**

a) Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2018	
	Number	Value (Rs.)
Shares outstanding at the beginning of the period	-	-
Issued during the period	10,000	100,000
Shares outstanding at the end of the period	**10,000**	**100,000**

b) Terms/Rights attached to class of Shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Particulars	As at March 31, 2018	
	Number	Value (Rs.)
SpiceJet (Holding Company)	10,000	100,000

d) Details of shareholders holding more than 5 percent of Equity Share Capital

Particulars	As at March 31, 2018	
	No of Shares	% against total No of Shares
SpiceJet (Holding Company)	10,000	100%

7 Other Equity	
Surplus / (deficit) in the statement of profit and loss	
Balance as per last financial statements	-
(Loss) for the period	(20,006,691)
Net surplus / (deficit) in the statement of profit and loss	**(20,006,691)**

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

		Period Ended March 31, 2018
8	**Long Term Borrowings**	
	(Unsecured - At Amortised Cost)	
	Term Loan from Related Parties	236,000,000
		236,000,000

Loan from Holding Company is repayable 3 years from the date of borrowing and carries an interest of 12.75%.

9	**Other Non-Current Financial Liabilities**	
	(At Amortised Cost)	
	Interest accrued but not due on borrowings	2,351,589
		2,351,589
10	**Trade Payables**	
	(Unsecured, At Amortised Cost)	
	Trade Payables	2,429,200
		2,429,200

There are no overdue amounts payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any Micro and Small Enterprises during the current period.

Terms and conditions of the above financial liabilities:
Trade payables are non interest bearing and carry a credit period generally between 30 and 90 days

11	**Other Current Liabilities**	
	Statutory dues (including interest thereon)	1,984,000
		1,984,000
12	**Other Expenses**	
	Rates and taxes	15,400,000
	Legal, and professional fees (Refer note below for details of payment to auditor)	2,255,102
		17,655,102
	Payment to auditor	
	As auditor	
	Audit fees	10,000
13	**Finance Costs**	
	Interest on Borrowings	2,351,589
		2,351,589
14	**Income Tax Expense**	
	Current Tax	-
	Deferred Tax	-
		-

The Company does not have taxable profits per the provisions of the Income Tax Act 1961, accordingly there are no income tax expenses accounted for in the current year.

15 Earnings per Share

The following reflects the Loss and Share data used in the basic and diluted EPS computations:

Loss after Tax	(20,006,691)
Weighted Average Number of Shares	
- Basic	10,000
- Diluted	3,726
Earnings per Share of INR 10 each	
- Basic	(2,000.67)
- Diluted	(5,369.48)

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

Period Ended March 31, 2018

16 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

<u>Estimates and Assumptions</u>

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

<u>Fair Value Measurement of Financial Instruments</u>

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques 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 judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, Credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

17 Disclosure in respect of Related Parties pursuant to Ind AS 24

a. List of Related Party

Relationship	Name of the Party
Holding Company	SpiceJet Limited
Fellow Subsidiary	SpiceJet Merchandise Private Limited SpiceJet Technic Private Limited
Key Managerial Personnel	Ajay Singh, Director Shiwani Singh, Director
Enterprises over which Key Managerial personnel or their relatives have control / significant influence ('Affiliates')	Crosslink Finlease Private Limited
	Greenline Transit System Private Limited
	Intel Constructions Private Limited
	One City, Promoters Private Limited
	Indiverse Broadband Private Limited
	Smartnagar Digital Ventures Private Limited
	Smartnagar Broadband Networks Private Limited
	Starbus Services Private Limited
	Argentum Engineering Design Private Limited
	Argentum Electric Vehicles Private Limited
	i2n Technologies Private Limited
	Greenline Communication Private Limited
	Pan India Motors Private Limited
	Multipurpose Trading and Agencies Limited

b. Transactions with Related Party

Particulars	March 31, 2018
SpiceJet Limited	
<u>Transactions during the year:</u>	
Contribution towards Share Capital	100,000
Long Term Borrowings	236,000,000
Interest Cost on Long Term Borrowings	2,351,589
<u>Outstanding Balance:</u>	
Long Term Borrowings	2,351,589
Interest Accrued	2,351,589

18 Segment Information

Based on internal reporting provided to the chief operating decision maker, business of purchase, construction, development and sale of land or buildings is the only reportable segment for the Company accordingly reporting under the Ind AS 108 is not applicable.

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

Period Ended March 31, 2018

19 Fair Values

Particulars	March 31, 2018	
	Carrying Amount	Fair Value
Financial Assets		
Cash and cash equivalents	2,288,998	2,288,998
Total	**2,288,998**	**2,288,998**
Financial Liabilities		
Borrowings	236,000,000	236,000,000
Other Non-Current Financial Liabilities	2,351,589	2,351,589
Trade Payables	2,429,200	2,429,200
Total	**240,780,789**	**240,780,789**

The management assessed that cash and cash equivalents, long-term borrowings, trade payables and other current and non-current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

20 Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprise of borrowings and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

Market Risks
Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Credit Risks
Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

Liquidity Risks
Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The table below provides details regarding the contractual maturities of financial liabilities based on Contractual undiscounted payments

Particulars	March 31, 2018	
	Less than 1 Year	Above 1 Year
Borrowings	-	236,000,000
Other financial liabilities	-	2,351,589
Trade Payables	2,429,200	-
Total	**2,429,200**	**238,351,589**

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

Period Ended March 31, 2018

21 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met throug internal accruals, nonconvertible debentures, external commercial borrowings and other longterm / short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors capital employed using a Debt equity ratio, which is total debt divided by total equity and maturity profile of the overall debt portfolio of the Company. The following table summarizes the capital of the Company:

Particulars	March 31, 2018
Borrowings	
- Long Term	236,000,000
Total Debt	**236,000,000**
Equity Share Capital	100,000
Other Equity	(20,006,691)
Total Equity	**(19,906,691)**
Debt Equity Ratio	**-11.86**

The Company has commenced operations only in the current year and has relied on the funds from holding company to conduct business in the current year. The Company expects the gearing ratio to be reduced over the coming years.

22 Standards issued but not yet effective

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

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company plans to adopt the new standard on the required effective date using the modified method.

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

Period Ended March 31, 2018

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company, as the Company has significant tax losses and consequently there are no assets that are in the scope of the amendments.

Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Asset Held for Sale and Discontinued Operations.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

23 Events after the reporting period

The financials have been approved by the Board of Directors on May 11, 2018 and there have been no significant events after the reporting period till such date.

As per our report of even date.
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

Sd/-
per Aniruddh Sankaran
Partner
Membership No: 211107

Place: Gurugram
Date: May 11, 2018

For and on behalf of the Board of Directors

Sd/-
Ajay Singh
Director

Place: Gurugram
Date: May 11, 2018

Sd/-
Shiwani Singh
Director

Place: Gurugram
Date: May 11, 2018