MEHTA & PAI

CA. SURESH S. MEHTA
B.Com.(Hons.), F.C.A.
CA. ARUN K. PAI
B.Com.(Hons.), F.C.A.

CHARTERED ACCOUNTANTS
B-16, Everest, 3rd Floor, 156, Tardeo Road,
Mumbai - 400 034.
SERVICE TAX REG. NO. AAFFM5366CST001

☎ : 2352 1910
: 2351 6111
@ : casureshmehta@yahoo.in
aruntax@yahoo.co.uk

Independent Auditor's Report
To the Board of Directors of Highbar Technologies Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Highbar Technologies Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS 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 thereunder.

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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. 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;

(c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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;

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

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.(Refer Note 2.09 to the standalone Ind AS financial statements.)

For Mehta & Pai
Chartered Accountants
(Firm Registration No. 113591W)

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

(Suresh Mehta)
(Partner)
(Membership No.032230)

Place: Mumbai
Date: 21-04-2017.

Annexure to the Auditors' Report

Annexure referred to in paragraph (3) of our Report of even Date on the Accounts for the year ended 31st March, 2017 of HIGHBAR TECHNOLOGIES LIMITED.

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets. All fixed Assets have been physically verified by the Management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification as compared to books of accounts. Based on our audit procedures performed and according to the information and explanations given by the management, the title deeds of immovable properties are held in the name of the company.

2. The Company does not hold any inventories and therefore provisions of Clause 3 (ii) of the order is not applicable to Company.

3. Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013.

(a) In our opinion the terms and conditions of grant of such loans are not prima facie, prejudicial to the company's interest;

(b) The schedule of repayment of the principal and payment of interest has not been stipulated and hence we are unable to comment as to whether repayments and receipts of the principal amount and interest are regular;

(c) In the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than ninety days and whether reasonable steps have been taken by the company for the recovery of principal amount and interest.

4. The Company has not entered into any transaction to which the provisions of section 185 apply. In our opinion, the company has complied with the provisions of section 186 in respect of Inter corporate loans given to subsidiary and fellow subsidiaries.

5. The company has not accepted any deposits from public within the meaning sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

6. The Central government has not prescribed the maintenance of cost records under sub-section (1) of section 148(1) of the companies Act, 2013. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

7. (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including provident fund, Employees state insurance, income tax, sales tax, wealth tax, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us no undisputed amount payable in respect of income tax, wealth tax and sales tax,

were outstanding, at the yearend for a period of more than six months from the date they became payable.

(b) According to the records of the company, there are no dues outstanding of sales tax, income tax, custom duty, wealth tax on account of any dispute.

8. According to the information and explanations given to us and based on the documents and records produced before us, Company is generally regular in repayment of dues to banks. The Company did not have any outstanding debentures during the year.

9. According to the information and explanations given by the management, during the year Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause 3 (ix) of the Order is not applicable to the Company and hence not commented upon.

10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

11. Based on our audit procedures performed and according to the information and explanations given by the management, we report that no managerial remuneration has been paid / provided to which requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 are applicable.

12. In our opinion, the Company is not a Nidhi company. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

13. Based on our audit procedures performed and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable Ind AS.

14. According to the information and explanations given to us and on an overall examination of the balance sheet, during the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

15. In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Mehta & Pai
Chartered Accountants
(Firm Registration No. 113591W)

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

(Suresh Mehta)
(Partner)
(Membership No.032230)

Place: Mumbai
Date: 21-04-2017

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Highbar Technologies Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mehta & Pai
Chartered Accountants
(Firm Registration No. 113591W)

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

Place: Mumbai
Date: 21-04-2017

(Suresh Mehta)
(Partner)
(Membership No.032230)

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299
Amount in (₹) in Lacs

BALANCE SHEET	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	2.01	1,231.61	1,030.00	1,069.71
(b) Intangible assets	2.01	-	280.52	315.98
(c) Investments in an associate & subsidiaries	2.02	4.99	6.36	6.36
(d) Financials Assets				
(i) Investments	2.03	0.02	0.02	0.02
(ii) Financial Gurantee assets	2.04	-	16.10	24.09
(iii) Other financial assets	2.05	61.01	66.18	21.64
(d) Income tax assets (Net)	2.06	289.49	276.77	312.69
(e) Other non-current assets	2.07	0.25	0.54	0.49
		1,587.37	1,676.49	1,750.98
(2) Current assets				
(a) Financials Assets				
(i) Trade receivables	2.08	967.58	1,137.41	749.17
(ii) Cash and cash equivalents	2.09	276.66	629.73	316.48
(iii) Financial guarantees	2.10	8.07	-	-
(iv) Other Financial Assets	2.11	1,302.32	1,072.39	1,028.65
(b) Other current assets	2.12	529.03	233.74	319.13
		3,083.66	3,073.27	2,413.43
TOTAL		4,671.04	4,749.76	4,164.41
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	2.13	625.00	625.00	625.00
(b) Other Equity	2.14	370.73	1,129.79	792.27
		995.73	1,754.79	1,417.27
LIABILITIES				
(1) Non current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.15	850.00	950.00	1,000.00
(ii) Other financials liabilities	2.16	94.20	92.96	(0.00)
(b) Provisions	2.17	75.94	103.89	107.63
		1,020.14	1,146.85	1,107.63
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.18	1,210.82	1,174.65	830.95
(ii) Trade payables	2.19	1,205.24	429.13	531.66
(iii) Other Financials Liabilities	2.20	100.00	50.00	-
(b) Other current liabilities	2.21	78.43	133.66	217.68
(c) Provisions	2.22	60.68	60.68	59.22
		2,655.17	1,848.12	1,639.51
TOTAL		4,671.04	4,749.76	4,164.41

III. Significant accounting policies and notes to accounts. 1&2
The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our reports attached
For MEHTA & PAI
Chartered Accountants
FRN - 113591W

Suresh S Mehta
Partner
Membership No. 032230

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Place : Mumbai
Date : 21-04-2017

For & on behalf of Board of Directors

Arun Karambelkar
Director
DIN: 02151606

Shalaka Gulabchand Dhawan
Director
DIN: 00011094

Praveen Sood
Director
DIN: 00018013
Place : Mumbai
Date :

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299
Amount in (₹) in Lacs

	STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017	Note No.	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
I	**INCOME**				
	(a) Revenue from operations	2.23	2,789.70	3,373.73	4,126.96
	(b) Other income	2.24	424.39	399.53	305.87
	TOTAL INCOME		3,214.09	3,773.26	4,432.83
II	**Expenses**				
	(a) Cost of licenses sold	2.25	525.82	252.70	887.08
	(b) Emloyees benefit expenses	2.26	932.24	1,977.60	1,929.29
	(c) Finance cost	2.27	292.61	245.43	201.07
	(d) Operation and other expenses	2.28	2,109.91	773.04	1,031.87
	(e) Depreciation and amortisation expenses	2.01	80.85	89.98	69.47
	TOTAL EXPENSES		3,941.43	3,338.75	4,118.78
III	**Profit / (Loss) before exceptional Items & tax expense**		(727.34)	434.51	314.05
	Exceptional item		(11.62)	27.37	11.29
IV	**Profit/(Loss) before tax**		(738.96)	461.88	325.34
V	**Tax expenses :**				
	Current tax		-	(96.99)	(50.70)
	MAT credit entitlement		-	96.99	50.70
	Adjustment of tax relating to earlier years		(26.22)	-	1.88
	Deferred tax (Charge) / Credit		-	(128.07)	(86.87)
VI	**Profit/(loss) for the year**		(765.18)	333.81	240.35
	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss		6.12	5.53	
	(ii) Income tax relating to items that will not be reclassified to profit or loss			(1.83)	
	B (i) Items that will be reclassified to profit or loss				
	(ii) Income tax relating to items that will be reclassified to profit or loss				
	a Minority Share				
	Total Comprehensive Income for the year		(759.06)	337.51	240.35
VII	**EARNINGS PER EQUITY SHARES**				
	Earnings per equity share Basic & Diluted (face value of Rs. 10/-each)		(12.14)	5.40	3.85
VIII	Significant accounting policies and notes to accounts.	1&2			

The accompanying notes including other explanatory information form an integral part of the financial statements.

For & on behalf of Board of Directors

As per our reports attached
For MEHTA & PAI
Chartered Accountants
FRN - 113591W

Suresh S Mehta
Partner
Membership No. 032230

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Arun Karambelkar
Director
DIN: 02151606

Shalaka Gulabchand Dhawan
Director
DIN: 00011094

Praveen Sood
Director
DIN: 00018013
Place : Mumbai
Date :

Place : Mumbai
Date : 21-04-2017

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299

2.13 STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the year ended 31st March'17

A . Equity Share Capital

Amount in (`) in Lacs

Balance as at 1 April 2016	Changes in Equity Share Capital during the year	Balance as at 31 March. 2017
625.00	-	625.00

For the year ended 31 March 2016

Balance as at 1 April 2015 ` Lakhs	Changes in Equity Share Capital during the year ` Lakhs	Balance as at 31 March 16 ` Lakhs
625.00	-	625.00

2.14 B. Other Equity

Amount in (`) in Lacs

Particulars	Reserve and surplus							Revaluation Reserve	Other items of Other Comprehensive Income (specify nature)	Capital contribution from fellow subsidary	Total
	Capital Reserve (Forfeited Equity Share Warrants)	Forfeited debenture Accounts	Securities Premium Reserve	Other Reserves -Debenture Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Monetary Translation Account				
Balance at the beginning of the reporting year 01.4.2016	1,025.66					80.04				24.09	1,129.78
Restated balance at the 01.04.2016											-
Profit/(Loss) for the year						(765.18)					(765.18)
Other Comprehensive Income						6.12					6.12
Remeasurement gain/(loss) on defined benefit plans											-
Fair value on FVOCI financial assets											-
Items that will reclassify to profit and loss account											-
Any other change (to be specified) (ref note)											-
Balance at the end of 31.03.2017	**1,025.66**	-	-	-	-	**(679.02)**	-	-	-	**24.09**	**370.73**
Balance at the beginning of the reporting year 01.04.2015	1,025.66					(257.47)					768.19
Profit/(Loss) for the year						333.81					333.81
Addition during the year											-
Restated balance at the beginning of the reporting year	-	-	-	-	-		-	-	-	24.09	24.09
Other Comprehensive Income						3.70					3.70
Remeasurement gain/(loss) on defined benefit plans											-
Fair value on FVOCI financial assets											-
Balance at the end of 31.03.2016	**1,025.66**	-	-	-	-	**80.04**	-	-	-	**24.09**	1,129.78

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72100MH2010PLC210078

Cash Flow Statement as at	31-Mar-2017	31-Mar-2016
	Amount in (₹) in Lacs	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(738.96)	461.88
Adjustments for :		
Depreciation	80.85	89.98
Finance charges	292.61	245.43
Interest earned	(183.99)	(167.33)
Investment written of Subsidiary	6.36	
Foreign exchange (net)		(25.07)
Operating profit/(Loss) before working capital changes :	(543.13)	604.88
Adjustments for changes in working capital		
Changes in trade receivable	169.83	(363.17)
Changes in other receivable	(533.30)	41.65
Changes in long term loans & advances	21.56	(36.59)
Changes in Non Current liabilities	(26.71)	89.22
Changes in trade payables	776.11	(102.53)
Changes in Other current liabilities	0.89	(28.86)
	408.38	(400.28)
Cash generated from operations	(134.75)	204.60
Direct taxes paid (Net)	(38.94)	(92.15)
NET CASH FLOW FROM OPERATING ACTIVITIES	(173.69)	112.45
CASH FLOW FROM INVESTING ACTIVITIES		
Deletion/Transfer to Intangible Assets	267.27	
Addition to Fixed Assets (Net)	(269.22)	(14.81)
Investment in an Associate	(4.99)	-
Interest received	183.99	167.33
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITY	177.04	152.52
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	(100.00)	(50.00)
Proceeds from short term borrowings	25.96	343.70
Proceed from fellow subsidiary	10.22	-
Interest paid during the period	(292.61)	(245.43)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITY	(356.43)	48.28
NET INCREASE IN CASH AND CASH EQUIVALENTS	(353.07)	313.25
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	629.73	316.48
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	276.66	629.73

Notes
Details of Cash & Cash Equivalents are given in note no. 2.09
Previous year figures have been regrouped/recast whereever necessary

As per our reports attached
For MEHTA & PAI
Chartered Accountants
FRN - 113591W

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

Suresh S Mehta
Partner
Membership No. 032230

Place : Mumbai
Date : 21-04-2017

For & on behalf of Board of Directors

Arun Karambelkar
Director
DIN: 02151606

Shalaka Gulabchand Dhawan
Director
DIN: 00011094

Praveen Sood
Director
DIN: 00018013
Place : Mumbai
Date :

HIGHBAR TECHNOLOGIES LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31st March 2017.

Background

The company carries on the business of developing, designing, buying, selling, importing, exporting, marketing, dealing in, distributing, licensing, integrating, interfacing, customizing, implementing, maintaining & supporting services, products, tools, accessories used in the field of Information Technology.

1) Significant Accounting Policies :

1.01 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements for all periods up to and including year ended 31 March 2016 were prepared in accordance with the Accounting Standards notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended 31 March 2017 are the first financial statements prepared by the Company in accordance with Ind AS. Refer to Note 2.00 for information on how the Company adopted Ind AS.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and contingent consideration which have been measured at fair value, on an accrual basis of accounting.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends up to the realisation of receivables within the credit period normally applicable to the respective project.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

1.02 Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

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 financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Deferred tax assets

In assessing the realizibility of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

1.03 **Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

1.04 Intangible Assets

Intangible assets comprise of patents and other application software acquired / developed. These assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

1.05 Depreciation/ Amortisation

Depreciation on Fixed assets is provided:

i) In respect of Building, furniture and fixtures, office equipment, computers, servers and plant and equipment the useful life is considered as prescribed in Schedule II to the Companies Act, 2013.
ii) Leasehold improvements are amortized over the period of lease or their estimated useful lives as determined by the management, whichever is lower.
iii) Intangible assets are amortized on the basis of the useful life, based on the management experience of use of asset.

1.06 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.

a. Financial Assets

Initial Recognition

In the case of financial assets not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

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

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through other comprehensive income ("OCI") if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its investments in subsidiaries, associates and shares of Co-operative Society and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 April 2015.

Impairment of Financial Assets

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

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.

b. **Equity Instruments and Financial Liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

1) **Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) **Subsequent Measurement**

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

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

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 as finance costs in the Statement of Profit and Loss.

Where the terms of a financial liability is re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. 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 de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

1.07 Employee Benefits

1.07.1 Defined Contribution plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

1.07.2 Defined Benefit plan

The Company provides for gratuity and compensated absences which are defined benefit plans the liabilities of which are determined based on valuations, as at the balance sheet date, made by independent actuaries using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI and in respect of compensated leaves are recognised in the Statement of Profit and Loss, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report. Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit.

1.07.3 Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

1.08 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

1.09 Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

All other borrowing costs are expensed in the period in which they occur.

1.10 Foreign Currency Transactions

i. Current assets and current liabilities are translated at the exchange rate prevailing on the last day of the year.

ii. Gains or losses arising out of remittance/transaction at the year–end are credited / debited to Profit & Loss account for the year.

iii. Foreign exchange transactions are converted into Indian rupees at the prevailing rate on the date of the transaction.

iv. On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.

