



SHILPA BALDOTA & ASSOCIATES
Chartered Accountants

Flat No.1, Gangotri Complex, 927 Synagogue Street, Camp, Pune - 411001
Tel. : 020-30423537 E-mail : baldotaoffice@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of ZERO WASTE AGRO ORGANICS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ZERO WASTE AGRO ORGANICS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our 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 there under.

We conducted our audit 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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



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standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements gives 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 Company as at March 31, 2015, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- d. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- g. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



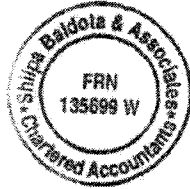
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(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Shilpa Baldota & Associates
FRN: 135699W
Chartered Accountants

Shilpa Baldota
Proprietor
M No. 127112
Date:
Place: Pune




Zero Waste Agro Organics Ltd
BALANCE SHEET AS AT 31ST MARCH, 2015

lacs

	Note No.	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	7.36	7.36
Reserves and surplus	3	1,387.61	1,479.81
		1,394.97	1,487.17
Trade payables		205.09	124.65
Other current liabilities	4	1.41	3.08
		206.50	127.73
Total		1,601.47	1,614.90
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	5	164.41	195.97
Capital work-in-progress		-	1.34
Deferred tax assets (net)	20	185.37	146.81
Long-term loans and advances	6	58.89	66.16
		408.67	410.28
Current assets			
Current investments	7	550.00	642.12
Inventories	8	267.84	318.98
Trade receivables		286.83	116.46
Cash and cash equivalents	10	2.32	4.95
Short-term loans and advances	11	85.81	122.11
		1,192.80	1,204.62
Total		1,601.47	1,614.90
Summary of significant accounting policies	1		


Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith.

In terms of our report attached
For Shilpa Baldota and Associates
FRN: 135699W
Chartered Accountants

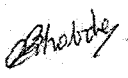

Shilpa Baldota
Proprietor
M.No. 127112
Date:
Place: Pune





For and on behalf of directors,


VEERAMANI SHANKAR
DIN: 01385240

MRS MEENA SANJAY THOBDE
DIN: 00013957


SANJAY BHIMASHANKAR THOBDE
DIN: 00013559


Krishnasamy Sundar Desamanick,
DIN: 02621560


VENKATADRI KARUPPAMPALAYAM RANGANATHAN
DIN: 03409857

Zero Waste Agro Organics Ltd


Statement of Profit and Loss for the year ended 31st March, 2015

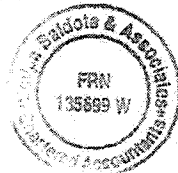
lacs

	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Revenue from operations	12	1,134.98	808.92
Less : Excise Duty		-	-
Net Revenue from Operations		1,134.98	808.92
Other income	13	62.70	2.21
Total Revenue (I)		1,197.68	811.13
Expenses:			
Cost of materials consumed	14	648.72	539.73
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	15	133.13	28.23
Employee benefits expense	16	140.93	54.00
Other expenses	17	371.81	466.36
Total expenses (II)		1,294.59	1,088.32
Earnings before interest, depreciation, tax and amortization (I-II)		(96.91)	(277.19)
Depreciation and amortization expense	5	33.84	24.64
Profit before tax		(130.75)	(301.83)
Tax expense:			
a. Current tax		-	-
b. Deferred tax - Charge (net)		(38.55)	(94.98)
Profit for the year		(92.20)	(206.85)
Earnings per equity share (*) :	21		
(1) Basic		(125.20)	(280.86)
(2) Diluted		(125.20)	(280.86)
Summary of significant accounting policies	1		


Notes referred to above form an integral part of the Statement of Profit and Loss and should be read in conjunction therewith.

