Wipro Airport IT Services Limited

Balance Sheet as at 31 March 2015

(All amounts in Indian Rupees)

	Note	31 March 2015	31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	50,000,000	50,000,000
Reserves and surplus	4	41,984,486	32,481,499
		91,984,486	**82,481,499**
Non- current liabilities			
Long-term borrowings	5	5,348,482	13,879,386
Deferred tax liabilities (net)	6	12,889,182	8,815,551
Other long-term liabilities	7	73,587,708	53,958,257
Long-term provisions	8	1,128,299	1,126,591
		92,953,671	**77,779,785**
Current liabilities			
Short-term borrowings	9	40,000,000	-
Trade payable	10	232,692,120	351,236,576
Other current liabilities	11	38,072,510	41,638,158
Short-term provisions	8	452,252	268,699
		311,216,882	**393,143,433**
TOTAL		**496,155,039**	**553,404,717**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	186,646	127,861
Long-term loans and advances	13	183,890,312	159,351,632
		184,076,958	**159,479,493**
Current assets			
Trade receivables	14	264,255,509	302,926,708
Cash and bank balances	15	26,879,806	56,993,904
Short-term loans and advances	13	20,942,766	2,729,727
Other current assets	16	-	31,274,885
		312,078,081	**393,925,224**
TOTAL		**496,155,039**	**553,404,717**
Significant accounting policies	2		
Notes to financial statements	1 to 32		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:
101248W/W-100022

sd/-
Adhir Kapoor
Partner
Membership Number: 098297

For **Wipro Airport IT Services Limited**

sd/-
G. Sridharan
Director

sd/-
Srinvasan. G
Director

Wipro Airport IT Services Limited
Statement of Profit and Loss for the year ended 31 March 2015
(All amounts in Indian Rupees)

	Note		
Income			
Revenue from operations	17	399,269,571	391,363,617
Other income	18	2,005,742	10,877,159
Total revenue		**401,275,313**	**402,240,776**
Expenditure			
Cost of goods sold and services rendered	19	368,591,569	371,130,041
Employee benefits	20	8,912,469	9,249,451
Depreciation expense	12	54,953	33,645
Finance Cost	21	2,000,000	-
Other expenses	22	7,725,629	7,690,028
Total expenses		**387,284,620**	**388,103,165**
Profit before tax		13,990,693	14,137,611
Tax expense			
Current tax		2,921,220	2,828,618
Income tax charge relating to earlier years		-	1,308,998
Minimum alternate tax credit		(2,507,142)	(2,828,618)
Deferred tax expense		4,073,629	3,506,169
		4,487,706	**4,815,167**
Profit for the period		**9,502,987**	**9,322,444**
Earnings per equity share	28		
(Equity shares of par value Rs.10 each)			
Basic and diluted		1.90	1.86
Significant accounting policies	2		
Notes to the financial statements	1 to 32		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W