1.11 Revenue Recognition

i. Revenue from software development on fixed price, fixed time frame contracts, including system development and integration contracts, where there is no uncertainty as to measurement or collectability is recognized as per percentage of completion method. Revenue from last billing date to the Balance Sheet date is recognized as unbilled revenue. Stage of completion is measured by reference to the proportion that service cost incurred for work performed to date bears to the estimated total service cost. Service cost incurred to date excludes costs that relate to future activity on the contract. Such costs are recognized as an asset and are classified as unbilled revenue as due from customers.

ii. Servicing revenue is recognized over the term of servicing contract. For sales of services, revenue is recognized in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total services to be provided. Billings in excess of cost and earning are classified as unearned revenue.

iii. Time and material contracts is recognized as and when the related services are provided.

iv. Annual Maintenance service contracts are recognized proportionately over the period in which services are rendered.

v. Revenue from sale of user licenses for software applications is recognized on transfer of the title/product, in accordance with the sales contract. Revenue from product sales are shown as net of all applicable taxes and discounts.

vi. Provision for estimated losses, if any, on uncompleted contracts are recognized in the year in which such losses become probable based on the current estimates.

vii. Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

viii. Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

1.12 Taxation

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a) Current Tax

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowance and exemptions in accordance with the Income tax Act , 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Minimum Alternative tax (MAT) credit is recognized as assets only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit is eligible to be recognized as an assets in accordance with the recommendation contain in Guidance Note issued by Institute of Chartered Accountants of India, the said assets is created by way of a credit to the statement of profit or loss and shown as MAT Credit Entitlement. The company review the same at each balance sheet that and writes down the credit MAT Credit entitlement to the extend that there is no longer convincing evidence to the effect that Company will be normal Income tax during the specified period.

b) Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the timing differences between the financials statement's carrying amount of existing assets and liabilities and their respective tax basis. Deferred assets and liability are measured using the enacted tax rates that are substantively enacted at the balance sheet date. The effect of deferred tax assets and liability of a change in tax rate is recognized in the period that includes the enactment date. Where there is a unabsorbed depreciation and carry forward losses, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that they can be realized again future taxable profit. Where there is no unabsorbed deprecation / carry forward losses, deferred tax assets are recognized only to the extend there is a reasonable certainty of realization in future. Such assets are reviewed at each balance sheet date to reassess realization.

1.13 Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

1.14 Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

1.15 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

1.16 Investments

Investments are classified as Non-current and current investments. Non-current investments are shown at cost or written down value (in case of other than temporary diminution) and current investments are shown at cost or market value whichever is lower.

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

Note 2.00 Disclosures as required by Indian Accounting standard (Ind AS) 101 First time adoption of Indian accounting standard

The Company has adopted Ind AS with effect from 1 April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1 April 2015 and all the periods presented have been restated accordingly.

i Exemptions availed on first time adoption of Ind AS 101:
On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

a Since, there is no change in the functional currency of the Company, it has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment and intangible assets on the date of transition.

b Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investment in subsidiaries on the date of transition to Ind AS.

c Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP.

d Fair value measurement of financial assets or liabilities at initial recognition :
The Company has not applied the provision of Ind AS 109, Financial Instruments, upon the initial recognition of the financial instruments where there is no

e Designation of previously recognised financial instruments: The Company does not have any financial assets or liabilities as of the transition dates which were required to be designated, and which met the required criteria given in Ind AS 101, as a financial asset or financial liability at FVPL.

ii Exceptions
The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing financial statements.

a Estimates
The estimates as at 1 April 2015 and as at 31 March 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:
(i) Impairment of financial assets based on the expected credit loss model
(ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Company to prevent the amounts in accordance with the Ind AS reflect conditions at the transition date as at 31 March 2016

b Derecognition of financial assets and financial liabilities
The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c Classification and movement of financial assets and liabilities
The company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed on the date on transition to Ind AS.

iii Reconciliation of equity as previously reported under previous GAAP to Ind AS:

₹ Lakhs

Particulars	Refer note	Balance sheet as at 31 March 2016			Opening balance sheet as at 1 April 2015		
		Ind AS	Effects of transition to Ind AS	Previous GAAP	Ind AS	Effects of transition to Ind AS	Previous GAAP
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment		1,030.00	-	1,030.00	1,069.71	-	1,069.71
(b) Intangible assets		280.52	-	280.52	315.98	-	315.98
(c) Investments in an associate &		6.36	-	6.36	6.36	-	6.36
(d) Financials Assets		-	-	-	-	-	-
(i) Investments		0.02	-	0.02	0.02	-	0.02
(ii) Financial Gurantee assets	ii	16.10	16.10	-	24.09	24.09	-
(iii) Other financial assets	i	66.18	(0.28)	66.46	21.64	(60.28)	81.92
(d) Income tax assets (Net)		276.77	-	276.77	312.69	-	312.69
(e) Other non-current assets		0.54	-	0.54	0.49	-	0.49
		1,676.49	**15.82**	**1,660.67**	**1,750.98**	**(36.19)**	**1,787.17**
Current assets							
(a) Financials Assets		-	-	-	-	-	
(i) Trade receivables		1,137.41	-	1,137.41	749.17	-	749.17
(ii) Cash and cash equivalents		629.73	-	629.73	316.48	-	316.48
(iii) Other financial assets	i	1,072.39	-	1,072.39	1,028.65	60.28	968.37
		-	-	-	-	-	-
(d) Other current assets		233.74	-	233.74	319.13	-	319.13
		3,073.27	**-**	**3,073.27**	**2,413.43**	**60.28**	**2,353.15**
TOTAL		**4,749.76**	15.82	4,733.94	**4,164.41**	24.09	4,140.32

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

` Lakhs

Particulars	Refer note	Balance sheet as at 31 March 2016			Opening balance sheet as at 1 April 2015		
		Ind AS	Effects of transition to Ind AS	Previous GAAP	Ind AS	Effects of transition to Ind AS	Previous GAAP
EQUITY AND LIABILITIES							
Equity							
Share capital		625.00	-	625.00	625.00	-	625.00
Other equity	ii	1,129.79	13.99	1,113.97	792.27	24.09	768.19
		1,754.79	13.99	1,738.97	1,417.27	24.09	1,393.19

` Lakhs

Particulars	Refer note	Balance sheet as at 31 March 2016			Opening balance sheet as at 1 April 2015		
		Ind AS	Effects of transition to Ind AS	Previous GAAP	Ind AS	Effects of transition to Ind AS	Previous GAAP
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings		950.00		950.00	1,000.00	-	1,000.00
(ii) Other financials liabilities		92.96	-	92.96	(0.00)	-	92.96
(b) Provisions		103.89	-	103.89	107.63	-	107.63
		1,146.85	-	1,146.85	1,107.63	-	1,200.59
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		1,174.65	-	1,174.65	830.95	-	830.95
(ii) Trade payables		429.13	-	429.13	531.66	-	531.66
(iii) Other Financials Liabilities		50.00	-	50.00	-	-	-
(b) Other current liabilities		133.66	-	133.66	217.68	-	124.72
(c) Provisions		60.68	-	60.68	59.22	-	59.22
		1,848.12	-	1,848.12	1,639.51	-	1,546.55
TOTAL		4,749.76	13.99	4,733.94	4,164.41	24.09	4,140.32

Reconciliation of net profit as previously reported under previous GAAP to Ind AS

` Lakhs

Particulars	Refer note	Year ended 31 March 2016		
		Ind AS	Effects of transition to Ind AS	Previous GAAP
Income				
(a) Revenue from operations		3,373.73	-	3,373.73
(b) Other income	i & iv	399.53	4.30	395.23
TOTAL INCOME		3,773.26	4.30	3,768.96
Expenses				
(a) Cost of licenses sold		252.70	-	252.70
(b) Emloyees benefit expenses	iii	1,977.60	5.53	1,972.07
(c) Finance cost	ii & iv	245.43	10.79	234.64
(d) Operation and other expenses	i	773.04	1.78	771.26
(e) Depreciation and amortisation expenses		89.98	-	89.98
TOTAL EXPENSES		3,338.75	18	3,320.65
Profit / (Loss) before exceptional Items & tax expense		434.51	(13.80)	448.31
Exceptional item		27.37	-	27.37
Profit/(Loss) before tax		461.88	(13.80)	475.68
Tax expenses :				
Current tax		(96.99)	-	(96.99)
MAT credit entitlement		96.99	-	96.99
Adjustment of tax relating to earlier years		-	-	-
Deferred tax (Charge) / Credit		(128.07)	1.83	(129.90)
Profit/(loss) for the year (A)		333.81	(11.97)	345.78

` Lakhs

Particulars	Refer note	Year ended 31 March 2016		
		Ind AS	Effects of transition to Ind AS	Previous GAAP
Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss	iii	5.53	5.53	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	vi	(1.83)	(1.83)	-
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
a Minority Share		-	-	-
Other comprehensive income for the year, net of tax (B)		3.70	3.70	-
Total comprehensive income for the year, net of tax (A+B)		337.51	(8.27)	345.78

MUMBAI

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

Explanation for reconciliation

i Other financial assets - Security deposits

Under Ind AS, security deposits are valued at present value as compared to being carried at transaction value in the previous GAAP. The adjustment includes the difference between the book value and present value of interest free security deposits. This amount is subsequently charged to the Statement of Profit and Loss on a straight line basis as an interest expense. Further, interest income computed on the present value of the security deposit is recognised over the tenure of the security deposit using the EIR method.

ii Other financial assets - Financial guarantee

Under Ind AS, the financial guarantee given by a fellow subsidiary company to the lender of the Company for its borrowings are recognised initially as an asset at fair value which is subsequently amortised as an interest expense to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

iii Defined benefit obligations

Under Ind AS, actuarial gains and losses are recognised in the OCI as compared to being recognised in the Statement of Profit and Loss under the previous GAAP.

iv Other financial liability - Security deposits

Under Ind AS, security deposits received are valued at present value as compared to being carried at transaction value in the previous GAAP. The adjustment includes the difference between the book value and present value of interest free security deposits. This amount is subsequently recognized in the Statement of Profit and Loss on a straight line basis as an interest income. Further, interest expense computed on the present value of the security deposit is charged to the Statement of Profit & Loss over the tenure of the security deposit using the EIR method.

v Provisions

Under the previous GAAP, discounting of provisions was not permitted. Under Ind AS, provisions are measured at discounted amounts if the effect of time value is material. As the effect of time value is not material, provisions have not been discounted.

vi Income tax

Current income tax

Tax component on actuarial gains and losses transferred to OCI under Ind AS.

vii Deferred income tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

viii Other comprehensive income

Under previous GAAP, the Company has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

ix Statement of cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31st March 2017

2.01

Note-2.01 PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lacs)

Particulars	Tangible assets							Intangible Assets		
	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Building and shed	Leasehold improvements	Total	Computer software	Patents	Total
Gross block										
As at 1 April 2014	0.97	44.80	49.48	43.38	931.18	123.02	1,192.84	212.59	4.17	1,409.60
Additions		79.38	0.44				79.81	164.25		244.07
Addition on account of Revaluation							-			-
Additions-Share of Joint Venture							-			
Disposals-Share of Joint Venture										
Deductions/ disposals										
As at 31 March 2015	0.97	124.18	49.91	43.38	931.18	123.02	1,272.66	376.84	4.17	1,653.66
Additions		12.64	0.34				12.97	1.84	-	14.82
Addition on account of Revaluation							-			
Additions-Share of Joint Venture							-			
Disposals-Share of Joint Venture							-			
Deductions/ disposals										
As at 31 March 2016	0.97	136.82	50.25	43.38	931.18	123.02	1,285.63	378.69	4.17	1,668.48
Additions			0.35			284.77	285.12			285.12
Addition on account of Revaluation							-			-
Additions-Share of Joint Venture							-			-
Disposals-Share of Joint Venture							-			
Deductions / Transfer		62.08	7.05				69.13	378.69	4.17	447.82
As at 31 March 2017	0.97	74.74	43.55	43.38	931.18	407.79	1,501.62	(0.00)	(0.00)	1,505.78
Accumulated depreciation / amortisation and impairment losses										
Balance as at 1 April 2014	0.53	40.54	34.59	39.49	3.74	38.00	156.88	39.70	1.92	198.50
Depreciation/ amortisation charge	0.08	4.99	7.57	1.31	19.44	12.68	46.08	23.07	0.32	69.47
Depreciation-Share of Joint Venture							-			
Accumulated depreciation/ amortisation on disposals										
Balance as at 31 March 2015	0.61	45.53	42.15	40.80	23.18	50.68	202.95	62.77	2.24	267.97
Depreciation/ amortisation charge	0.08	16.33	4.04	0.10	19.44	12.68	52.67	36.99	0.32	89.98
Depreciation-Share of Joint Venture								-		
Accumulated depreciation/ amortisation on disposals										
As at 31 March 2016	0.69	61.86	46.19	40.90	42.62	63.36	255.62	99.76	2.56	357.95
Depreciation/ amortisation charge	0.08	13.31	0.99	0.10	19.44	33.70	67.61	13.13	0.12	80.85
Depreciation-Share of Joint Venture							-			
Accumulated depreciation/ amortisation on disposals		47.45	5.78				53.23	112.90	2.68	166.13
As at 31 March 2017	0.77	27.72	41.40	41.00	62.06	97.06	270.00	(0.00)	0.00	272.67
Net block										
As at 31 March 2015	0.37	78.65	7.76	2.58	908.00	72.34	1,069.71	314.07	1.92	1,385.69
As at 31 March 2016	0.29	74.96	4.06	2.48	888.56	59.66	1,030.00	278.92	1.60	1,310.53
As at 31 March 2017	0.21	47.02	2.15	2.38	869.13	310.72	1,231.61	0.00	0.00	1,231.61

Capital work-in-progress

(Rs. in Lacs)

Particulars	Amount
Capital work-in-progress	
Balance as at 1 April 2014	99.71
Additions	64.54
Assets capitalised during the year	164.25
Balance as at 31 March 2015	-
Balance as at 1 April 2015	-
Additions	
Assets capitalised during the year	
Balance as at 31 March 2016	-
Balance as at 1 April 2016	-
Additions	
Assets capitalised during the year	
Balance as at 30 Sep 2016	-

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Property, Plant & Equipments and Intangible Assets and used that carrying value as the deemed cost of those Assets on the date of transition i.e. 1 April 2015.

HTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72100MH2010PLC210078
Amount in (₹) in Lacs
Notes for the year ended

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
2.02	**Investments in an associate & subsidiaries**			
	Unquoted			
	a) In associate company			
	-Investment in equity instruments - at cost			
	49940 Share of Rs 10/- each of 'Highbar Technocrat Limited'	4.99	-	-
	During the year ended 31 March 2017, the Company has invested in shares of Higbhar Technocrat Limited formerly known as Osprey Hospitality Limited.			
	b) In subsidary company outside india			
	Highbar Technologies FZ-LLC (wholly owned subsidiary)			
	50 equity shares of AED 1,000/- each.	-	6.36	6.36
	TOTAL	4.99	6.36	6.36
	During the year Higbhar Technologies FZ LLC registered with Dubai creative cluster authority has been wound up on 31st July 2016 hence the investment in subsidary has been written off .			
2.03	**Non-current Investments -unquoted**			
	45 Share of Hindustan Kohinoor Co Op Society of ₹ 50/- each	0.02	0.02	0.02
	TOTAL	0.02	0.02	0.02
2.04	**Financial Guarantee Assets**			
	Financial Guarantee		16.10	24.09
	TOTAL	-	16.10	24.09
2.05	**Other financial assets - Non current**			
	Security & other deposits	46.73	46.54	21.64
	Deferred lease expense (BS account)	14.28	19.63	
	TOTAL	61.01	66.18	21.64

2.06 Income tax assets (net)

i. The following table provides the details of income tax assets and liabilities as at 31 March 2017, 31 March 2016 and 1 April 2015:

a) Income tax assets		377.44	362.41	179.13
Current income tax liabilities		(147.68)	(151.00)	(61.70)
Net balance	**(A)**	229.75	211.41	117.43

ii. The gross movement in the current tax asset/ (liability) for the years ended 31 March 2017 and 31 March 2016 is as follows:

	31st March 2017	31st March 2016
Net current income tax asset at the beginning	211.41	117.43
Income tax paid	15.03	190.97
Current income tax expense / MAT	3.32	(96.99)
Income tax on other comprehensive income		
Net current income tax asset at the end	229.75	211.41

iii. Income tax expense in the Statement of Profit and Loss comprises:

Current income taxes	-	-	
Deferred income taxes #	-	129.90	-
Income tax expenses	-	129.90	-

Entire deferred income taxes for the years ended 31 March 2017 and 31 March 2016, relates to origination and reversal of temporary differences.