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For Shilpa Baldota and Associates
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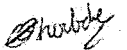

Shilpa Baldota
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DIN: 03409857

Zero Waste Agro Organics Pvt Ltd

Statement of Profit and Loss for the year ended 31st March, 2015

	For the Quarter ended 31st Dec, 2014	For the Quarter ended 31st March 2014	For the Quarter ended 31st March 2015	For the year ended 31st March 2015	For the year ended 31st Mar, 2014
Revenue from operations	313.60	221.45	261.39	1,134.98	809.00
Less : Excise Duty					-
Net Revenue from Operations	313.60	221.45	261.39	1,134.98	809.00
Other income	-	(0.70)	56.77	62.70	2.21
Total Revenue (I)	313.60	220.75	318.16	1,197.68	811.21
Expenses:					
Cost of materials consumed	187.14	184.99	118.84	648.72	539.00
Purchases of Traded Goods		-			-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	52.41	(24.20)	63.65	133.13	28.00
Employee benefits expense	36.46	16.53	39.71	140.93	54.00
Other expenses	84.94	119.51	55.50	371.81	466.00
Total expenses (II)	360.95	296.83	280.70	1,294.59	1,087.00
Earnings before interest, depreciation, tax and amortization (I-II)	(47.35)	(76.08)	37.46	(96.91)	(275.79)
Finance costs		-		-	-
Depreciation and amortization expense	8.40	8.98	8.37	33.84	25.00
Profit before exceptional items	(55.75)	(85.06)	29.09	(130.75)	(300.79)
Exceptional items					
Profit before extraordinary items and tax	(55.75)	(85.06)	29.09	(130.75)	(300.79)
Extraordinary items	-	-	-	-	-
Profit before tax	(55.75)	(85.06)	29.09	(130.75)	(300.79)
Tax expense:	-	(94.00)	(38.55)	(38.55)	(94.12)
Profit for the year	(55.75)	8.94	67.64	(92.20)	(206.67)
Earnings per equity share (₹):					
(1) Basic	-	-	-	(125.20)	(280.86)
(2) Diluted	-	-	-	(125.20)	(280.86)

In terms of our report attached

For Shilpa Baldota & Associates

FRN : 135699 W

Chartered Accountants

Shilpa Baldota
Proprietor

M. No. 127112

Place : Pune

Date:



For and on behalf of Board of Directors

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DIN: 01385240

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DIN: 03409857

MRS MEENA SANJAY THOBDE
DIN: 00013957

KRISHNASAMY SUNDAR DESAMANICKAM
DIN: 02621560

Zero Waste Agro Organics Ltd

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

lacs

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Taxation	(130.75)	(301.82)
Adjustments for :		
Depreciation and amortisation expense	33.84	24.64
Interest income	(62.70)	(2.21)
Operating Profit before Working Capital Changes	(159.61)	(279.39)
Adjustments for :		
Trade payables and other current liabilities	78.77	(72.49)
Trade receivables	(170.37)	(116.46)
	51.14	12.25
Long term loans and advances	11.78	(0.03)
Short term loans and advances	36.30	(94.72)
CASH GENERATED FROM OPERATIONS	(151.99)	(550.84)
Taxes paid (Net of Refund and interest on refund received)	(4.52)	-
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	(156.51)	(550.84)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets (including CWIP)	(0.94)	(120.14)
Proceeds from redemption of Investments	92.12	(642.12)
Interest/Dividend received	62.70	2.21
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	153.88	(760.05)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of equity shares	-	1,300.03
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	-	1,300.03
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	(2.63)	(10.85)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Cash in Hand	-	-
Balances with Scheduled Banks on Current Account	4.95	15.80
	4.95	15.80
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash in Hand	-	-
Balances with Scheduled Banks on Current Account	2.32	4.95
	2.32	4.95
Footnotes:		
Cash and Cash Equivalents as above	2.32	4.95
CASH AND BANK BALANCES AS PER NOTE 16	2.32	4.95

Notes referred to above form an integral part of the Cash Flow Statement and should be read in conjunction therewith.

In terms of our report attached

For Shilpa Baldota and Associates

FRN: 135699W

Chartered Accountants

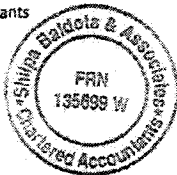
Shilpa Baldota

Proprietor

M.No. 127112

Date:

Place: Pune



For and on behalf of Directors,

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VEERAMANI SHANKAR

DIN: 01385240

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SANJAY BHIMASHANKAR THOBDE

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VENKATADRI KARUPPALAYAM RANGANATHAN

DIN: 03409857

MRS MEENA SANJAY THOBDE

DIN: 00013957

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KRISHNABAMY SUNDAR DESAMANICKAM