for **Wipro Airport IT Services Limite**

sd/-
Adhir Kapoor
Partner
Membership Number: 098297

sd/-
G. Sridharan
Director

sd/-
Srinvasan. G
Director

Wipro Airport IT Services Limited
Cash Flow Statement for the year ended 31 March 2015
(All amounts in Indian Rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Cash flows from operating activities:		
Profit before tax	13,990,693	14,137,611
Adjustments:		
Depreciation	54,953	33,645
Interest expense	2,000,000	-
Interest income	(1,340,058)	(5,587,390)
Miscellaneous income (insurance claim recovered)	(662,147)	-
Interest income from IT refund	-	(5,289,769)
Provision for doubtful debts	609,751	-
Provision for litigation	287,531	-
(Profit)/Loss on sale of fixed assets	(3,537)	10,356
Operating cash flow before working capital changes	**14,937,186**	**3,304,454**
Working capital changes :		
Increase / (decrease) in trade payable	(118,544,456)	180,264,249
Increase / (decrease) in liabilities and provisions	13,961,533	(9,629,777)
(Increase) / decrease in trade receivables	38,061,448	153,812,378
(Increase) / decrease in other current assets	31,274,885	(31,274,885)
(Increase) / decrease in loans and advances	(18,213,039)	49,867,252
(Increase) / decrease in other non current assets	-	2,534,297
Cash generated from / (used in) operations	(38,522,443)	348,877,968
Income taxes (paid) / refunded	(24,952,757)	(78,107,595)
Net cash generated by / (used in) operating activities	**(63,475,200)**	**270,770,372**
Cash flows from investing activities:		
Acquisition of fixed assets (including capital work-in-progress)	(8,718,147)	(293,862,795)
Proceeds from sale of fixed assets (Note 3)	739,191	1,450
Movement of assets given on finance lease (refer note 2 below)	8,530,904	207,532,900
Interest income	1,340,058	5,587,390
Net cash generated by / (used in) investing activities	**1,892,006**	**(80,741,055)**
Cash flows from financing activities:		
Proceeds from short term borrowings	40,000,000	-
Repayment of long term borrowings (refer note 2 below)	(8,530,904)	(207,532,900)
Net cash generated by / (used in) financing activities	**31,469,096**	**(207,532,900)**
Net (decrease) / increase in cash and cash equivalents	**(30,114,098)**	**(17,503,583)**
Cash and cash equivalents at the beginning of the period	56,993,904	74,497,487
Cash and cash equivalents at the end of period	**26,879,806**	**56,993,904**

The notes referred to above form an integral part of these financial statements
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:
101248W/W-100022

sd/-
Adhir Kapoor
Partner
Membership Number: 098297

for **Wipro Airport IT Services Limited**

sd/-
G. Sridharan
Director

sd/-
Srinvasan. G
Director

	31 March 2015	31 March 2014
3. Share capital		
Authorised share capital		
5,000,000 (31 March 2014: 5,000,000) equity shares of Rs 10 each	**50,000,000**	**50,000,000**
Issued, subscribed and fully paid-up share capital		
5,000,000 (31 March 2014 : 5,000,000) equity shares of Rs 10 each	50,000,000	50,000,000
	50,000,000	**50,000,000**

a) Shares held by the holding company and their subsidiaries

	31 March 2015	31 March 2014
Wipro Limited (Holding Company)	3,700,000	3,700,000

d) Particulars of shareholders holding more than 5 percent shares in the Company

	31 March 2015		31 March 2014	
Name of the Shareholder	**No. of Shares.**	**% share**	**No. of Shares.**	**% Shares held**
Wipro Limited (Holding Company)	3,700,000	74%	3,700,000	74%
Delhi International Airport Private Limited	1,300,000	26%	1,300,000	26%

	31 March 2015	31 March 2014
4. Reserves and surplus		
Surplus from statement of profit and loss		
At the beginning of the year	32,481,499	23,159,055
Profit for the year	9,502,987	9,322,444
At the end of the year	**41,984,486**	**32,481,499**

	31 March 2015	31 March 2014
5. Long-term borrowings (unsecured)		
Term loan	5,348,482	13,879,386
The loan is repayable in 72 equal monthly installments of Rs 93,669,132 each (including interest) from January 2012 to December 2017 and the rate of interest applicable on the loan is 10.5% p.a (refer note 24)	**5,348,482**	**13,879,386**

	31 March 2015	31 March 2014
6. Deferred tax assets/ (liabilities)		
Deferred tax assets		
Provision for compensated absences	142,302	141,452
Provision for gratuity	277,217	311,250
Loss carry forward	6,862,432	163,347,209
Provision for doubtful debts/advances	197,833	204,000
Provision for Litigation	93,289	-
Deferred tax liability		
Written down value of finance lease		
(net of WDV of fixed assets)	(20,462,255)	(172,819,461)
Deferred tax liability(net)	**(12,889,182)**	**(8,815,551)**