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72100MH2010PLC210078
Amount in (₹) in Lacs
Notes for the year ended

			As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:					
Profit before income tax			(738.96)	461.88	325.34
Applicable income tax rate			33.06	20.39	20.39
Computed expected tax expense			0	96.99	49.60
Effect of expenses not allowed for tax purpose			0	0	0
Effect of income not considered for tax purpose			0	0	0
Income tax expense charged to the Statement of Profit and Loss			0	0	0
v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:					
Deferred income tax liability					
Timing difference on tangible and intangible assets depreciation and amortisation			(25.95)	(25.95)	(18.04)
Claims/arbitration awards					
Others			(8.68)	(8.68)	(0.39)
TOTAL		(i)	(34.63)	(34.63)	(18.43)
Deferred income tax asset					
Business loss/ unabsorbed depreciation			15.03	15.03	157.49
Others			79.35	84.97	56.20
MAT credit entitlement					
TOTAL		(ii)	94.37	99.99	213.69
Total deferred tax assets (net)	**(B)**	**(i) + (ii)**	59.74	65.36	195.26
Total Income tax assets (net)		**(A + B**	289.49	276.77	312.69
2.07 Other non-current assets					
Deposit with sales tax dept.			0.25	0.25	0.45
Prepaid expenses			-	0.29	0.05
TOTAL			0.25	0.54	0.49
2.08 Trade receivable					
Current					
Unsecured					
- Considered good *			967.58	1,137.41	749.17
- Considered doubtful *			22.21	22.21	22.21
Less - Allowance for credit loss			(22.21)	(22.21)	(22.21)
TOTAL			967.58	1,137.41	749.17
* - Inculdes due from related parties (refer note no 2.32)			191.47	721.88	520.50
2.09 Cash & cash equivalents					
Balances with banks - Current Accounts in INR			74.61	23.64	27.87
Bank deposit with maturity of less than 3 months			202.05	606.09	288.61
TOTAL			276.66	629.73	316.48

During the year, the Company did not have SBNs/ other denomination notes (other notes) as defined in the MCA notification G.S.R. 308 (E) dated 31 March 2017. The denomination wise details of the SBNs and other notes held and 'transacted during the period from 8 November 2016 to 31 December 2016 is given below:

Particulars	**SBNs #**	**Other notes**	**Total**
Closing cash on hand as at 8 November 2016	0.00	0.00	0.00
(+) Permitted receipts	0.00	0.00	0.00
(-) Permitted payments	0.00	0.00	0.00
(-) Amount deposited in banks	0.00	0.00	0.00
Closing cash on hand as at 31 December 2016	0.00	0.00	0.00

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72100MH2010PLC210078
Amount in (₹) in Lacs
Notes for the year ended

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	# For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the Government of India notification S.O. 3407 (E), dated 8 November 2016.			
2.10	Current Assets - Financial guarantees	8.07		
	TOTAL	8.07	-	-
2.11	Other Financial Assets - Current			
	(a) Loans & advances to foreign subsidiary (unsecured,considered good)			
	- Inter corporate deposit	-	7.21	6.79
	- Advances recoverable in cash or kind or for value to be received	-	19.75	14.31
	(b) Others			
	- Deposit with fellow subsidiaries company	692.88	692.88	650.00
	- ICD to fellow subsidiaries	609.44	352.55	297.28
	Other deposits- Rent deppsits			60.28
		1,302.32	1,072.39	1,028.65
2.12	Other current assets			
	Advance to suppliers	1.07	0.07	0.62
	Prepaid expenses	8.37	15.01	3.96
	Cenvat credit receivable	18.09	-	-
	Balances with related parties	493.63	6.06	5.31
	Intrest receivable	7.87	139.87	1.90
	Unbilled revenue	-	72.73	307.34
	TOTAL	529.03	233.74	319.13
2.13	EQUITY SHARE CAPITAL			
	(A) Authorised			
	1,30,00,000 Equity shares of Rs. 10/- each (Previous year 1,00,00,000 Equity shares of Rs. 10/- each)	1,300.00	1,300.00	1,300.00
	Total Authorised Share Capital	1,300.00	1,300.00	1,300.00
	(B) Issued, Subscribed and Paid up			
	62,50,000 Equity shares of Rs. 10/- each fully paid (Previous year 62,50,000 Equity Shares of Rs 10/- each)	625.00	625.00	625.00
	(Hindustan Construction Company Limted and it's nominees holds 62,50,000 equity shares w.e.f 04th Dec 2013 (Previous year 62,50,000 euity shares)			
	Add : Issued during the year			
	Total Issued, Subscribed and Paid up	625.00	625.00	625.00

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity Shares :

Number of shares outstanding at the beginning	Qty	62,50,000	62,50,000	62,50,000
	Value	625	625	625
Add : Share issued and allotted				
Qty		0		
	Value	0		
Number of shares outstanding at the end	Qty	62,50,000	62,50,000	62,50,000
	Value	625	625	625

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72100MH2010PLC210078
Amount in (₹) in Lacs
Notes for the year ended

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015

Terms / Rights attached to shares :

As a part of the Authorised share capital the company can issue a maximum 1,30,00,000 Equity Shares.

The company has only one class of equity shares having face value as Rs. 10/- each. Every holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.

Holding Company:
Hindustan Construction Company Limited

Shareholding of more than 5%:
Name of the Shareholder

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Hindustan Construction Company Limited	% Held	100%	100%	100%
	No of Shares	62,50,000	62,50,000	62,50,000

Bonus shares/ buy back/shares for consideration other than cash issued during past five years:
(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil
(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
(iii) Aggregate number and class of shares bought back - Nil

2.14 Other Equity

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Surplus			
Opening balance	80.04	(257.47)	(497.82)
Add : Net profit/(loss) transferred from statement of profit & loss account	(759.06)	337.51	240.35
Closing balance of surplus / (deficit)	(679.02)	80.04	(257.47)
Capital reserves	1,025.66	1,025.66	1,025.66
Capital contribution from fellow subsidary	24.09	24.09	24.09
Minority Interest			
Balance carried forward	370.73	1,129.79	792.27

2.15 Non Current Financial liabilities - Borrowing

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Term loan secured -			
from ICICI Bank secured by charge created	950.00	1,000.00	1,000.00
Less Current maturities transferred to Current liabilities	(100.00)	(50.00)	-
TOTAL	850.00	950.00	1,000.00

* Note
(a) First exclusive charge on the current assets and fixed assets of the company.
(b) Mortgage over land situated at Kavsar, Thane Ghodbunder Road, Thane, Maharashtra (32 acres) of HRL(Thane) Real Estate Limited on first pari-passu basis.
(c) Pledge over 30% shareholding of HCC Real Estate Limited in HRL (Thane) Real Estate Limited.
(d) Pledge over 30% shareholding of the company held by Hindustan Construction company Limited.

Terms of repayment of loans from ICICI bank

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Principal repayment outstanding as on 31st March	950.00	1,000.00	1,000.00
Schedule of repayment			
2016-17	50.00	50.00	50.00
2017-18	100.00	100.00	100.00
2018-19	150.00	150.00	150.00
2019-20	150.00	150.00	150.00
2020-21	150.00	150.00	150.00
2021-22	200.00	200.00	200.00
2022-23	200.00	200.00	200.00
Overdue amout as on 31st March 2017			
Principal	0	0	0
Interest	0	0	0

2.16 Other financials liabilities - Non Current

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deposit (unsecured & considered good)			
Rent deposit	71.86	62.24	(0.00)
Deferred lease Income (BS account)	22.34	30.72	
TOTAL	94.20	92.96	(0.00)

MEHTA & CO CHARTERED ACCOUNTANTS MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72100MH2010PLC210078
Amount in (₹) in Lacs
Notes for the year ended

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
2.17	**Provisions - Non Current**			
	Provision for employee benefits :			
	Provision for gratuity	54.98	68.35	68.46
	Provision for leave encashment	20.96	35.54	39.18
	TOTAL	75.94	103.89	107.63
2.18	**Current liabilities - Borrowings**			
	Secured			
	Cash credit	961.69	935.73	622.21
	Inter corporate deposits - unsecured			
	From Holding company	238.92	238.92	208.74
	From fellow subsidiary	10.21		
	TOTAL	1,210.82	1,174.65	830.95
2.19	**Trade Payables**			
	Sundry creditors	1,205.24	429.13	531.66
	TOTAL	1,205.24	429.13	531.66
	Note: The information, as required to be disclosed under the MSMED Act refer note No. 2.33			
2.20	**Other Financials Liabilities - Current**			
	* Term loan from ICICI Bank - Current maturities	100.00	50.00	-
	TOTAL	100.00	50.00	-
2.21	**Other current liabilities**			
	Income tax deducted at source	54.32	48.51	54.92
	Rent Deposits			92.96
	Professional tax payable	0.22	0.43	0.14
	Unearned revenue	16.94	70.74	18.54
	Service tax payable	5.06	3.26	8.78
	Sales tax payable	1.34	1.49	0.18
	PF payable	0.53	7.25	8.65
	Superannuation payable	-	-	2.81
	Advance from customers	-	1.98	30.70
	TOTAL	78.43	133.66	217.68
2.22	**Provisions - Current**			
	Provision for gratuity	32.09	32.09	29.03
	Provision for leave encashment	28.59	28.59	30.20
	TOTAL	60.68	60.68	59.23

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72100MH2010PLC210078
Amount in (`) in Lacs

Notes for the year ended	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
2.23 Income from operations			
Income from software services	2,203.38	3,090.62	3,189.96
Income from sale of licenses	586.32	283.11	936.99
TOTAL	2,789.70	3,373.73	4,126.96
2.24 Other Income			
Rental income	240.19	206.14	176.81
Interest received	183.99	167.33	122.90
Foreign exchange gain (Net)	-	25.07	5.72
Others	0.21	0.99	0.45
TOTAL	424.39	399.53	305.87
2.25 Cost of licenses sold			
Cost of licenses sold	525.82	252.70	887.08
TOTAL	525.82	252.70	887.08
2.26 Employees benefits expenses			
Salary expenses	881.70	1,845.51	1,811.35
Contributions to Provident and other fund	33.22	85.17	84.41
Staff welfare expenses	17.32	46.92	33.53
TOTAL	932.24	1,977.60	1,929.29
2.27 Finance Cost			
Interest	284.58	237.44	201.07
Financial Gurantee expenses	8.03	7.99	
TOTAL	292.61	245.43	201.07
2.28 Operation and other expenses			
Professional charges	1,400.99	158.40	212.90
Travelling and conveyance	30.48	199.01	256.08
Software Expenses.	6.35	14.55	-
Car hire charges	10.85	19.18	17.98
Electricity charges	14.47	26.72	18.94
Rent	240.92	266.20	245.69
Rates and taxes	8.92	18.67	2.40
Repairs and maintenance	54.25	7.98	7.76
Office expenses	0.14	22.94	84.16
Stationery, postage, telephone and advertisement	3.46	19.24	39.64
Investment written off	6.36	-	-
Foreign exchange Loss (Net)	7.47	-	-
Bad debts	64.42	-	117.66
Loss on winding up of Subsidary	249.62	-	-
Auditors remuneration :			
- Audit fees	1.81	1.80	1.65
- Fees paid in other capacity	0.09	0.25	1.25
- Reimbursement of out of pocket expenses	-	0.08	0.03
Miscelleneous expenses	9.34	18.02	25.73
TOTAL	2,109.91	773.04	1,031.87

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

NOTE 2: NOTES TO ACCOUNTS

2.29 Highbar Technologies Limited acquired 49,940 shares of Highbar Technocrat Limited formerly known as Osprey Hospitality Limited on 21st July 2016 and became holding company of Highbar Technocrat Limited . As on 8th August 2016, the Company entered into Memorandum of Understanding effective from 1st August 2016 with Mr. Mangesh Wadaje representing through MWG group intends to acquired 51% equity shares in Highbar Technocrat Limited . Mr. Mangesh Wadaje acquired the 51% of Shares i.e. 52,041 shares of Highbar Technocrat Limited. Highbar Technocrat Limited became an associate of Highbar Technologies Limited and retains the status as on date.

2.29A During the year Highbar Technologies FZ LLC registered with Dubai creative cluster authority has been wound up on 31st July 2016 hence the investment in subsidiary has been written off and loss on winding up of subsidiary of Rs 249.62 Lakhs has been shown in Other Expense.

2.30 Contingent Liabilities amount Nil (Previous year amount Nil)

2.31 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A. Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

a) Changes in defined benefit obligations

	Rs.
Present value of obligation as at 1 April 2015	**97,48,193**
Interest cost	7,03,760
Current service cost	15,95,871
Remeasurements - Net actuarial (gains)/ losses	(5,52,933)
Benefits paid	(14,51,256)
	1,00,43,635
Add: Provision for separated employees	-
Present value of obligation as at 31 March 2016	**1,00,43,635**
Interest cost	6,47,217
Current service cost	14,56,449
Remeasurements - Net actuarial (gains)/ losses	(6,11,730)
Benefits paid	(28,28,161)
	87,07,410
Add: Provision for separated employees	-
Present value of obligation as at 31 March 2017	**87,07,410**

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

b) Expenses recognised in the Statement of Profit and Loss for the year

Rs.

	Year ended 31st March 2016	Year ended 31st March 2016
Interest cost	6,47,217	7,03,760
Current service cost	14,56,449	15,95,871
Total	**21,03,666**	**22,99,631**

c) Remeasurement (gains)/ losses recognised in OCI

Rs.

	Year ended 31st March 2016	Year ended 31st March 2016
Actuarial changes arising from changes in financial assumptions	44,585	79,654
Experience adjustments	(6,56,315)	(6,32,587)
Total	**6,11,730**	**5,52,933**

d) Actuarial assumptions

	31st March 2017	31st March 2016	31st March 2015
Discount rate	6.7	7.5	7.8
Salary escalation rate - over a long-term	7.5	7.5	7.5
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Average future working lifetime	3.01 years	3 years	3.01 years

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

e) Impact of below changes in discount rate when base assumption is decreased / increase by 100 basis point.

Discount rate in %	31.03.2017 Defined Benefit Obligation	Discount rate in %	31.03.2016 Defined Benefit Obligation
5.70	87,66,075	6.50	1,03,18,514
7.70	86,51,987	8.50	97,82,946

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Salary increment rate in %	31.03.2017 Defined Benefit Obligation	Salary increment rate in %	31.03.2016 Defined Benefit Obligation
6.50	86,70,060	6.50	99,08,775
8.50	87,46,173	8.50	1,01,79,447

Withdrawal rate in %	31.03.2017 Defined Benefit Obligation	Withdrawal rate in %	31.03.2016 Defined Benefit Obligation
32.00	87,08,803	32.00	1,00,31,311
34.00	87,06,101	34.00	1,00,55,301

f) Maturity analysis of defined benefit obligation

Rs. In Lacs

	31st March 2017	31st March 2016
Within the next 12 months	73,65,000	32,09,000
Between 2 and 5 years	15,81,000	74,87,000
Between 6 and 10 years	6,57,000	32,75,000
Total expected payments	96,03,000	1,39,71,000

2.32 Disclosure in accordance with Accounting Standard -18 Related Party Transaction

Name of the Related Parties & Nature of Relationship

2.32.1 Holding Company

Hindustan Construction Company Limited

2.32.2 Subsidiary Company

Highbar Technologies FZ LLC (until 31st July 2016)

2.32.3 Associate Company

Highbar Technocrat Limited (formerly known as Osprey Hospitality Limited, fellow subsidiary upto 21st July, 2016).