DIN: 02621560


Zero Waste Agro Organics Ltd

PART I

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FOR THE PERIOD ENDED 31ST MARCH 2015


Particulars	Quarter ended 31st March 2015	Quarter ended 30th Dec 2014	Quarter ended 31st March 2014	Period ended 31st March 2015	Period ended 31st Mar 2014
	Audited	Unaudited	Audited	Audited	Audited
Gross Sales/Income from operations	261	314	221	1,134	809
Less: Excise duty					
1 Income from operations					
a) Net sales/income from operations (Net of excise duty)	261	314	221	1,134	809
b) Other operating income	-	0	-	1	-
Total income from operations (net)	261	314	221	1,135	809
2 Expenses					
a) Cost of materials consumed	118	188	185	649	539
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	64	52	(24)	133	28
c) Consumption of packing materials					
d) Employee benefits expense	40	36	17	141	34
e) Depreciation and amortisation expense	9	8	9	34	25
f) Other expenses	58	86	120	372	466
Total expenses	289	370	306	1,329	1,113
3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(28)	(56)	(85)	(194)	(304)
4a. Other Income	57	-	(1)	63	2
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4a+4b)	29	(56)	(86)	(131)	(302)
6 Finance costs	-	-	-	-	-
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	29	(56)	(86)	(131)	(302)
8 Exceptional Items	-	-	-	-	-
9 Profit / (Loss) from ordinary activities before tax (7 - 8)	29	(56)	(86)	(131)	(302)
10 Deferred Tax	(39)	-	(95)	(39)	(95)
11 Net Profit / (Loss) for the period (9 - 10)	68	(56)	9	(92)	(207)

For Shilpa Baldota & Associates
FRN - 135699W
Chartered Accountants

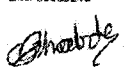

Shilpa Baldota
Proprietor
Membership Number 227112
Pune:
Date:




For and on behalf of Board of Directors


VEERANKAR SHANKAR
DIN: 01385240

MRS MEENA SANJAY THORDE
DIN: 00013957


SANJAY BHIMASHANKAR THORDE
DIN: 00013559


KRISHNASAMY SUNDAR KESAMANICKAM
DIN: 02671560


VENKATADRI KARUPPALAYAM RANGANATHAN
DIN: 03409857

Note 1

Notes to Financial Statements for the year ended 31st March, 2015

1. Significant Accounting Policies: -

(a) Basis of Accounting

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 2013, and the applicable Accounting Standards referred to in section 133 of the Companies Act, 2013. All income and expenditure having material bearing on the financial statements are recognised on accrual basis.

(b) Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

(c) Fixed Assets and Depreciation / Amortisation

(i) Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to bring the asset to the location and condition for its intended use. Examples of directly attributable expenses included in the acquisition cost are delivery and handling costs, installation, legal services and consultancy services.

Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Depreciation is provided on a straight line basis at rates and in the manner specified in Schedule II to the Companies Act, 2013, unless the use of a higher rate or an accelerated charge is justified through technical estimates. Extra shift depreciation is applied to applicable items of plant and machinery for days additional shifts are worked. Freehold land is not depreciated since it is deemed to have an indefinite economic life. The premium paid for acquiring leasehold land is amortised over the period of lease on a straight line basis.

(ii) Intangible assets and amortisation

Intangible assets other than goodwill are valued at cost less amortisation. These generally comprise of costs incurred to acquire computer software licences and implement the software for internal use (including software coding, installation, testing and certain data conversion) as well as costs paid to acquire studies for obtaining approvals from registration authorities of products having proven technical feasibility.

Research costs are charged to earnings as they arise.

Costs incurred for applying research results or other knowledge to develop new products, are capitalised to the extent that these products or registrations are expected to generate future financial benefits. Other development costs are expensed as and when they arise.

Goodwill comprises the portion of purchase price for an acquisition that exceeds the market value of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition, on the share in the acquired company's assets acquired by the Company.

Intangible assets are reported at acquisition value with deductions for accumulated amortisation and any impairment losses.

Amortisation is provided on a straight line basis over the asset's anticipated life. The useful life is determined based on the period of the underlying contract and the period of time over which the intangible asset is expected to be used and generally does not exceed 10 years.