	31 March 2015	31 March 2014
7. Other long-term liabilities		
Long-term trade payable	5,148,484	-
Deposits and other advances	68,439,224	53,958,257
	73,587,708	**53,958,257**

8. Provisions

	Long Term		Short Term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Provision for employee benefits				
- Compensated absences	372,807	339,227	65,789	96,747
- Gratuity	755,492	787,364	98,932	171,952
Provision for Litigation	-	-	287,531	-
	1,128,299	**1,126,591**	**452,252**	**268,699**

The schedule of provision as required to be disclosed in compliance with Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets is as under:

	31 March 2015	31 March 2014
At the beginning of the year	-	-
Provision made during the year	287,531	-
Provision utilised during the year	-	-
At the end of the year	**287,531**	-

Provision for Litigation: This represents provision made for probable claims arising out of pending litigations in respect of Income tax Act, 1961. Although the Company is contesting the case at the relevant forum, the management believes that the outflow of resources embodying economic benefits is probable and has accordingly, created a provision towards the obligations that may arise. The Company expects to utilize these provisions within a period of one year.

9. Short term borrowings	31 March 2015	31 March 2014
Short term Loan		
From Wipro Limited, Holding Company	40,000,000	-
	40,000,000	**-**

The loan from Wipro Limited, holding company was taken on 30 September 2014, and carries interest @10 % p.a commencing on the effective date The agreement shall terminate after one year from the effective date of the agreement.

10. Trade payable	31 March 2015	31 March 2014
Trade payable	232,692,120	351,236,576
For dues to micro and small enterprises (refer note 30)		
	232,692,120	**351,236,576**

11. Other current liabilities

	31 March 2015	31 March 2014
Unearned revenue	29,523,856	6,486,486
Statutory liabilities	5,195,080	6,409,171
Others payable	1,553,574	15,653,617
Advance from customer	-	13,088,884
Interest accrued but not due	1,800,000	-
	38,072,510	**41,638,158**

13. Loans and advances

(Unsecured, considered good)

	Long Term		Short Term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Employee travel and other advances	-	-	3,900	710,093
MAT credit entitlement	9,122,428	6,737,283	-	-
Advance income tax, net of provision for tax Rs.22,014,090 (previous year Rs.6,995,558)	174,767,884	152,614,349	-	-
Balances with excise and customs authorities	-	-		630,533
Prepaid expenses	-	-	20,891,832	930,984
Others	-	-	47,034	1,086,844
	183,890,312	159,351,632	20,942,766	3,358,455
Less: Provision for doubtful advances	-	-	-	628,727
	183,890,312	**159,351,632**	**20,942,766**	**2,729,727**

14. Trade receivables *(Unsecured)*

	31 March 2015	31 March 2014
Considered good		
Outstanding for a period exceeding six months from the date they became due for payment		
- considered good	118,570,150	56,576,039
- considered doubtful	609,751	-
	119,179,901	56,576,039
Less: Provision for doubtful receivables	609,751	-
	118,570,150	**56,576,039**
Other receivables	145,685,359	246,350,669
	264,255,509	**302,926,708**

15. Cash and bank balances

Cash and Cash equivalent

	31 March 2015	31 March 2014
Cheques on hand	2,406,765	5,251,460
Balances with banks	24,473,041	51,742,444
	26,879,806	**56,993,904**