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

2.32.4 Fellow Subsidiaries

1. Western Securities Limited
2. HCC Real Estate Limited
3. Panchkutir Developers Limited
4. HCC Mauritius Enterprises Limited
5. HCC Construction Limited
6. HCC Mauritius Investments Limited
7. HCC Infrastructure Company Limited
8. HRL Township Developers Limited
9. HRL (Thane) Real Estate Limited
10. Nashik Township Developers Limited
11. Maan Township Developers Limited
12. Charosa Wineries Limited
13. Powai Real Estate Developer Limited
14. HCC Realty Limited
15. Pune Paud Toll Road Company Limited
16. HCC Aviation Limited
17. Steiner AG
18. Steiner Promotions et Participations SA
19. Steiner (Deutschland) GmbH
20. VM + ST AG
21. Steiner Leman SAS
22. SNC Valleiry Route de Bloux
23. Eurohotel SA
24. Steiner India Limited
25. Verzon Hospitality Limited
26. Dhule Palesner Operations & Maintenance Limited
27. HCC Power Limited
28. HCC Concession Limited
29. HCC Operation and Maintenance Limited
30. Narmada Bridge Tollway Limited
31. Badarpur Faridabad Tollway Limited
32. Nirmal Bot Limited (upto 23 December 2015)
33. Baharampore-Farakka Highways Limited
34. Farakka-Raiganj Highways Limited
35. Raiganj-Dalkhola Highways Limited
36. Lavasa Corporation Limited
37. Lavasa Hotel Limited
38. Apollo Lavasa Health Corporation Limited (upto 16 November 2015)
39. Dasve Business Hotel Limited
40. Dasve Convention Center Limited
41. Lakeshore Watersports Company Limited
42. Dasve Hospitality Institutes Limited
43. Lakeview Clubs Limited
44. Dasve Retail Limited
45. Full Spectrum Adventure Ltd.
46. Spotless Laundry Services Limited

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

47 Lavasa Bamboocrafts Limited
48 Green Hills Residences Limited
49 My City Technology Limited
50 Reasonable Housing Limited
51 Future City Multiservices SEZ Limited
52 Rhapsody Commercial Space Limited
53 Sirrah Palace Hotels Limited (upto 6 November 2015)
54 Valley View Entertainment Limited
55 Whistling Thrush Facilities Services Limited
56 Warasgaon Power Supply Limited
57 Sahyadri City Management Limited
58 Warasgaon Tourism Limited
59 Our Home Service Apartments Limited
60 Hill City Service Apartments Limited
61 Warasgaon Infrastructure Providers Limited
62 Kart Racers Limited
63 Nature Lovers Retail Limited
64 Mugaon Luxury Hotels Limited
65 Starlit Resort Limited
66 Rosebay Hotels Limited
67 Warasgaon Valley Hotels Limited
68 Hill View Parking Services Limited
69 Warasgaon Assets Maintenance Limited
70 HCC Energy Limited (w.e.f. 11 August 2015)
71 Ecomotel Hotel Limited (w.e.f. 15 July 2015)

2.32.5 Other Related Parties

1 Warasgaon Lake View Hotels Limited (Previously known as Lavasa Star Hotel Limited)
2 Andromeda Hotels Limited
3 Bona Sera Hotels Ltd
4 Knowledge Vistas Limited
5 Ecomotel Hotel Limited (upto 14 July 2015)
6 Evostate AG
7 MCR Managing Corp. Real Estate
8 Projektentwicklungsges. Parking Kunstmuseum AG
9 Vikhroli Corporate Park Pvt Ltd (upto 10 July 2015)
10 Gulabchand Foundation (formed under section 25 of Companies Act, 1956)
11 Hincon Holdings Ltd.
12 Hincon Finance Ltd.
13 Nirmal BOT Ltd. (w.e.f. 23 December 2015)
14 Apollo Lavasa Health Corporation Limited (w.e.f. 16 November 2015)

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

2.32.6 Integrated Joint Ventures

1 Nathpa Jhakri Joint Venture
2 HCC-Pati Joint Venture (Dissolved on 31 March 2015)
3 Kumagai-Skanska-HCC-Itochu Group
4 HCC-L & T Purulia Joint Venture
5 Alpine - Samsung - HCC Joint Venture
6 Alpine - HCC Joint Venture
7 Dhule Palesner Tollway Ltd. (29 October 2015)
8 HCC Samsung Joint Venture CC 34
9 ARGE Prime Tower, Zürich

2.32.7 Key Management Personnel

Mr. Satish Pendse : Chief Executive Officer (until 30th September 2016)

2.33 2.33.1 Transaction with Related Parties during the Year:

Nature of Transactions	31st March 2017	31st March 2016	31st March 2015
Transactions during the year			
a) Inter Corporate deposits received			
Hindustan Construction Company Limited	-	30.18	-
Western Securities Limited	10.21		-
b) Inter Corporate deposits Given			
HCC Real Estate Limited	272.32	-	147.28
Western Securities Limited	2.04	12.75	-
Lavasa Hotel Limited	7.32	42.53	-
c) Inter Corporate deposits Repaid			
HCC Real Estate Limited	10.00	-	-
Western Securities Limited	14.79	-	-
d) Investments			
Highbar Technocrat Ltd. (Formerly known as Osprey Hospitality Ltd.)	4.99	-	-
e) Transfer of Current Assets			
Highbar Technocrat Ltd.	280.83	-	-
f) Transfer of Current Liabilities			
Highbar Technocrat Ltd.	78.53	-	-
g) Transfer of Fixed Assets			
Highbar Technocrat Ltd.	283.70	-	-

Nature of Transactions	31st March 2017	31st March 2016	31st March 2015
h) Interest paid			
Hindustan Construction Company Limited	29.87	30.55	28.18
Western Securities Limited	0.12	-	
i) Interest Earned			
HCC Real Estate Limited	143.72	132.28	112.02
Highbar Technologies FZ-LLC	-	1.01	0.91
Western Securities Limited	1.45	0.73	-
Lavasa Hotel Limited	5.57	4.16	-
j) Rendering of professional services			
Hindustan Construction Company Limited	433.14	706.58	724.48
Lavasa Corporation Limited	19.37	60.81	117.67
HCC Real Estate Limited	0.53	0.43	3.73
Nirmal BOT	-	6.83	9.87
Badarpur Faridabad Toll ways Limited	-	0.79	0.78
Dhule Palesner Tollway Ltd.	-	5.10	9.61
Steiner India Limited	4.63	12.07	15.96
DMRC CC-34 (Alpine - Samsung - HCC Joint Venture)	5.24	13.16	20.24
Highbar Technologies FZ-LLC	21.55	355.15	807.28
Steiner AG	106.13	808.82	566.45
HCC Infrastructure Company Ltd.	-	5.19	-
Baharampore-Farakka Highways Ltd.	10.07	-	-
Farakka-Raiganj Highways Limited	10.07	-	-
Highbar Technocrat Limited	13.00	-	-
k) Rent Income			
Highbar Technocrat Limited	24.07		
l) Rent Expenses incurred during the Year			
Hindustan Construction Company Limited	-	21.13	206.81
Vikhroli Corporate Park Pvt Ltd (ceased to be a related party from 10th July 2015)	-	201.88	161.29
m) Receiving of Services/Professional Charges incurred			
Highbar Technocrat Limited	1,362.23	-	-

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Nature of Transactions	31st March 2017	31st March 2016	31st March 2015
n) Inter Corporate deposit with Subsidiary given to			
Highbar Technologies FZ-LLC	-	-	6.79
Outstanding Balance as at 31.03.2017			
(1) Equity Share Capital Outstanding at Face Value :			
Hindustan Construction Company Limited	625.00	625.00	625.00
(2) Inter Corporate Deposits Received			
Hindustan Construction Company Limited	238.92	238.92	208.74
Western Securities Limited	10.21	-	-
(3) Inter Corporate Deposits Given			
ICD to HCC Real Estate Limited	559.59	297.28	297.28
ICD to Highbar Technologies FZ-LLC	-	7.21	6.79
ICD to Western Securities Limited	-	12.75	-
ICD to Lavasa Hotel Limited	49.85	42.53	-
(4) Interest Receivable			
Highbar Technologies FZ-LLC	-	1.93	0.91
Lavasa Hotel Limited	2.21	3.96	-
Western Securities Limited	-	0.66	-
HCC Real Estate Limited	-	131.17	-
(5) Interest Payable			
Western Securities Limited	0.10	-	-
(6) Receivables Balances at the Year End			
Lavasa Corporation Limited	168.35	144.53	103.08
Badarpur Faridabad Tollway Ltd.	-	0.24	0.15
Steiner AG	-	103.99	-
Steiner India Limited	3.52	9.33	5.83
Nirmal BOT	-	-	1.88
Dhule Palesner Tollway Ltd.	0.83	0.82	1.70
HCC Real Estate Limited	19.32	18.70	18.20
DMRC CC-34 (Alpine - Samsung - HCC Joint Venture)	0.31	6.98	0.53
Highbar Technologies FZ-LLC	-	437.29	389.13
Baharampore-Farakka Highways Ltd.	0.37	-	-
Farakka-Raiganj Highways Limited	0.37	-	-

Nature of Transactions	31st March 2017	31st March 2016	31st March 2015
Charosa Winneries Ltd.	0.72	0.75	-
Highbar Technocrat Limited	486.01	-	-
(7) Payable Balances at the Year End			
Vikhroli Corporate Park Pvt Ltd (ceased to be a related party from 10th July 2015)	-	36.03	88.72
Hincon holding Limited	0.96	1.31	1.83
Hindustan Construction Company Limited	398.79	157.34	168.67
Highbar Technocrat Limited	687.05	-	
(8) Deposit			
Vikhroli Corporate Park Pvt Ltd (ceased to be a related party from 10th July 2015	-	60.28	60.28
HCC Real Estate Limited	650.00	650.00	650.00
Lavasa Hotel Limited	42.88	42.88	-
(9) Investments			
Highbar Technologies FZ-LLC	-	6.36	6.36
Highbar Technocrat Ltd. (Formerly known as Osprey Hospitality Ltd.)	4.99	-	-
(10) Loans & Advances			
Highbar Technologies FZ-LLC	-	19.75	14.31
(11) Corporate Guarantee taken and outstanding			
HCC Real Estate Limited	2,200.00	2,200.00	2,200.00
(12) Bank Guarantee taken and outstanding			
Hindustan Construction Company Limited	-	100.00	100.00

2.33.2 Transaction with Key Management Personnel during the Year:

Nature of Transactions	31st March 2017	31st March 2016
Remuneration paid to Key Management Personnel	159.48	164.64

2.34 **Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006. As per requirement of Section of 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed:**

S.No	Particulars	31st March 2017 Rs.	31st March 2016 Rs.
(i)	Principal amount remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
(ii)	Interest due on (i) above remaining unpaid	Nil	Nil
(iii)	Amounts paid beyond the appointed day during the accounting year	Nil	Nil
(iv)	Interest paid on (iii) above	Nil	Nil
(v)	Interest due and payable on (iii) above	Nil	Nil
(vi)	Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii)	Interest remaining unpaid of the previous years for the purpose of disallowance under the Income Tax Act, 1961	Nil	Nil

The above information MICRO, Small and Medium Enterprises has been determined to the extent such parties have identified on the basis of information available with the company. This has been relied upon by the Auditors.

2.35 **Earnings per Share**

Rs. In Lacs

	2016-17	2015-16
a. Net Profit / (Loss) after Tax available for Equity Share holders	(759.06)	337.51
b. Weighted average of Number of Equity Shares (for Basic & Diluted EPS)	62.5	62.5
c. Basic & Diluted earnings per Share (in Rs.)	(12.14)	5.40
d. Face Value per Share (in Rs.)	10	10

MUMBAI

2.36 Segment Information

Where a financial statement contains both consolidated financial statements and separate financial statements of the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

2.37 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Major Financial instruments affected by market risk includes loans and borrowings. Majority of the long term borrowings of the Company bear fixed interest rate, thus interest rate risk is limited for the Company.

a. Foreign currency risk

The Company has several balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future, which has affected the results of the Company. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analysis foreign currency risk from financial instruments as of 31 March 2017:

Particulars	USD	CHF	AED
Liabilities			
Loans from banks	-	-	-
Buyers' credit	-	-	-
Advance from customer	-	-	-
Trade payables	-	-	-
	-	-	-
Assets			
Inter corporate deposits and interest thereon	-	-	-
Advance to vendors	-	-	-
Trade receivables	-	-	-
Bank balances	-	-	-
Net assets / (liabilities)	-	-	-

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

The following table analysis foreign currency risk from financial instruments as of 31 March 2016:

Particulars	USD	CHF	AED
Liabilities			
Loans from banks	-	-	-
Buyers' credit	-	-	-
Advance from customer	-	-	(2,81,500)
Trade payables	-	-	-
	-	-	(2,81,500)
Assets			
Inter corporate deposits and interest thereon			
Advance to vendors	-	-	-
Trade receivables	7,69,144	1,41,040	-
Bank balances	-	-	-
Net assets / (liabilities)	7,69,144	1,41,040	(2,81,500)

Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD and CHF exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

INR in Lakhs

	Change in USD rate		**Change in CHF rate**	
	5% increase	**5% decrease**	**5% increase**	**5% decrease**
31 March 2017				
Effect on profit before tax	-	-	-	-
Effect on pre-tax equity	-	-	-	-
31 March 2016				
Effect on profit before tax	25.45	25.45	4.87	4.87
Effect on pre-tax equity	25.45	25.45	4.87	4.87

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

ii) **Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, uncompleted contracts and value of work done, cash and cash equivalents and receivable from group companies.

a. Credit risk on trade receivables and uncompleted contracts and value of work done is limited to the extent the customers of the Company consists of the government promoted entities having a strong credit worthiness. For other customers, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and Uncompleted contracts and value of work done. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

   The following table gives details in respect of percentage of revenues generated from government promoted agencies and others

Particulars	**31 March 2017**	**31 March 2016**
Revenue from government promoted agencies	1.14%	2.29%
Revenue from others	98.86%	97.71%
Total Revenue in Lakhs	2,789.70	3,373.73

   Credit risk exposure

   The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2017 and 31 March 2016 is nil and nil respectively

b. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings.

iii) **Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The table below provides details regarding the contractual maturities of significant financial liabilities:

INR in Lakhs

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2017					
Borrowings	-	100.00	850.00	-	950.00
Trade payables	1,204.28	-	-	-	1204.28
Financial guarantee contracts	-	-	-	-	-
Interest accrued	-	-	-	-	-
Advances	-	-	-	-	-
Other financial liabilities	1,210.82				1,210.82
	2,415.10	**100.00**	**850.00**	**-**	**3,365.10**

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2016					
Borrowings	-	50.00	750.00	200.00	1,000.00
Trade payables	427.82	-	-	-	427.82
Financial guarantee contracts	-	-	-	-	-
Interest accrued	-	-	-	-	-
Advances	-	-	-	-	-
Other financial liabilities	1,174.65	-	-	-	1,174.65
	1,602.47	**50.00**	**750.00**	**200.00**	**2,602.47**
As at 1 April 2015					
Borrowings	-	0.00	850.00	150.00	1,000.00
Trade payables	529.82	-	-	-	529.82
Financial guarantee contracts	-	-	-	-	-
Interest accrued	-	-	-	-	-
Advances	-	-	-	-	-
Other financial liabilities	830.95				830.95
	1,360.76	**-**	**850.00**	**150.00**	**2,360.76**

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

2.38 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is net debt divided by total capital plus net debt.

	As at 31 March 2017	**As at 31 March 2016**	**As at 1 April 2015**
Total debt	850.00	950.00	1,000.00
Total equity	995.73	1,754.79	1,417.27
Net debt to equity ratio (Gearing ratio)	**0.46**	**0.35**	**0.41**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define the capital structure requirements.

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

2.39 Previous year figures have been regrouped/recast wherever necessary.

As per our report attached

For MEHTA & PAI
Chartered Accountants
FRN. -113591W

Suresh Mehta
Partner
Membership No. 32230
21-04-2017.

For & on behalf of Board of Director

Arun Karambelkar
DIN: 02151606

Shalaka Gulabchand Dhawan
DIN: 00011094

Praveen Sood
DIN: 00018013

CA. SURESH S. MEHTA
B.Com.(Hons.), F.C.A.
CA. ARUN K. PAI
B.Com.(Hons.), F.C.A.

MEHTA & PAI
CHARTERED ACCOUNTANTS
B-16, Everest, 3rd Floor, 156, Tardeo Road,
Mumbai - 400 034.
SERVICE TAX REG. NO. AAFFM5366CST001

☎ : 2352 1910
: 2351 6111
@ : casureshmehta@yahoo.in
aruntax@yahoo.co.uk

Independent Auditors' Report

TO THE BOARD OF DIRECTORS OF HIGHBAR TECHNOLOGIES LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Highbar Technologies Limited ("the Holding Company") subsidiary and its associate (collectively referred to as "the Company" or "the Group"), which comprise the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 consolidated Ind AS financial statements are free from material misstatement.