An impairment test of intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Statement of Profit and Loss.

(d) Impairment of assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor.

(e) Investments

Long term investments are valued at cost, less provision for other than temporary diminution in value, if any. Current investments are valued at the lower of cost and fair value.

(f) Inventory

Inventories are valued at the lower of cost and net realisable value.

In case of raw materials, packing materials, stores and spare parts and traded finished goods, costs are determined in accordance with continuous moving weighted average principle. Costs include purchase price, non-refundable taxes and delivery and handling costs.

Cost of finished goods and work-in-progress are determined using the absorption costing principles. Cost includes cost of materials consumed, labour and a systematic allocation of variable and fixed production overheads. Excise duties at the applicable rates are also included in the cost of finished goods.

Net realisable value is estimated at the expected selling price less estimated completion and selling costs.



(g) Revenue Recognition

Sales include products and services, net of trade discounts and exclude sales tax, state value added tax and service tax.

With regard to sale of products, income is reported when practically all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled. This usually occurs upon dispatch, after the price has been determined and collection of the receivable is reasonably certain.

Income recognition for services takes place as and when the services are performed.

Amounts received from customers specifically towards setting up / expansion of manufacturing facilities, linked to a contractual arrangement for supply of specified quantities of product manufactured from the said facilities at pre-determined prices, are treated as current liabilities and recognized as revenue in the Statement of Profit and Loss over the contracted period of supply in proportion to the quantities dispatched.

(h) Financial Income and Borrowing Cost

Financial income and borrowing cost include interest income on bank deposits and interest expense on loans.

Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any.

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use when interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

(i) Foreign Currency Transactions

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognised as income or expenses in the Statement of Profit and Loss.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are valued at year end rates, and unrealised translation differences are included in the Statement of Profit and Loss.

Investments in foreign currency (non monetary items) are reported using the exchange rate at the date of the transaction.

The Company's forward exchange contracts are not held for trading or speculation. The premium/discount arising on entering into such contract is amortised over the life of such contracts and exchange differences arising on such contracts are recognised in the Statement of Profit and Loss.

Hedge Accounting

The Company uses currency option contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecasted transactions. The Company designates such currency option contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard 30 Financial Instruments: Recognition and Measurement.

These contracts are stated at fair value at each reporting date. Changes in the intrinsic value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account under Reserves and Surplus, net of applicable deferred income taxes. The ineffective portion and the time value is recognised immediately in the Statement of Profit and Loss.

Amounts accumulated in Hedging Reserve Account are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Hedging Reserve Account is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Hedging Reserve Account is immediately transferred to the Statement of Profit and Loss for the period.

(j) Employee Benefits

(i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

(ii) Post employment benefits are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, as the discounting rate.

(iii) Other long-term employee benefits are recognised as an expense in the Profit and Loss Account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the market yield on government bonds, as on the date of balance sheet, as the discounting rate.

(iv) Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Profit and Loss Account.



(k) Taxes on Income

The Company's income taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes, those that have been enacted or substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

(l) Lease Accounting

(i) Operating Leases

Lease of an asset whereby the lessor essentially remains the owner of the asset is classified as operating lease. The payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

(ii) Finance Leases

Assets taken on finance lease after 1st April, 2001, are capitalised at fair value or net present value of the minimum lease payments, whichever is lower.

Depreciation on the assets taken on lease is charged at the rate applicable to similar type of fixed assets as per the Company's accounting policy on depreciation as stated above. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged in accordance with the Company's depreciation policy as stated above or in a straight line basis over the lease period, which ever is shorter.

Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease.

(m) Segment Reporting

Not applicable

(n) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. A contingent asset is neither recognised nor disclosed.

(o) Cash Flow Statements

Cash-flow statements are prepared in accordance with the "Indirect Method" as explained in the Accounting Standard (AS) 3 - Cash Flow Statements as prescribed under section 133 of the Companies Act, 2013.

(p) Cash and Cash Equivalents

Cash and bank balances and current investments that have insignificant risk of change in value, which have durations up to three months, are included in the Company's cash and cash equivalents in the Cash Flow Statement.

(q) Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