16. Other current assets

	31 March 2015	31 March 2014
Unbilled revenue	-	31,270,345
Others	-	4,540
	-	**31,274,885**

		For the year ended 31 March 2015	For the year ended 31 March 2014
17.	**Revenue from operations**		
	Rendering of services	399,269,571	389,173,001
	Sales of products	-	2,190,616
		399,269,571	**391,363,617**
18.	**Other income**		
	Interest income	1,340,058	5,587,390
	Interest on income tax refund	-	5,289,769
	Profit on sale of fixed assets	3,537	-
	Miscellaneous Income	662,147	-
		2,005,742	**10,877,159**
19.	**Cost of goods sold and services rendered**		
	Cost of services	368,591,569	369,041,365
	Purchases of traded goods	-	2,088,676
		368,591,569	**371,130,041**
20.	**Employee benefits**		
	Salaries, wages and bonus	7,815,209	8,725,760
	Contribution to provident and other funds	287,483	330,613
	Staff welfare expenses	86,160	131,371
	Gratuity and pension fund	723,617	61,707
		8,912,469	**9,249,451**
21.	**Finance cost**		
	Interest on term loan	2,000,000	-
		2,000,000	**-**
22.	**Other expenses**		
	Travelling and conveyance	579,037	321,003
	Rent	161,018	620,281
	Insurance	3,512,208	3,434,281
	Rates and taxes	295,137	71,564
	Legal and professional charges	2,235,658	2,195,670
	Communication expenses	86,894	219,044
	Loss on sale of fixed assets	-	10,356
	Provision for doubtful advances	-	628,727
	Provision for doubtful debts	609,751	-
	Miscellaneous expenses	245,926	189,102
		7,725,629	**7,690,028**

23. Related party transactions

i) List of related parties and relationships:

- Holding company: Wipro Limited
- Enterprise that exercises significant influence: Delhi International Airport Private Limited (DIAL)
- Key managerial personnel:
  a) Nitish Bhushan – Chief Executive Officer (1 July 2013 – 31 March 2014)
  b) Neeraj Sahdev – Chief Executive Officer (upto 30 June 2013)
  c) Brij Bhushan Chauhan – Acting Chief Executive Officer (1 April 2014 – 30 September 2014)
  d) Sonali Sharma – Chief Financial Officer (Upto 18 October 2014)
  e) Tarun Oberoi – Chief Executive Officer (Since 1 October 2014)
  f) Vinit Kishore – Chief Financial Officer (Since 1 February 2015)

ii) The Company had the following transactions with related parties: (also refer note 24)

Amount in Rupees

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Holding company	`	
Purchase of services and products (a)	368,591,569	362,349,812
Expenses incurred by the holding company on behalf of the Company	171,261	58,233
Short term borrowing	40,000,000	-
Interest on short term borrowing	2,000,000	-
Purchase of fixed assets (including capital advance)	-	141,000
Enterprise that exercise significant influence		
Purchase of fixed assets (refer note 24)	8,530,904	134,117,311
Rendering of services and sale of products	399,214,005	386,065,660
Refundable deposit paid	-	100,000
Refundable deposit returned	100,000	-
Refund of advance by the company	-	37,223,253
Cute recovery received during the year	10,416,610	-
Reimbursement for consumables (a)	1,806,048	10,436,264
Assets given on finance lease	-	207,532,900
GAP funding billed as per master service agreement	29,150,945	68,192,519

Key managerial personnel		
Salaries allowances and provident fund (b)		
Nitish Bhushan	-	1,986,595
Neeraj Shadev	-	965,846
Tarun Oberoi	1,246,608	-
Sonali Sharma	862,378	1,563,771
Brij Bhushan Chauhan	1,264,530	-
Vinit Kishore	363,690	-

(a) The above cost of services includes consumables amounting to Rs. 1,806,048 which is reimbursed by DIAL (Previous year ended 31 March 2014 amounts to Rs. 10,436,264)

(b) These amounts do not include provision for gratuity and compensated absence payable to the key management personnel as the same are actuarially determined for the Company as a whole.

iii) The following is the listing of receivables from and payables to related party as on the balance sheet date**:**

Amount in Rupees

Particulars	**31 March 2015**	**31 March 2014**
Holding Company		
Trade payable	214,155,650	317,949,443
Other payables	-	13,663,003
Short Term Borrowing	40,000,000	-
Interest Payable	1,800,000	-
Enterprises that exercise significant influence		
Advance from customer	-	13,088,884
Unearned Revenue	29,523,856	-
Unbilled Revenue	-	31,270,345
Trade receivables	61,276,996	76,137,800
Earnest Money deposit	-	100,000
Key Managerial Personnel		
Other Current Liabilities		
Tarun Oberoi	376,809	-
Sonali Sharma	268,012	194,567
Nitish Bhushan	-	209,797
Vinit Kishore	215,915	-