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

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

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

We did not audit the financial statements of wholly owned overseas subsidiary namely Highbar Technologies FZ- LLC, whose financial statements reflect total revenues of Rs.186.27 lacs, profit of Rs 141.06 lacs for the year ended on that date as considered in the consolidated financial statements. During the year subsidiary has been wound up as on 31st July 2016. These unaudited financial statements have been furnished to us by management and our opinion, in so far as it relates to the amounts included in respect of this subsidiary, is based solely on the based on management representation.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group, as at 31 March 2017 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

(c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and our statutory audit report of its associate company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and

CHARTERED ACCOUNTANTS MUMBAI

the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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;

iii. there has been no amount which are , required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its associate company incorporated in India; and

iv. the Company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.09 to the consolidated Ind AS financial statements.

For MEHTA & PAI
Chartered Accountants
Firm Registration No: 113591W

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

(Suresh Mehta)
Partner
Membership No.032230

Place: Mumbai
Date: 21-04-2017

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Highbar Technologies Limited ("the Holding Company") and its associate company which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For MEHTA & PAI
Chartered Accountants
Firm Registration No: 113591W

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

(Suresh Mehta)
Partner
Membership No.032230

Place: Mumbai
Date: 21-04-2017

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299

Amount in (₹) in Lacs

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	2.01	1,231.61	1,030.00	1,069.71
(b) Intangible assets	2.01	-	280.52	315.99
(c) Investments in an associate & subsidiaries	2.02	198.19	-	-
(d) Financials Assets			-	-
(i) Investments	2.03	0.02	0.02	0.02
(ii) Financial Gurantee assets	2.04	-	16.10	24.09
(iii) Other financial assets	2.05	61.01	75.21	30.12
(d) Income tax assets (Net)	2.06	289.49	276.77	312.69
(e) Other non-current assets	2.07	0.25	0.54	0.49
		1,780.57	1,679.16	1,753.12
(2) Current assets				
(a) Financials Assets				
(i) Trade receivables	2.08	967.58	813.31	587.14
(ii) Cash and cash equivalents	2.09	276.66	865.82	392.72
(iii) Financial guarantees	2.10	8.07	-	-
(iv) Other Financial Assets	2.11	1,302.32	1,045.43	1,007.56
(b) Other current assets	2.12	529.03	242.09	335.77
		3,083.67	2,966.65	2,323.19
TOTAL		4,864.25	4,645.81	4,076.31
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	2.13	625.00	625.00	625.00
(b) Other Equity	2.14	563.94	985.85	692.31
		1,188.94	1,610.85	1,317.31
LIABILITIES				
(1) Non current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.15	850.00	950.00	1,000.00
(ii) Other financials liabilities	2.16	94.20	92.96	(0.00)
(b) Provisions	2.17	75.94	103.89	107.63
		1,020.14	1,146.85	1,107.63
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.18	1,210.82	1,174.65	830.95
(ii) Trade payables	2.19	1,205.24	442.44	426.24
(iii) Other Financial Liabilities	2.20	100.00	50.00	-
(b) Other current liabilities	2.21	78.43	160.34	334.94
(c) Provisions	2.22	60.68	60.68	59.23
		2,655.17	1,888.11	1,651.36
TOTAL		4,864.25	4,645.81	4,076.31

III. Significant accounting policies and notes to accounts. 1&2

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our reports attached
For MEHTA & PAI
Chartered Accountants
FRN - 113591W

Suresh S Mehta
Partner
Membership No. 032230

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Place : Mumbai
Date : 21-04-2017

For & on behalf of Board of Directors

Arun Karambelkar
Director
DIN: 02151606

Shalaka Gulabchand Dhawan
Director
DIN: 00011094

Praveen Sood
Director
DIN: 00018013

Place : Mumbai
Date :

HIGHBAR TECHNOLOGIES LIMITED

CIN No. U72900MH2009PLC197299

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

Amount in (₹) in Lacs

		Note No.	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
I	**INCOME**				
	(a) Revenue from operations	2.23	2,810.37	3,450.83	4,323.34
	(b) Other Income	2.24	462.44	393.12	331.50
	TOTAL INCOME		3,272.81	3,843.95	4,654.84
II	**Expenses**				
	(a) Cost of sale of licenses	2.25	525.82	252.70	887.08
	(b) Emloyees benefit expenses	2.26	944.50	2,054.81	2,040.55
	(c) Finance Cost	2.27	292.61	245.42	201.07
	(d) Operation and other expenses	2.28	2,012.42	810.47	1,084.55
	(e) Depreciation and amortisation expenses		80.85	90.01	69.52
	TOTAL EXPENSES		3,856.20	3,453.41	4,282.77
	Profit/(Loss) before exceptional items, share of net profits of investments accounted for using equity method & tax		(583.39)	390.54	372.07
	Share of net profit of associates accounted for using equity method		193.20	-	-
	Profit/(Loss) before exceptional items & tax				
	Exceptional item		(11.62)	27.37	11.29
	Profit/(Loss) before tax		(401.81)	417.91	383.36
	Tax expenses :				
	Current tax		-	(96.99)	(50.70)
	MAT credit entitlement		-	96.99	50.70
	Adjustment of tax relating to earlier years		(26.22)	-	1.88
	Deferred tax (Charge) / Credit		-	(128.07)	(86.87)
	Profit/(loss) for the period		(428.03)	289.84	298.37
	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss		6.12	5.53	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss			(1.83)	-
	B (i) Items that will be reclassified to profit or loss			-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss			-	-
	Profit/(loss) from discontinued operations			-	-
	Total Comprehensive Income for the period		(421.91)	293.54	298.37
VII	**EARNINGS PER EQUITY SHARES**				
	Earnings per equity share Basic & Diluted (face value of Rs. 10/-each)		(6.75)	4.70	4.77
VIII	Significant accounting policies and notes to accounts.	1&2			

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our reports attached
For MEHTA & PAI
Chartered Accountants
FRN - 113591W

Suresh S Mehta
Partner
Membership No. 032230

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Place : Mumbai
Date : 21-04-2017.

For & on behalf of Board of Directors

Arun Karambelkar
Director
DIN: 02151606

Shalaka Gulabchand Dhawan
Director
DIN: 00011094

Praveen Sood
Director
DIN: 00018013
Place : Mumbai
Date :

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Statement of Changes in Equity for the period ended 31st March'17

A . Equity Share Capital

Amount in (₹) in Lacs

Balance as at 1 April 2016	Changes in Equity Share Capital during the period	Balance as at 31 March. 2017
625.00	-	625.00

For the year ended 31 March 2016

Balance as at 1 April 2015 ₹ Lakhs	Changes in Equity Share Capital during the period ₹ Lakhs	Balance as at 31 March 16 ₹ Lakhs
625.00	-	625.00

B. Other Equity

Amount in (₹) in Lacs

Particulars	Reserve and surplus							Revaluation Reserve	Other items of Other Comprehensive Income (specify nature)	Capital contribution from fellow subsidary	Total
	Capital Reserve (Forfeited Equity Share Warrants)	Forfeited debenture Accounts	Securities Premium Reserve	Other Reserves -Debenture Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Monetary Translation Account				
Balance at the beginning of the reporting period 01.4.2016	1,025.66	-	-	-	-	(63.90)	-	-	-	24.09	985.85
Addition during the year						(428.03)					(428.03)
Restated balance at the 01.04.2016		-	-	-	-		-	-	-	-	-
Other Comprehensive Income						6.12					6.12
Remeasurement gain/(loss) on defined benefit plans											-
Fair value on FVOCI financial assets											-
Items that will reclassify to profit and loss account											-
Any other change (to be specified) (ref note)											-
Balance at the end of 31.03.2017	**1,025.66**	**-**	**-**	**-**	**-**	**(485.81)**	**-**	**-**	**-**	**24.09**	**563.94**
Balance at the beginning of the reporting period 01.04.2015	**1,025.66**					**(357.43)**					668.22
Addition during the year						289.84					289.84
Restated balance at the beginning of the reporting period		-	-	-	-		-	-	-	24.09	24.09
Other Comprehensive Income						3.70					3.70
Remeasurement gain/(loss) on defined benefit plans											-
Fair value on FVOCI financial assets											-
Items that will reclassify to profit and loss account											-
Any other change (to be specified) (ref note)											-
Balance at the end of 31.03.2016	**1,025.66**	**-**	**-**	**-**	**-**	**(63.90)**	**-**	**-**	**-**	**24.09**	985.85

HTA & PAI
OUNTANTS
MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299

Amount in (₹) in Lacs

Consolidated Cash Flow Statement as at	31-Mar-2017	31-Mar-2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(401.81)	417.91
Adjustments for :		
Depreciation	80.85	90.01
Finance charges	292.61	245.42
Interest earned	183.99	166.31
Unrealised foreign exchange gain (Net)	27.28	19.68
Share of profit from associate	(193.20)	-
Operating profit/(Loss) before working capital changes :	(10.27)	939.33
Adjustments for changes in working capital		
Changes in trade receivable	(181.54)	(245.84)
Changes in other receivable	(30.05)	98.69
Changes in long term loans & advances	30.59	(45.13)
Financial guarantees	(8.07)	7.99
Changes in Non Current liabilities	(284.84)	(41.62)
Changes in trade payables	762.80	16.20
Changes in Other current liabilities	(75.79)	(169.45)
Changes in financials liabilities	51.24	14.89
	264.34	(364.28)
Cash generated from operations	254.06	575.05
Direct taxes paid	(38.94)	35.92
NET CASH FLOW FROM OPERATING ACTIVITIES	215.12	610.97
CASH FLOW FROM INVESTING ACTIVITIES		
Deletion/Transfer to Intangible Assets	267.27	-
Addition to Fixed Assets (Net)	(269.22)	(14.83)
Investments in an associates	(198.19)	-
Share of profit from associate	193.20	-
Interest received	(183.99)	(166.31)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITY	(190.94)	(181.14)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	(100.00)	(50.00)
Proceeds from short term borrowings	36.16	343.70
Proceed from ICD	(256.89)	(5.01)
Interest paid during the period	(292.61)	(245.42)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITY	(613.34)	43.27
NET INCREASE IN CASH AND CASH EQUIVALENTS	(589.15)	473.10
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	865.82	392.72
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	276.66	865.82

Notes
Details of Cash & Cash Equivalents are given in note no. 2.09
Previous year figures have been regrouped/recast whereever necessary

As per our reports attached
For MEHTA & PAI
Chartered Accountants
FRN - 113591W

Suresh S Mehta
Partner
Membership No. 032230

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Place : Mumbai
Date : 21-04-2017.

For & on behalf of Board of Directors

Arun Karambelkar
Director
DIN: 02151606

Shalaka Gulabchand Dhawan
Director
DIN: 00011094

Praveen Sood
Director
DIN: 00018013

Place : Mumbai
Date :

HIGHBAR TECHNOLOGIES LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31st March 2017.

Background

The company carries on the business of developing, designing, buying, selling, importing, exporting, marketing, dealing in, distributing, licensing, integrating, interfacing, customizing, implementing, maintaining & supporting services, products, tools, accessories used in the field of Information Technology.

1. **Significant Accounting Policies :**

1.01 A) Basis of Preparation of Financial Statements

The Consolidated (Financials statements) have been prepared to comply in all material respect with the Indian Accounting Standard (IND AS) under the historical cost convention on the accrual basis expect for Financial instrument which are measured at fair value, the provision of Companies Act 2013.

The financial statements of group companies are consolidated on for all periods up to and including year ended 31 March 2016 were prepared in accordance with the Accounting Standards notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended 31 March 2017 are the first financial statements prepared by the Company in accordance with Ind AS. Refer to Note 2.00 for information on how the Company adopted Ind AS.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and contingent consideration which have been measured at fair value, on an accrual basis of accounting.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends up to the realisation of receivables within the credit period normally applicable to the respective project.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

B) Basis of Consolidation

i) The Financials statement of the company and its subsidiary Company have been consolidated on line by line basis by adding together book value of like items of assets, Liabilities, income and expenses after eliminating intergroup balances transaction and elimination of resulting unrealised profit/ losses.

Unaudited Financial Statement of Subsidiary are consolidated from the date of control Commences until the date of control ceases.

ii) Investment in Associate companies are accounted using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased / decreased to recognise the investor's share of profit/ loss of the investee after the acquisition date.

1.02 Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

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 financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Deferred tax assets

In assessing the realizibility of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

1.03 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

1.04 Intangible Assets

Intangible assets comprise of patents and other application software acquired / developed. These assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

1.05 Depreciation/ Amortisation

Depreciation on Fixed assets is provided:

i) In respect of Building, furniture and fixtures, office equipment, computers, servers and plant and equipment the useful life is considered as prescribed in Schedule II to the Companies Act, 2013.

ii) Leasehold improvements are amortized over the period of lease or their estimated useful lives as determined by the management, whichever is lower.

iii) Intangible assets are amortized on the basis of the useful life, based on the management experience of use of asset.

1.06 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.

a. Financial Assets

Initial Recognition

In the case of financial assets not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

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

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through other comprehensive income ("OCI") if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its investments in associates and shares of Co-operative Society and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 April 2015.

Impairment of Financial Assets

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition,

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets 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.

b. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

1) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent Measurement

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

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

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 as finance costs in the Statement of Profit and Loss.

Where the terms of a financial liability is re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. 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 de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

1.07 Employee Benefits

1.07.1 Defined Contribution plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, is made to a government administered fund and charged as an expense to the

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

1.07.2 Defined Benefit plan

The Company provides for gratuity and compensated absences which are defined benefit plans the liabilities of which are determined based on valuations, as at the balance sheet date, made by independent actuaries using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI and in respect of compensated leaves are recognised in the Statement of Profit and Loss, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report. Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit.

1.07.3 Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

1.08 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

1.09 Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.
All other borrowing costs are expensed in the period in which they occur.

1.10 Foreign Currency Transactions

i. Current assets and current liabilities are translated at the exchange rate prevailing on the last day of the year.
ii. Gains or losses arising out of remittance/transaction at the year–end are credited / debited to Profit & Loss account for the year.
iii. Foreign exchange transactions are converted into Indian rupees at the prevailing rate on the date of the transaction.
iv. On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.

1.11 Revenue Recognition

i. Revenue from software development on fixed price, fixed time frame contracts, including system development and integration contracts, where there is no uncertainty as to measurement or collectability is recognized as per percentage of completion method. Revenue from last billing date to the Balance Sheet date is recognized as unbilled revenue. Stage of completion is measured by reference to the proportion that service cost incurred for work performed to date bears to the estimated total service cost. Service cost incurred to date excludes costs that relate to future activity on the contract. Such costs are recognized as an asset and are classified as unbilled revenue as due from customers.

ii. Servicing revenue is recognized over the term of servicing contract. For sales of services, revenue is recognized in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total services to be provided. Billings in excess of cost and earning are classified as unearned revenue.

iii. Time and material contracts is recognized as and when the related services are provided.

iv. Annual Maintenance service contracts are recognized proportionately over the period in which services are rendered.

v. Revenue from sale of user licenses for software applications is recognized on transfer of the title/product, in accordance with the sales contract. Revenue from product sales are shown as net of all applicable taxes and discounts.

vi. Provision for estimated losses, if any, on uncompleted contracts are recognized in the year in which such losses become probable based on the current estimates.

vii. Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

viii. Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

1.12 Taxation

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a) Current Tax

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowance and exemptions in accordance with the Income tax Act , 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Minimum Alternative tax (MAT) credit is recognized as assets only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit is eligible to be recognized as an assets in accordance with the recommendation contain in Guidance Note issued by Institute of Chartered

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Accountants of India, the said assets is created by way of a credit to the statement of profit or loss and shown as MAT Credit Entitlement. The company review the same at each balance sheet that and writes down the credit MAT Credit entitlement to the extent that there is no longer convincing evidence to the effect that Company will be normal Income tax during the specified period.

b) Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the timing differences between the financials statement's carrying amount of existing assets and liabilities and their respective tax basis. Deferred assets and liability are measured using the enacted tax rates that are substantively enacted at the balance sheet date. The effect of deferred tax assets and liability of a change in tax rate is recognized in the period that includes the enactment date. Where there is a unabsorbed depreciation and carry forward losses, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that they can be realized again future taxable profit. Where there is no unabsorbed deprecation/carry forward losses, deferred tax assets are recognized only to the extent there is a reasonable certainty of realization in future. Such assets are reviewed at each balance sheet date to reassess realization.

1.13 Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

1.14 Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

1.15 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

1.16 Investments

Investments are classified as Non-current and current investments. Non-current investments are shown at cost or written down value (in case of other than temporary diminution) and current investments are shown at cost or market value whichever is lower.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

Note 2.00 Disclosures as required by Indian Accounting standards (Ind AS) 101 First time adoption of Indian accounting standards

These consolidated financails statement of Higbhar Techonologies Limited and Subsidaries for the year ended 31st March 2017 have been prepared in accordance with IND AS for the purposes of transition to IND AS the company has followed the guidance prescribed in IND AS 101- first time adoption of Indian accounting Standard with 1st April2015 as the transition date and IGAAP as the previous GAAP.

The transition of IND AS has resulted in changes in the presentation of the consolidated financials statement, Discloser in the notes there to accouting policies and principle. The accounting policies set out in note 1 have been applied in preparing the Conslidated Financial Statment for the year ended 31st March 2017.

The Company has adopted Ind AS with effect from 1 April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1 April 2015 and all the periods presented have been restated accordingly.

i **Exemptions availed on first time adoption of Ind AS 101:**
On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

a Since, there is no change in the functional currency of the Company, it has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment and intangible assets on the date of transition.

b Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investment in subsidiaries on the date of transition to Ind AS.

c Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP.

d Fair value measurement of financial assets or liabilities at initial recognition : The Company has not applied the provision of Ind AS 109, Financial Instruments, upon the initial recognition of the financial instruments where there is no active market.

e Designation of previously recognised financial instruments: The Company does not have any financial assets or liabilities as of the transition dates which were required to be designated, and which met the required criteria given in Ind AS 101, as a financial asset or financial liability at FVPL.

ii **Exceptions**
The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing financial statements.

a **Estimates**
The estimates as at 1 April 2015 and as at 31 March 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:
(i) Impairment of financial assets based on the expected credit loss model
(ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Company to prevent the amounts in accordance with the Ind AS reflect conditions at the transition date as at 31 March 2016

b **Derecognition of financial assets and financial liabilities**
The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c **Classification and movement of financial assets and liabilities**
The company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed on the date on transition to Ind AS.

iii **Reconciliation of equity as previously reported under previous GAAP to Ind AS:**

₹ Lakhs

Particulars	Refer note	Balance sheet as at 31 March 2016			Opening balance sheet as at 1 April 2015		
		Ind AS	Effects of transition to Ind AS	Previous GAAP	Ind AS	Effects of transition to Ind AS	Previous GAAP
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment		1,030.00	-	1,030.00	1,069.71	-	1,069.71
(b) Intangible assets		280.52	-	280.52	315.99	-	315.99
(iii) Intangible assets under development		-	-	-	-	-	-
(c) Investments in an associate & subsidiaries		-	-	-	-	-	-
(d) Financials Assets		-	-	-	-	-	-
(i) Investments	ii	0.02	-	0.02	0.02	-	0.02
(ii) Financial Gurantee assets	i	16.10	16.10	-	24.09	24.09	-
(iii) Other financial assets		75.21	(0.28)	75.49	30.12	(60.28)	90.40
(d) Income tax assets (Net)		276.77	-	276.77	312.69	-	312.69
(e) Other non-current assets		0.54	-	0.54	0.49	-	0.49
		1,679.16	**15.82**	**1,663.34**	**1,753.12**	**(36.19)**	**1,789.31**
Current assets							
(a) Financials Assets		-	-	-	-	-	
(i) Trade receivables		813.31	-	813.31	587.14	-	587.14

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

(ii) Cash and cash equivalents		865.82	-	865.82	392.72	-	392.72
(iii) Financial guarantees	i	-	-	-	-	-	-
(iv) Other Financial Assets		1,045.43	-	1,045.43	1,007.56	60.28	947.28
(b) Other current assets		242.09	-	242.09	335.77	-	335.77
		2,966.65	-	**2,966.65**	**2,323.19**	**60.28**	**2,262.91**
TOTAL		**4,645.81**	15.82	4,629.99	**4,076.31**	24.09	4,052.22

₹ Lakhs

Particulars	Refer note	Balance sheet as at 31 March 2016			Opening balance sheet as at 1 April 2015		
		Ind AS	Effects of transition to Ind AS	Previous GAAP	Ind AS	Effects of transition to Ind AS	Previous GAAP
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital		625.00	-	625.00	625.00	-	625.00
(b) Other Equity	ii	985.85	15.82	970.04	692.31	24.09	668.22
		1,610.85	**15.82**	**1,595.04**	**1,317.31**	**24.09**	**1,293.22**
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings		950.00	-	950.00	1,000.00	-	1,000.00
(ii) Other financials liabilities		92.96	-	92.96	(0.00)	-	92.96
(b) Provisions		103.89	-	103.89	107.63	-	107.63
		1,146.85	-	**1,146.85**	**1,107.63**	-	**1,200.59**
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		1,174.65	-	1,174.65	830.95	-	830.95
(ii) Trade payables		442.44	-	442.43	426.24	-	314.71
(iii) Other Financial Liabilities		50.00	-	50.00	-	-	-
(b) Other current liabilities		160.34	-	160.34	334.94	-	353.52
(c) Provisions		60.68	-	60.68	59.24	-	59.23
		1,888.11	-	**1,888.10**	**1,651.37**	-	**1,558.40**
TOTAL		**4,645.81**	15.82	4,629.99	**4,076.31**	24.09	4,052.22

Reconciliation of net profit as previously reported under previous GAAP to Ind AS

₹ Lakhs

Particulars	Refer note	Year ended 31 March 2016		
		Ind AS	Effects of transition to Ind AS	Previous GAAP
Income				
(a) Revenue from operations		3,450.83	-	3,450.83
(b) Other income	i & iv	393.12	4.30	388.82
TOTAL INCOME		3,843.95	4.30	3,839.65
Expenses				
(a) Cost of licenses sold		252.70	-	252.70
(b) Emloyees benefit expenses	iii	2,054.81	5.53	2,049.28
(c) Finance cost	ii & iv	245.42	10.79	234.64
(d) Operation and other expenses	i	810.47	1.78	808.69
(e) Depreciation and amortisation expenses		90.01	-	90.01
TOTAL EXPENSES		3,453.41	18	3,435.31
Profit / (Loss) before exceptional Items & tax expense		390.54	(13.80)	404.34
Exceptional item		27.37	-	27.37
Profit/(Loss) before tax		**417.91**	**(13.80)**	**431.71**
Tax expenses :				
Current tax		(96.99)	-	(96.99)
MAT credit entitlement		96.99	-	96.99
Adjustment of tax relating to earlier years		-	-	-
Deferred tax (Charge) / Credit		(128.07)	1.83	(129.90)
Profit/(loss) for the year	(A)	289.84	(11.97)	301.81

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

₹ Lakhs

Particulars	Refer note	Year ended 31 March 2016		
		Ind AS	Effects of transition to Ind AS	Previous GAAP
Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss	iii	5.53	5.53	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	vi	(1.83)	(1.83)	-
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
		-	-	-
		-	-	-
Other comprehensive income for the year, net of tax (B)		**3.70**	**3.70**	**-**
Total comprehensive income for the year, net of tax (A+B)		**293.54**	**(8.27)**	**301.81**

Explanation for reconciliation

i Other financial assets - Security deposits

Under Ind AS, security deposits are valued at present value as compared to being carried at transaction value in the previous GAAP. The adjustment includes the difference between the book value and present value of interest free security deposits. This amount is subsequently charged to the Statement of Profit and Loss on a straight line basis as an interest expense. Further, interest income computed on the present value of the security deposit is recognised over the tenure of the security deposit using the EIR method.

ii Other financial assets - Financial guarantee

Under Ind AS, the financial guarantee given by a fellow subsidiary company to the lender of the Company for its borrowings are recognised initially as an asset at fair value which is subsequently amortised as an interest expense to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

iii Defined benefit obligations

Under Ind AS, actuarial gains and losses are recognised in the OCI as compared to being recognised in the Statement of Profit and Loss under the previous GAAP.

iv Other financial liability - Security deposits

Under Ind AS, security deposits received are valued at present value as compared to being carried at transaction value in the previous GAAP. The adjustment includes the difference between the book value and present value of interest free security deposits. This amount is subsequently recognized in the Statement of Profit and Loss on a straight line basis as an interest income. Further, interest expense computed on the present value of the security deposit is charged to the Statement of Profit & Loss over the tenure of the security deposit using the EIR method.

v Provisions

Under the previous GAAP, discounting of provisions was not permitted. Under Ind AS, provisions are measured at discounted amounts if the effect of time value is material. As the effect of time value is not material, provisions have not been discounted.

vi Income tax

Current income tax

Tax component on actuarial gains and losses transferred to OCI under Ind AS.

vii Deferred income tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

viii Other comprehensive income

Under previous GAAP, the Company has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

ix Statement of cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31st March 2017

2.01

PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lacs)

Particulars	Tangible assets							Intangible Assets		
	Plant and machinery	Computers	Office equipment	Furniture and fixtures	Building and shed	Leasehold improvements	Total	Computer software	Patents	Total
Gross block										
As at 1 April 2014	0.97	45.61	49.48	43.38	931.18	123.02	1,193.65	212.59	4.17	1,410.41
Additions	-	79.38	0.44	-	-	-	79.81	164.25	-	244.07
Addition on account of Revaluation	-	-	-	-	-	-	-	-		-
Additions-Share of Joint Venture	-	-	-	-	-	-	-	-		-
Disposals-Share of Joint Venture	-	-	-	-	-	-	-	-		-
Deductions/ disposals	-	-	-	-	-	-	-			
As at 31 March 2015	**0.97**	**124.99**	**49.91**	**43.38**	**931.18**	**123.02**	1,273.47	376.84	**4.17**	1,654.47
Additions	-	12.64	0.34	-	-	-	12.97	1.84	-	14.82
Addition on account of Revaluation	-	-	-	-	-	-	-	-		-
Additions-Share of Joint Venture	-	-	-	-	-	-	-	-		-
Disposals-Share of Joint Venture	-	-	-	-	-	-	-	-		-
Deductions/ disposals	-	-	-	-	-	-	-	-		-
As at 31 March 2016	**0.97**	**137.63**	**50.25**	**43.38**	**931.18**	**123.02**	1,286.44	378.69	**4.17**	1,669.29
Additions	-	-	0.35	-	-	284.77	285.12	-		285.12
Addition on account of Revaluation	-	-	-	-	-	-	-	-		-
Additions-Share of Joint Venture	-	-	-	-	-	-	-	-		-
Disposals-Share of Joint Venture	-	-	-	-	-	-	-	-		-
Deductions/ disposals	-	62.08	7.05	-	-	-	69.13	378.69	4.17	451.99
As at 31 March 2017	**0.97**	**75.55**	**43.55**	**43.38**	**931.18**	**407.79**	1,502.43	(0.00)	(0.00)	1,502.42
Accumulated depreciation / amortisation and impairment losses							-			
Balance as at 1 April 2014	0.53	41.31	34.59	39.49	3.74	38.00	157.65	39.70	1.92	199.27
Depreciation/ amortisation charge	0.08	5.00	7.58	1.32	19.45	12.69	46.13	23.07	0.32	69.52
Depreciation-Share of Joint Venture	-	-	-	-	-	-	-	-		-
Accumulated depreciation/ amortisation on disposals	-	-	-	-	-	-	-	-		-
Balance as at 31 March 2015	**0.61**	**46.31**	**42.16**	**40.81**	**23.19**	**50.69**	203.77	62.77	2.24	268.79
Depreciation/ amortisation charge	0.08	16.33	4.04	0.11	19.45	12.69	52.70	36.99	0.32	90.01
Depreciation-Share of Joint Venture	-	-	-	-	-	-	-	-		-
Accumulated depreciation/ amortisation on disposals	-									
As at 31 March 2016	**0.69**	**62.64**	**46.20**	**40.92**	**42.64**	**63.38**	256.47	99.76	2.56	358.80
Depreciation/ amortisation charge	0.08	13.31	0.99	0.10	19.44	33.69	67.60	13.13	0.12	80.85
Depreciation-Share of Joint Venture	-	-	-	-	-	-	-	-		-
Accumulated depreciation/ amortisation on disposals	-	47.45	5.78	-	-	-	53.23	112.90	2.68	168.81
As at 31 March 2017	**0.77**	**28.50**	**41.41**	**41.02**	**62.08**	**97.07**	270.84	(0.00)	0.00	270.84
Net block										
As at 31 March 2015	**0.37**	**78.68**	**7.75**	**2.57**	**907.99**	**72.33**	**1,069.71**	**314.07**	**1.92**	**1,385.70**
As at 31 March 2016	**0.29**	**74.99**	**4.05**	**2.46**	**888.54**	**59.64**	**1,030.00**	**278.92**	**1.60**	**1,310.52**
As at 31 March 2017	**0.21**	**47.05**	**2.14**	**2.36**	**869.11**	**310.71**	**1,231.61**	**0.00**	**0.00**	**1,231.61**

Capital work-in-progress (Amount in (`) in Lacs

Particulars	Amount
Capital work-in-progress	
Balance as at 1 April 2014	99.71
Additions	64.54
Assets capitalised during the year	164.25
Balance as at 31 March 2015	-
Balance as at 1 April 2015	-
Additions	
Assets capitalised during the year	
Balance as at 31 March 2016	-
Balance as at 1 April 2016	-
Additions	
Assets capitalised during the year	
Balance as at 31st March 2017	-

Notes :- On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Property, Plant & Equipments and Intangible Assets and used that carrying value as the deemed cost of those Assets on the date of transition i.e. 1 April 2015.

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299
Amount in (₹) in Lacs

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
2.02	**Investments in an associate & subsidiaries**			
	Unquoted			
	a) In associate company			
	-Investment in equity instruments - at carrying amount			
	49940 Share of Rs 10/- each of 'Highbar Technocrat Limited'	198.19	-	-
	TOTAL	198.19	-	-

Name of the Associate	Highbar Technocrat Limited
Original Cost of Investment	4.99
Share in Profit/(Loss) for the year ended 31st March, 2017	193.20
Carrying Amount of Investment as on 31st March, 2017	198.19

Summarised Statement of Profit & Loss of the Associate (Rs. In lacs)	Year ended 31-Mar-2017
Revenue	2,508.37
Other Income	7.36
Total Income	2,515.73
Employee benefit expenses	952.58
Depreciation and Amortization expenses	29.59
Other Expenses	937.50
Profit Before Tax	596.06
Tax Expense	197.31
Profit for the year	398.75
Other Comprehensive Income	(4.47)
Total Comprehensive Income for the year	394.28
% of holding of Highbar Technologies in Highbar Technocrat	49.00
Share of Profit	193.20

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
2.03	**Non-current Investments -Unquoted**			
	45 Share of Hindustan Kohinoor Co Op Society of ₹ 50/- each	0.02	0.02	0.02
	TOTAL	0.02	0.02	0.02
2.04	**Financial Guarantee Assets**			
	Financial Guarantee	-	16.10	24.09
		-	16.10	24.09
2.05	**Other financial assets - Non current**			
	Security & other deposits	46.73	55.57	30.12
	Deferred lease expense (BS account)	14.28	19.63	-
	TOTAL	61.01	75.21	30.12
2.06	**Income tax assets (net)**			

i. The following table provides the details of income tax assets and liabilities as at 31 March 2017, 31 March 2016 and 1 April 2015:

a) Income tax assets		377.44	362.41	179.13
Current income tax liabilities		(147.68)	(151.00)	(61.70)
Net balance	(A)	229.75	211.41	117.43

ii. The gross movement in the current tax asset/ (liability) for the years ended 31 March 2017 and 31 March 2016 is as follows:

Net current income tax asset at the beginning	211.41	117.43
Income tax paid	15.03	190.97
Current income tax expense / MAT	3.32	(96.99)
Income tax on other comprehensive income		
Net current income tax asset at the end	229.75	211.41

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299
Amount in (₹) in Lacs

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
iii. Income tax expense in the Statement of Profit and Loss comprises:				
Current income taxes			-	
Deferred income taxes #		-	128.07	
Income tax expenses		-	128.07	

Entire deferred income taxes for the years ended 31 March 2017 and 31 March 2016, relates to origination and reversal of temporary differences.