24. De-recognition of financial assets:

In December 2009, the Company had entered into a Transaction Agreement with IDFC. Simultaneously, the Company, DIAL, IDFC and Wipro Limited entered into a Consent and Acknowledgement Agreement ("Consent Agreement") to protect/provide certain rights to IDFC under the Transaction Agreement. As per the Transaction Agreement, the Company securitized the finance lease receivables from DIAL and received a sum of Rs. 5,000,000,000 from IDFC.

The Company had entered into a Master Service Agreement ("MSA") with DIAL in October 2009 to provide hardware, software, operation and maintenance services. Pursuant to the MSA, the Company has leased assets aggregating to Rs. 4,994,651,519 till 31 March 2015 (31 March 2014 – Rs. 4,986,120,615) to DIAL. In accordance with AS 19, the Company determined that the lease arrangement qualified as finance lease and accordingly recorded finance lease receivables.

Based on the terms of MSA, the Transaction Agreement, the Consent Agreement and related amendments to these agreements, the Company de-recognized the finance lease receivables from DIAL and borrowings from IDFC aggregating to Rs.4,994,651,519 till 31 March 2015 (31 March 2014 – Rs.4,986,120,615) in accordance with AS 30.

The interest income on the leased assets and interest expense on loan from IDFC are also presented in the financial statements on a net basis.

25. Segment reporting

The Company has no reportable segments and the Board of Directors review the performance of the Company at the enterprise level. The Board relies primarily on results at the enterprise level for assessing performance and making decisions about resource allocation.

26. Leases

The Company is obligated under cancellable operating leases for office space, residential space and car lease rentals where the total rental expense under cancellable operating leases during the year was Rs.161,018 (Previous year: Rs. 620,281). Such lease rentals comprise car lease rentals Rs.135,018 (Previous year: Rs. 4,64,280), rentals for residential space Rs. NIL (Previous year: Rs. 144,000) and towards office space Rs. 26,000 (Previous year: Rs 12,000).

27. Auditors' remuneration

Amount in Rupees

Particulars	**For the year ended 31 March 2015**	**For the year ended 31 March 2014**
Statutory audit fee*	500,000	500,000
Limited review of quarterly results	300,000	300,000
Other audit services	200,000	200,000
Total	**10,00,000**	**10,00,000**

*does not include Service tax

28. Earnings per share

The following table sets forth the computation of basic and diluted earnings per share:

(Amount in Rupees, except share data)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Profit after tax	9,502,987	9,322,444
Weighted average number of equity shares outstanding during the year (Par value Rs.10: previous year Rs.10)	5,000,000	5,000,000
Earnings per share		
-Basic and diluted	1.90	1.86

The Company does not have any potential equity shares.

29. Employee benefits – Gratuity

The following table sets set out the status of the gratuity plan as required under revised AS 15:
Reconciliation of the projected benefit obligations

	For the year ended 31 March 2015	For the year ended 31 March 2014
Change in Projected Benefit Obligations		
Opening defined benefit Obligations	959,316	937,271
Current Service cost	124,814	54,068
Interest cost	76,745	71,023
Actuarial losses/(gain)	8,924	(103,046)
Benefits paid	(315,375)	-
Closing defined benefit obligation	854,424	959,316
Gratuity cost for the period/ year		
Service cost	124,814	54,068
Interest cost	76,745	71,023
Actuarial loss/(gain)	8,924	(103,046)
Net gratuity cost	210,483	22,045
Assumptions		
Interest rate	8.00%	8.90%
Rate of increase in compensation level	8.00%	6.00%

The Company assesses the assumptions with its projected long-term plans of growth and prevalent industry standards. The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