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:				
Profit before income tax		(401.81)	417.91	
Applicable income tax rate		33.06	20.39	
Computed expected tax expense		0	0	
Effect of expenses not allowed for tax purpose		0	0	
Effect of income not considered for tax purpose		0	0	
Income tax expense charged to the Statement of Profit and Loss		0	0	
v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:				
Deferred income tax liability				
Timing difference on tangible and intangible assets depreciation and amortisa		(25.95)	(25.95)	(18.04)
Claims/arbitration awards		-	-	-
Others		(8.68)	(8.68)	(0.39)
TOTAL	(i)	(34.63)	(34.63)	(18.43)
Deferred income tax asset		-	-	-
Business loss/ unabsorbed depreciation		15.03	15.03	157.49
Others		79.35	84.97	56.20
MAT credit entitlement		-	-	-
TOTAL	(ii)	94.37	99.99	213.69
Total deferred tax assets (net) (B)	**(i) + (ii)**	59.74	65.36	195.26
Total Income tax assets (net)	**(A + B**	289.49	276.77	312.69

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
2.07	**Other non-current assets**			
	Deposit with Sales tax dept.	0.25	0.25	0.45
	Prepaid expenses	-	0.29	0.05
	TOTAL	0.25	0.54	0.49
2.08	**Trade receivable**			
	Current			
	Unsecured			
	- Considered good *	967.58	813.31	587.15
	- Considered doubtful *	22.21	22.21	22.21
	Less - Allowance for credit loss	(22.21)	(22.21)	(22.21)
	TOTAL	967.58	813.31	587.15
	* - Inculdes due from related parties (refer note no 2.32)	191.47	284.59	131.37
2.09	**Cash & cash equivalents**			
	Balances with banks	74.61	259.73	104.11
	Bank deposit with maturity of less than 3 months	202.05	606.09	288.61
	TOTAL	276.66	865.82	392.72

During the year, the Company did not have SBNs/ other denomination notes (other notes) as defined in the MCA notification G.S.R. 308 (E) dated 31 March 2017. The denomination wise details of the SBNs and other notes held and 'transacted during the period from 8 November 2016 to 31 December 2016 is given below:

Particulars	**SBNs #**	**Other notes**	**Total**
Closing cash on hand as at 8 November 2016	0.00	0.00	0.00
(+) Permitted receipts	0.00	0.00	0.00
(-) Permitted payments	0.00	0.00	0.00
(-) Amount deposited in banks	0.00	0.00	0.00
Closing cash on hand as at 31 December 2016	0.00	0.00	0.00

For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the Government of India notification S.O. 3407 (E), dated 8 November 2016.

MEHTA & CO. CHARTERED ACCOUNTANTS MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299
Amount in (₹) in Lacs

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
2.10	**Current Assets - Financial guarantees**	8.07	-	-
	TOTAL	8.07	-	-
2.11	**Other Financial Assets - Current**			
	Deposit with fellow subsidiaries company	692.88	692.88	650.00
	ICD to fellow subsidiaries	609.44	352.55	297.28
	Other deposits- Rent deppsits	-	-	60.28
		1,302.32	1,045.43	1,007.56
2.12	**Other current assets**			
	Advance to suppliers	1.07	0.70	0.96
	Prepaid expenses	8.37	16.17	4.88
	Cenvat credit receivable	18.09	-	-
	Balances with related parties	493.63	6.06	5.31
	Interest receivable	7.87	139.87	1.90
	Unbilled revenue	-	79.30	322.72
	TOTAL	529.03	242.09	335.77
2.13	**EQUITY SHARE CAPITAL**			
	(A) Authorised			
	1,30,00,000 Equity shares of Rs. 10/- each (Previous Year 1,30,00,000 Equity shares of Rs. 10/- each)	1,300	1,300	1,300
	TOTAL	1,300	1,300	1,300
	(B) Issued, Subscribed and Paid up			
	62,50,000 equity shares of Rs. 10/- each fully paid (Previous Year 62,50,000 equity shares of Rs 10/- each) (Hindustan Construction Company Limted and it's nominees holds 62,50,000 equity shares (Previous year 62,50,000 euity shares)	625.00	625.00	625.00
	TOTAL	625.00	625.00	625.00

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity Shares :

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Number of shares outstanding at the beginning	Qty	62,50,000	62,50,000	62,50,000
	Value	625	625	625
Add : Share issued and allotted	Qty	0		
	Value	0		
Number of shares outstanding at the end	Qty	62,50,000	62,50,000	62,50,000
	Value	625	625	625

Terms / Rights attached to shares :

As a part of the Authorised share capital the company can issue a maximum 1,30,00,000 Equity Shares.

The company has only one class of equity shares having face value as Rs. 10/- each. Every holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.

Holding Compnay:
Hindustan Construction Company Limited

Shareholding of more than 5%:
Name of the Shareholder

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Hindustan Construction Company Limited	% Held	100%	100%	100%
	No of Shares	62,50,000	62,50,000	62,50,000

Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil
(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
(iii) Aggregate number and class of shares bought back - Nil

2.14 Other Equity

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299
Amount in (₹) in Lacs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Surplus			
Opening balance	(63.90)	(357.43)	(655.81)
Add : Net profit/(loss) transferred from statement of profit & loss account	(421.91)	293.54	298.37
Closing balance of surplus / (deficit)	(485.81)	(63.90)	(357.43)
Capital reserves	1,025.66	1,025.66	1,025.66
Capital contribution from fellow subsidary	24.09	24.09	24.09
Balance carried forward	563.94	985.85	692.31

2.15 Non Current Financial liabilities - Borrowing

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Term loan seured -			
from ICICI bank secured by charge created	950.00	1,000.00	1,000.00
Less Current maturities transferred to Current liabilities	(100.00)	(50.00)	-

* Note

(a) First exclusive charge on the current assets and fixed assets of the company.

(b) Mortgage over land situated at Kavsar, Thane Ghodbunder Road, Thane, Maharashtra (32 acres) of HRL(Thane) Real Estate Limited on first pari-passu basis.

(c) Pledge over 30% shareholding of HCC Real Estate Limited in HRL (Thane) Real Estate Limited.

(d) Pledge over 30% shareholding of the company held by Hindustan Construction company Limited.

TOTAL	850.00	950.00	1,000.00
Terms of repayment of loans from ICICI bank			
Principal repayment outstanding as on 31st March	950.00	1,000.00	1,000.00
Schedule of repayment			
2016-17	50.00	50.00	50.00
2017-18	100.00	100.00	100.00
2018-19	150.00	150.00	150.00
2019-20	150.00	150.00	150.00
2020-21	150.00	150.00	150.00
2021-22	200.00	200.00	200.00
2022-23	200.00	200.00	200.00
Overdue amout as on 31st March 2017			
Principal	0	0	0
Interest	0	0	0

2.16 Other financials liabilities - Non Current

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deposit (Unsecured & Considered good)			
Rent deposit	71.86	62.24	(0.00)
Deferred lease Income (BS account)	22.34	30.72	
TOTAL	94.20	92.96	(0.00)

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299

Amount in (₹) in Lacs	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
2.17 Provisions - Non Current			
Provision for employee benefits :			
Provision for gratuity	54.98	68.35	68.46
Provision for leave encashment	20.96	35.54	39.18
TOTAL	75.94	103.89	107.63
2.18 Current liabilities - Borrowings			
Secured			
Cash credit	961.69	935.73	622.21
Inter corporate deposits - unsecured			
From holding company	238.92	238.92	208.74
From fellow subsidiary	10.21	-	-
TOTAL	1,210.82	1,174.65	830.95
2.19 Trade Payables			
Sundry creditors	1,205.24	442.44	426.24
TOTAL	1,205.24	442.44	426.24
Note: The information, as required to be disclosed under the MSMED Act refer note No. 2.29			
2.20 Other Financial Liabilities - Current			
* Term loan secured ICICI Bank - Current maturities	100.00	50.00	-
TOTAL	100.00	50.00	-
2.21 Other current Liabilities			
Income tax deducted at source	54.32	48.51	54.92
Rent Deposits	-	-	92.96
Professional tax payable	0.22	0.43	0.14
Service tax payable	5.06	3.26	8.78
Sales tax payable	1.34	1.49	0.18
Salary Payable A/C	-	-	116.19
PF payable	0.53	7.25	8.65
Superannuation payable	-	-	2.81
Other dues payable	-	0.96	1.08
Advance from customers	-	27.70	30.70
Unearned revenue	16.94	70.74	18.54
TOTAL	78.43	160.34	334.94
2.22 Provisions - Current			
Provision for gratuity	32.09	32.09	29.03
Provision for leave encashment	28.59	28.59	30.20
TOTAL	60.68	60.68	59.23
2.23 Income from operations			
Income from software services	2,224.05	3,167.72	3,386.35
Income from sale of licenses	586.32	283.11	936.99
TOTAL	2,810.37	3,450.83	4,323.34
2.24 Other Income			
Rental income	240.19	206.14	176.81
Others	10.97	0.99	0.45
Interest received	183.99	166.31	121.98
Foreign exchange gain (Net)	27.28	19.68	32.26
TOTAL	462.44	393.12	331.50
2.25 Cost of licenses sold			
Cost of licenses sold	525.82	252.70	887.08
TOTAL	525.82	252.70	887.08
2.26 Employees Benefits Expenses			
Salary expenses	893.86	1,919.50	1,915.64
Contributions to Provident and other fund	33.22	85.17	84.41
Staff welfare expenses	17.42	50.14	40.49
TOTAL	944.50	2,054.81	2,040.55

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299
Amount in (₹) in Lacs

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
2.27	**Finance Cost**			
	Interest	284.58	237.43	201.07
	Financial Gurantee expenses	8.03	7.99	-
	TOTAL	292.61	245.42	201.07
2.28	**Operation and other expenses**			
	Professional charges	1,417.55	158.42	215.10
	Travelling and conveyance	35.77	206.90	277.54
	Software Expenses.	6.35	14.55	-
	Car hire charges	10.85	19.18	17.98
	Electricity charges	14.47	26.72	18.94
	Rent	248.33	287.69	265.75
	Rates and taxes	8.92	21.36	4.93
	Repairs and maintenance	54.25	7.98	7.76
	Office expenses	0.14	22.94	84.16
	Stationery, postage, telephone and advertisement	3.49	20.91	41.32
	Foreign exchange Loss (Net)	7.47	-	-
	Bad Debts	189.96	-	117.66
	Auditors remuneration :			
	- Audit Fees	2.14	3.01	3.20
	- Fees paid in other capacity	0.09	0.25	1.70
	- Others	-	0.08	0.03
	Miscelleneous expenses	12.68	20.48	28.50
	TOTAL	2,012.42	810.47	1,084.55

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

NOTE 2 NOTES TO ACCOUNTS

2.29 Highbar Technologies Limited acquired 49,940 shares of Highbar Technocrat Limited formerly known as Osprey Hospitality Limited on 21st July 2016 and became holding company of Highbar Technocrat Limited .As on 8th August 2016, the Company entered into Memorandum of Understanding effective from 1st August 2016 with Mr. Mangesh Wadaje representing through MWG group intends to acquired 51% equity shares in Highbar Technocrat Limited. Mr. Mangesh Wadaje acquired the 51% of Shares i.e. 52,041 shares of Highbar Technocrat Limited. Highbar Technocrat Limited became an associate of Highbar Technologies Limited and retains the status as on date.

2.30 Contingent Liabilities amount Nil (Previous year amount Nil)

2.31 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A. Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

a) Changes in defined benefit obligations

	Rs.
Present value of obligation as at 1 April 2015	**97,48,193**
Interest cost	7,03,760
Current service cost	15,95,871
Remeasurements - Net actuarial (gains)/ losses	(5,52,933)
Benefits paid	(14,51,256)
	1,00,43,635
Add: Provision for separated employees	-
Present value of obligation as at 31 March 2016	**1,00,43,635**
Interest cost	6,47,217
Current service cost	14,56,449
Remeasurements - Net actuarial (gains)/ losses	(6,11,730)
Benefits paid	(28,28,161)
	87,07,410
Add: Provision for separated employees	-
Present value of obligation as at 31 March 2017	**87,07,410**

b) Expenses recognised in the Statement of Profit and Loss for the year

Rs.

	Year ended 31st March 2016	**Year ended 31st March 2016**
Interest cost	6,47,217	7,03,760
Current service cost	14,56,449	15,95,871
Total	**21,03,666**	**22,99,631**

c) **Remeasurement (gains)/ losses recognised in OCI**

Rs.

	Year ended 31st March 2016	Year ended 31st March 2016
Actuarial changes arising from changes in financial assumptions	44,585	79,654
Experience adjustments	(6,56,315)	(6,32,587)
Total	**6,11,730**	**5,52,933**

d) **Actuarial assumptions**

	31st March 2017	31st March 2016	31st March 2015
Discount rate	6.7	7.5	7.8
Salary escalation rate - over a long-term	7.5	7.5	7.5
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Average future working lifetime	3.01 years	3 years	3.01 years

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

e) **Impact of below changes in discount rate when base assumption is decreased / increase by 100 basis point.**

Discount rate in %	31.03.2017 Defined Benefit Obligation	Discount rate in %	31.03.2016 Defined Benefit Obligation
5.70	87,66,075	6.50	1,03,18,514
7.70	86,51,987	8.50	97,82,946

Salary increment rate in %	31.03.2017 Defined Benefit Obligation	Salary increment rate in %	31.03.2016 Defined Benefit Obligation
6.50	86,70,060	6.50	99,08,775
8.50	87,46,173	8.50	1,01,79,447

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Withdrawal rate in %	31.03.2017 Defined Benefit Obligation	Withdrawal rate in %	31.03.2016 Defined Benefit Obligation
32.00	87,08,803	32.00	1,00,31,311
34.00	87,06,101	34.00	1,00,55,301

f) Maturity analysis of defined benefit obligation

Rs. In Lakhs

	31st March 2017	31st March 2016
Within the next 12 months	73,65,000	32,09,000
Between 2 and 5 years	15,81,000	74,87,000
Between 6 and 10 years	6,57,000	32,75,000
Total expected payments	96,03,000	1,39,71,000

2.32 Disclosure in accordance with Accounting Standard -18 Related Party Transaction

Name of the Related Parties & Nature of Relationship

2.32.1 Holding Company

Hindustan Construction Company Limited

2.32.2 Subsidiary Company

Highbar Technologies FZ LLC (upto 31st July 2016)

2.32.3 Associate Company

Highbar Technocrat Limited (formerly known as Osprey Hospitality Limited, fellow subsidiary upto 21st July, 2016)

2.32.4 Fellow Subsidiaries

1 Western Securities Limited
2 HCC Real Estate Limited
3 Panchkutir Developers Limited
4 HCC Mauritius Enterprises Limited
5 HCC Construction Limited
6 HCC Mauritius Investments Limited

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

7. HCC Infrastructure Company Limited
8. HRL Township Developers Limited
9. HRL (Thane) Real Estate Limited
10. Nashik Township Developers Limited
11. Maan Township Developers Limited
12. Charosa Wineries Limited
13. Powai Real Estate Developer Limited
14. HCC Realty Limited
15. Pune Paud Toll Road Company Limited
16. HCC Aviation Limited
17. Steiner AG
18. Steiner Promotions et Participations SA
19. Steiner (Deutschland) GmbH
20. VM + ST AG
21. Steiner Leman SAS
22. SNC Valleiry Route de Bloux
23. Eurohotel SA
24. Steiner India Limited
25. Verzon Hospitality Limited
26. Dhule Palesner Operations & Maintenance Limited
27. HCC Power Limited
28. HCC Concession Limited
29. HCC Operation and Maintenance Limited
30. Narmada Bridge Tollway Limited
31. Badarpur Faridabad Tollway Limited
32. Nirmal Bot Limited (upto 23 December 2015)
33. Baharampore-Farakka Highways Limited
34. Farakka-Raiganj Highways Limited
35. Raiganj-Dalkhola Highways Limited
36. Lavasa Corporation Limited
37. Lavasa Hotel Limited
38. Apollo Lavasa Health Corporation Limited (upto 16 November 2015)
39. Dasve Business Hotel Limited
40. Dasve Convention Center Limited
41. Lakeshore Watersports Company Limited
42. Dasve Hospitality Institutes Limited
43. Lakeview Clubs Limited
44. Dasve Retail Limited
45. Full Spectrum Adventure Ltd.
46. Spotless Laundry Services Limited
47. Lavasa Bamboocrafts Limited
48. Green Hills Residences Limited
49. My City Technology Limited
50. Reasonable Housing Limited
51. Future City Multiservices SEZ Limited
52. Rhapsody Commercial Space Limited
53. Sirrah Palace Hotels Limited (upto 6 November 2015)
54. Valley View Entertainment Limited

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

55 Whistling Thrush Facilities Services Limited
56 Warasgaon Power Supply Limited
57 Sahyadri City Management Limited
58 Warasgaon Tourism Limited
59 Our Home Service Apartments Limited
60 Hill City Service Apartments Limited
61 Warasgaon Infrastructure Providers Limited
62 Kart Racers Limited
63 Nature Lovers Retail Limited
64 Mugaon Luxury Hotels Limited
65 Starlit Resort Limited
66 Rosebay Hotels Limited
67 Warasgaon Valley Hotels Limited
68 Hill View Parking Services Limited
69 Warasgaon Assets Maintenance Limited
70 HCC Energy Limited (w.e.f. 11 August 2015)
71 Ecomotel Hotel Limited (w.e.f. 15 July 2015)

2.32.5 Other Related Parties

1 Warasgaon Lake View Hotels Limited (Previously known as Lavasa Star Hotel Limited)
2 Andromeda Hotels Limited
3 Bona Sera Hotels Ltd
4 Knowledge Vistas Limited
5 Ecomotel Hotel Limited (upto 14 July 2015)
6 Evostate AG
7 MCR Managing Corp. Real Estate
8 Projektentwicklungsges. Parking Kunstmuseum AG
9 Vikhroli Corporate Park Pvt Ltd (upto 10 July 2015)
10 Gulabchand Foundation (formed under section 25 of Companies Act, 1956)
11 Hincon Holdings Ltd.
12 Hincon Finance Ltd.
13 Nirmal BOT Ltd. (w.e.f. 23 December 2015)
14 Apollo Lavasa Health Corporation Limited (w.e.f. 16 November 2015)

2.32.6 Integrated Joint Ventures

1 Nathpa Jhakri Joint Venture
2 HCC-Pati Joint Venture (Dissolved on 31 March 2015)
3 Kumagai-Skanska-HCC-Itochu Group
4 HCC-L & T Purulia Joint Venture
5 Alpine - Samsung - HCC Joint Venture
6 Alpine - HCC Joint Venture
7 Dhule Palesner Tollway Ltd. (29 October 2015)

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

8 HCC Samsung Joint Venture CC 34
9 ARGE Prime Tower, Zürich

2.32.7 Key Management Personnel

Mr. Satish Pendse : Chief Executive Officer (until 30th September 2016)

2.33 2.33.1 Transaction with Related Parties during the Year:

Nature of Transactions	31st March 2017	31st March 2016	31st March 2015
Transactions during the year			
a) Inter Corporate deposits received			
Hindustan Construction Company Limited	-	30.18	-
Western Securities Limited	10.21		-
b) Inter Corporate deposits Given			
HCC Real Estate Limited	272.32	-	147.28
Western Securities Limited	2.04	12.75	-
Lavasa Hotel Limited	7.32	42.53	-
c) Inter Corporate deposits Repaid			
HCC Real Estate Limited	10.00	-	-
Western Securities Limited	14.79	-	-
d) Investments			
Highbar Technocrat Ltd. (Formerly known as Osprey Hospitality Ltd.)	4.99	-	-
e) Transfer of Current Assets			
Highbar Technocrat Ltd.	280.83	-	-
f) Transfer of Current Liabilities			
Highbar Technocrat Ltd.	78.53	-	-
g) Transfer of Fixed Assets			
Highbar Technocrat Ltd.	283.70	-	-
h) Interest paid			
Hindustan Construction Company Limited	29.87	30.55	28.18
Western Securities Limited	0.12	-	
i) Interest Earned			
HCC Real Estate Limited	143.72	132.28	112.02
Western Securities Limited	1.45	0.73	-
Lavasa Hotel Limited	5.57	4.16	-
j) Rendering of professional services			
Hindustan Construction Company Limited	433.14	706.58	724.48
Lavasa Corporation Limited	19.37	60.81	117.67
HCC Real Estate Limited	0.53	0.43	3.73
Nirmal BOT	-	6.83	9.87

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

Nature of Transactions	31st March 2017	31st March 2016	31st March 2015
Badarpur Faridabad Toll ways Limited	-	0.79	0.78
Dhule Palesner Tollway Ltd.	-	5.10	9.61
Steiner India Limited	4.63	12.07	15.96
DMRC CC-34 (Alpine - Samsung - HCC Joint Venture)	5.24	13.16	20.24
Steiner AG	106.13	808.82	566.45
HCC Infrastructure Company Ltd.	-	5.19	-
Baharampore-Farakka Highways Ltd.	10.07	-	-
Farakka-Raiganj Highways Limited	10.07	-	-
Highbar Technocrat Limited	13.00	-	-
k) Rent Income			
Highbar Technocrat Limited	24.07		
l) Rent Expenses incurred during the Year			
Hindustan Construction Company Limited	-	21.13	206.81
Vikhroli Corporate Park Pvt Ltd (ceased to be a related party from 10th July 2015)	-	201.88	161.29
m) Receiving of Services/Professional Charges incurred			
Highbar Technocrat Limited	1,362.23	-	-
Outstanding Balance as at 31.03.2017			
(1) Equity Share Capital Outstanding at Face Value :			
Hindustan Construction Company Limited	625.00	625.00	625.00
(2) Inter Corporate Deposits Received			
Hindustan Construction Company Limited	238.92	238.92	208.74
Western Securities Limited	10.21	-	-
(3) Inter Corporate Deposits Given			
ICD to HCC Real Estate Limited	559.59	297.28	297.28
ICD to Western Securities Limited	-	12.75	-
ICD to Lavasa Hotel Limited	49.85	42.53	-
(4) Interest Receivable			
Lavasa Hotel Limited	2.21	3.96	-
Western Securities Limited	-	0.66	-
HCC Real Estate Limited	-	131.17	-
(5) Interest Payable			
Western Securities Limited	0.10	-	-
(6) Receivables Balances at the Year End			
Lavasa Corporation Limited	168.35	144.53	103.08
Badarpur Faridabad Tollway Ltd.	-	0.24	0.15
Steiner AG	-	103.99	-
Steiner India Limited	3.52	9.33	5.83
Nirmal BOT	-	-	1.88
Dhule Palesner Tollway Ltd.	0.83	0.82	1.70
HCC Real Estate Limited	19.32	18.70	18.20
DMRC CC-34 (Alpine - Samsung - HCC Joint Venture)	0.31	6.98	0.53
Baharampore-Farakka Highways Ltd.	0.37	-	-

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Nature of Transactions	31st March 2017	31st March 2016	31st March 2015
Farakka-Raiganj Highways Limited	0.37	-	-
Charosa Winneries Ltd.	0.72	0.75	-
Highbar Technocrat Limited	486.01	-	-
(7) Payable Balances at the Year End			
Vikhroli Corporate Park Pvt Ltd (ceased to be a related party from 10th July 2015	-	36.03	88.72
Hincon holding Limited	0.96	1.31	1.83
Hindustan Construction Company Limited	398.79	157.34	168.67
Highbar Technocrat Limited	687.05	-	
(8) Deposit			
Vikhroli Corporate Park Pvt Ltd (ceased to be a related party from 10th July 2015	-	60.28	60.28
HCC Real Estate Limited	650.00	650.00	650.00
Lavasa Hotel Limited	42.88	42.88	-
(9) Investments			
Highbar Technocrat Ltd. (Formerly known as Osprey Hospitality Ltd.)	4.99	-	-
(10) Corporate Guarantee taken and outstanding			
HCC Real Estate Limited	2,200.00	2,200.00	2,200.00
(11) Bank Guarantee taken and outstanding			
Hindustan Construction Company Limited	-	100.00	100.00

2.33.2 Transaction with Key Management Personnel during the Year:

Nature of Transactions	31st March 2017	31st March 2016
Remuneration paid to Key Management Personnel	159.48	164.64

2.34 Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006. As per requirement of Section of 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed:

S.No	Particulars	31st March 2017 Rs.	31st March 2016 Rs.
(i)	Principal amount remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
(ii)	Interest due on (i) above remaining unpaid	Nil	Nil
(iii)	Amounts paid beyond the appointed day during the accounting year	Nil	Nil
(iv)	Interest paid on (iii) above	Nil	Nil
(v)	Interest due and payable on (iii) above	Nil	Nil
(vi)	Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii)	Interest remaining unpaid of the previous years for the purpose of disallowance under the Income Tax Act, 1961	Nil	Nil

The above information MICRO, Small and Medium Enterprises has been determined to the extent such parties have identified on the basis of information available with the company. This has been relied upon by the Auditors.

2.35 Earnings per Share

In Lakhs

	2016-17	2015-16
a. Net Profit / (Loss) after Tax available for Equity Share holders	(421.91)	293.54
b. Weighted average of Number of Equity Shares (for Basic & Diluted EPS)	62.5	62.5
c. Basic & Diluted earnings per Share (in Rs.)	(6.75)	4.70
d. Face Value per Share (in Rs.)	10	10

2.36 Segment Information

Segments have been identified taking into account the nature of the activities of the company, its subsidiary, the differing risks and returns, the organization structure and internal reporting system. The Company operations predominantly relate to “Sale of Software products and licenses” and “software services.”

The Segment revenue and Segment Results include respective amounts identifiable to each of the segments and also amounts allocate on a reasonable basis.
Assets including Fixed Assets used in the company’s business or liabilities contracted have not been identified to any Segment as the assets and services are used interchangeably between segments. Accordingly no disclosure relating to total segment assets & liabilities is made.

Information about Business segments

INR in Lakhs	2016-17			
Particulars	Product	Services	Unallocated	Total
Revenue				
External Sales	586.32	2,224.05		2,810.37
Add: Intersegment sales	-	-		-
Total Segment revenue	**586.32**	**2,224.05**		**2,810.37**
Allocable Cost	532.14	2,678.65		3,210.78
Less: Elimination	-	-		-
Net Allocable Cost	**532.14**	**2,678.65**		3,210.78
Profit before Interest & unallocable expenses	54.18	(454.59)		(400.41)
Finance Cost			292.61	292.61
Unallocable Cost			352.81	352.81
Unallocable income			462.44	462.44
Profit before tax			-	**(583.39)**

	2015-16			
Particulars	Product	Services	Unallocated	Total
Revenue				
External Sales	283.11	3,167.72		3,450.83
Add: Intersegment sales	-			-
Total Segment revenue	**283.11**	**3,167.72**		**3,450.83**
Allocable Cost	252.70	2,787.31		3,040.01
Less : Elimination	-	-		-
Net Allocable Cost	**252.70**	**2,787.31**		**3,040.01**
Profit before Interest & unallocable expenses	30.41	380.41		410.82
Finance Cost			245.42	245.42
Unallocable Cost			167.98	167.98
Unallocable income			393.12	393.12
Profit before tax			-	390.54
INR in Lakhs	**2014-15**			
Particulars	Product	Services	Unallocated	Total
Revenue				
External Sales	936.99	3,386.35		4,323.34
Add: Intersegment sales	-			-
Total Segment revenue	**936.99**	**3,386.35**		**4,323.34**
Allocable Cost	887.08	2,918.60		3805.68
Less : Elimination	-			-
Net Allocable Cost	**887.08**	**2,918.60**		**3805.68**

Profit before Interest & unallocable expenses	49.91	467.75		517.66
Finance Cost			201.07	201.07
Unallocable Cost			276.02	276.02
Unallocable income			331.50	331.50
Profit before tax				**372.07**

Information about geographical business segments.

Revenue (Rs. In Lacs)

Financial Year	India	Middle East	Others	TOTAL
2016-17	2,653.45	27.41	125.14	2,806.00
2015-16	2,271.77	370.25	808.82	3450.83

2.37 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Major Financial instruments affected by market risk includes loans and borrowings. Majority of the long term borrowings of the Company bear fixed interest rate, thus interest rate risk is limited for the Company.

a. Foreign currency risk

The Company has several balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future, which has affected the results of the Company. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analysis foreign currency risk from financial instruments as of 31 March 2017:

Particulars	CHF	AED
Liabilities		
Loans from banks	-	-
Buyers' credit	-	-
Advance from customer	-	-
Trade payables	-	-
	-------------------	-------------------
	-	-
Assets		
Inter corporate deposits and interest thereon	-	-
Advance to vendors	-	-
Trade receivables	-	-
Bank balances	-	-
	-------------------	-------------------
Net assets / (liabilities)	-	-
	==========	==========

The following table analysis foreign currency risk from financial instruments as of 31 March 2016:

Particulars	CHF	AED
Liabilities		
Loans from banks	-	-
Buyers' credit	-	-
Advance from customer	-	-
Trade payables	-	-
	-------------------	-------------------
Assets	-	-
Inter corporate deposits and interest thereon		
Advance to vendors	-	-
Trade receivables	1,41,040	-
Bank balances	-	-
	-------------------	-------------------
Net assets / (liabilities)	1,41,040	-
	==========	==========

Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD and CHF exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

INR in Lakhs

	Change in CHF rate	
	5% increase	**5% decrease**
31 March 2017		
Effect on profit before tax	-	-
Effect on pre-tax equity	-	-
31 March 2016		
Effect on profit before tax	4.87	4.87
Effect on pre-tax equity	4.87	4.87

ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, uncompleted contracts and value of work done, cash and cash equivalents and receivable from group companies.

a. Credit risk on trade receivables and uncompleted contracts and value of work done is limited to the extent the customers of the Company consists of the government promoted entities having a strong credit worthiness. For other customers, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and Uncompleted contracts and value of work done. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from government promoted agencies and others

Particulars	**31 March 2017**	**31 March 2016**
Revenue from government promoted agencies	1.13%	2.23%
Revenue from others	98.87%	97.76%
Total Revenue in Lakhs	2,810.37	3,450.83

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2017 and 31 March 2016 is nil and nil respectively

b. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings.

iii) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The table below provides details regarding the contractual maturities of significant financial liabilities:

INR in Lakhs

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2017					
Borrowings	-	100.00	850.00	-	950.00
Trade payables	1,204.28	-	-	-	1204.28
Financial guarantee contracts	-	-	-	-	-
Interest accrued	-	-	-	-	-
Advances	-	-	-	-	-
Other financial liabilities	1,210.82				1,210.82
	2,415.10	**100.00**	**850.00**	**-**	**3,365.10**

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2016					
Borrowings	-	50.00	750.00	200.00	1,000.00
Trade payables	427.82	-	-	-	427.82
Financial guarantee contracts	-	-	-	-	-
Interest accrued	-	-	-	-	-
Advances	-	-	-	-	-
Other financial liabilities	1,174.65	-	-	-	1,174.65
	1,602.47	**50.00**	**750.00**	**200.00**	**2,602.47**
As at 1 April 2015					
Borrowings	-	0.00	850.00	150.00	1,000.00
Trade payables	314.71	-	-	-	314.71

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Financial guarantee contracts	-	-	-	-	-
Interest accrued	-	-	-	-	-
Advances	-	-	-	-	-
Other financial liabilities	830.95	-	-	-	830.95
	1145.66	**-**	**850.00**	**150.00**	**2,145.66**

2.38 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is net debt divided by total capital plus net debt.

	As at 31st March 2017	**As at 31st March 2016**	**As at 1st April 2015**
Total debt	850.00	950.00	1,000.00
Total equity	1189.75	1,610.85	1,317.31
Net debt to equity ratio (Gearing ratio)	**0.42**	**0.37**	**0.43**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define the capital structure requirements.

2.39 Previous year figures have been regrouped/recast wherever necessary.

As per our report attached

For MEHTA & PAI
Chartered Accountants
FRN. -113591W

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

Suresh Mehta
Partner
Membership No. 32230

21-04-2017.

For & on behalf of Board of Director

Arun Karambelkar
DIN: 02151606

Shalaka Gulabchand Dhawan
DIN: 00011094

Praveen Sood
DIN: 00018013