	31 March 2011	**31 March 2012**	**31 March 2013**	**31March 2014**	**31 March 2015**
Defined benefit obligations	827,916	968,176	937,271	959,316	854,424
Plan assets	-	-	-	-	-
Surplus/ (deficit)	(827,916)	(968,176)	(937,271)	(959,316)	(854,424)
Exp adj. on plan liabilities	-	(23,973)	(214,115)	(97,390)	(110,706)
Exp adj. on plan assets	-	-	-	-	-

30. According to the information available with the Company, there are no dues payable to Micro, Small and Medium Enterprises as defined under "Micro, Small and Medium Enterprises Development Act, 2006". The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneur's Memorandum Number as allocated after filling of the Memorandum. Further there are no dues payable to small scale industries as at 31 March 2015 (31 March 2014: Rs Nil).

31. During the previous year, the Company received a demand order amounting to Rs. 11,005,290 in respect of Assessment Year 2011- 12 (previous year 2010-11). The amount includes tax assessed due to disallowance of tax credit amounting to INR 7,509,493, which has been allowed in the assessment order for AY 2012-13. The Company believes that no cash outflow will be required against the above demand on account of existing unabsorbed losses.

32. The Company deals in only one class of services – maintenance services and only one class of products –IT products and hence disclosure relating to purchase, sales and inventory by class of goods and services has not been presented.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:101248W

for **Wipro Airport IT Services Limited**

Sd/-
Adhir Kapoor
Partner
Membership Number: 098297

Sd/-
G. Sridharan
Director

Sd/-
Srinivasan. G
Director

I. Company overview

Wipro Airport IT Services Limited ("the Company") was incorporated on October 22, 2009 as a joint venture between Wipro Limited, the holding company and Delhi International Airport Private Limited. The registered office of the Company is in Bangalore.

The Company was primarily incorporated to render services such as designing, deploying, maintaining information and communication technology infrastructure and applications for identified airports and airport specific information technology architecture.

2. Significant accounting policies

I. Basis of preparation of financial statements

These financial statements have been prepared under the historical cost convention on a going concern basis, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India. Indian GAAP comprises mandatory accounting standards as specified under the section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and other accounting pronouncements of the Institute of Chartered Accountants of India. The accounting policies have been consistently applied by the Company. The financial statements are presented in Indian rupees and rounded off to the nearest rupee.

II. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make judgements, estimates and assumptions that affect the application of accounting policies reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

III. Current / non-current classification

All assets and liabilities are classified into current and non-current

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within twelve months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
(a) it is expected to be settled in, the entity's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is due to be settled within twelve months after the balance sheet date; or
(d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

IV. Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation up to the date of the balance sheet. The cost of fixed assets includes freight, duties, taxes and incidental expenses related to acquisition and installation of fixed assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Depreciation on fixed assets has been provided pro-rata to the period of use, on the straight line method, using rates determined based on management's assessment of useful economic lives of the asset. Depreciation is provided at the rates equal to or higher than those prescribed in Part C of Schedule II to the Companies Act, 2013.

Following are the estimated useful life of various category of assets used:

Asset Class	**Life of the asset**
Furniture and fixtures	5.26 years
Vehicles	4 years
Computers	2 years

Based on internal technical assessment, the estimated useful life of all fixed assets is lower as compared to the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013, which management believes is the representative of useful lives of these fixed assets.

V. Leases

Assets acquired under lease, where the Company has substantially assumed all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease, at fair value of asset or the present value of the minimum lease payments, whichever is lower.

Assets acquired under leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Lease rentals are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

The assets given under finance lease wherein the Company has substantially transferred all the risks and rewards incidental to legal ownership are shown as receivables at values equal to net investment in such Leases. Net investment in the lease is the gross investment in the lease less unearned finance income. Gross investment in lease is the aggregate of the minimum lease payments under a finance lease from the standpoint of the Company and any unguaranteed residual value accruing to the Company. Unearned finance income is the difference between the gross investment in the lease and the present value of the minimum lease payments under a finance lease from the standpoint of the Company and any unguaranteed residual value accruing to the Company, at the interest rate implicit in such lease. Finance lease income is recognized at the interest rate implicit in the leasing arrangement. (Also refer note 24)

VI. Investments

Investments are either classified as current or long term based on management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value determined separately for each individual investment. Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

VII. Employee benefits

Gratuity is a defined benefit scheme and is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary.

Compensated absence is a long term employee benefit and is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. Acturial gains and losses are recognised immediately in the Statement of Profit and Loss.

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss on accrual basis.

VIII. Revenue recognition

Revenue from maintenance contracts is recognized ratably over the period of the contract using percentage of completion method. When services are performed through and indefinite number of repetitive acts over specified period of time, revenue is recognized on straight-line basis over the specified period unless some other method better represents the stage of completion.

Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates. 'Unbilled revenues' included in other current assets represent cost and earnings in excess of billings as at the balance sheet date. 'Unearned revenues' included in other current liabilities represent billings in excess of revenue recognized.

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Interest on the deployment of funds is recognized using the time-proportion method, based on underlying interest rates.

Dividend income is recognized when the right to receive the dividend is established and other income is recognized on accrual basis.

IX. Foreign exchange transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date and the resultant exchange differences are recognized in the statement of profit and loss.

X.Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past (or obligating) event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

XI. Taxation

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law applicable to the Company) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

The Company offsets, on a year on year basis, current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

XII. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the 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 recognised in the statement of profit and loss. If at the balance sheet 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. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the net book value that would have been determined if no impairment loss had been recognized. The impairment loss will be reversed only when it was caused by specific external events and its effect has been reversed by subsequent external events.

XIII. Earnings per share (‘EPS’)

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20, Earnings per Share, specified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing dilutive earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increase loss per share are included.

XIV. Financial instruments

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument.

The Company has adopted AS 30, Financial Instruments Recognition and Measurement and the limited revisions to other accounting standards except to the extent the provisions of AS 30 are in conflict with existing accounting standards. (Also refer note 24).

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 of the Company mainly include cash and bank balances, sundry debtors, unbilled revenues, other loans and advances with a positive fair value. Financial liabilities of the Company mainly comprise unsecured loans, sundry creditors and accrued expenses with a negative fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Company has not retained control over the financial asset.

The Company measures the financial assets and liabilities at amortized cost using the effective interest method. The Company measures the short-term payables and receivables with no stated rate of interest at original invoice amount, if the effect of discounting is immaterial.

XV. Cash flow statement

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

12. **Tangible assets**

As on 31 March 2015 **Amount in Rupees**

Particulars	Gross Block				Depreciation				Net Block
	Balance as on 1 Apr 2014	Additions	Deletions	Balance as on 31 Mar 2015	Balance as on 1 April 2014	Depreciation for the year	On deletions	Balance as on 31 Mar 2015	31-Mar-15
Furniture and fixtures	185,626	27,741	103,623	109,744	57,765	28,299	30,116	55,948	53,796
Computer	1,045	153,039	-	154,084	1,043	26,283	-	27,326	126,758
Office Equipments	-	6,463	-	6,463	-	371	-	371	6,092
TOTAL	**186,671**	**187,243**	**103,623**	**270,291**	**58,808**	**54,953**	**30,116**	**83,645**	**186,646**

As on 31 March 2014

Particulars	Gross Block				Depreciation				Net Block
	Balance as on 1 April 2013	Additions	Deletions	Balance as on 31 March 2014	Balance as on 1 April 2013	Depreciation for the year	On deletions	Balance as on 31 March 2014	31 March 2014
Furniture and fixtures	130,225	84,401	29,000	185,626 -	41,314	33,645	17,194	57,765 -	127,861 -
TOTAL	**130,225**	**84,401**	**29,000**	**185,626**	**41,314**	**33,645**	**17,194**	**57,765**	**127,861**