B L KASHYAP
WE BUILD YOUR WORLD

**To** **01st October, 2018**

| | |
|---|---|
| **Department of Corporate Services,<br>BSE Limited,<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai – 400 001** | **Listing Department,<br>National Stock Exchange of India Ltd, Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East),Mumbai – 400 051** |
| **ISIN Code** | **: INE350H01032** |
| **Scrip Code : 532719** | **Trading Symbol : BLKASHYAP** |

**Reference : Scrip Code : 532719**
**ISIN Code : INE350H01032**

**Dear Sir/ Madam,**

**Subject: Submitting the 29th Annual Report of the Company**

Please find enclosed herewith the Annual Report of the Company Pursuant to Regulation 34 of the Listing Obligations And Disclosure Requirements 2015.

Kindly take the same on your record.

Thanking You.

Yours faithfully,
For **B.L. Kashyap And Sons Limited**

B.L. KASHYAP AND SONS LTD. Const. Interior & Allied Services

**(Pushpak Kumar)**
**GM-Corporate Affairs & Company Secretary**

Encl: as above

B. L. Kashyap & Sons Ltd.
(CIN : L74899DL1989PLC036148)
409, 4th Floor, DLF Tower-A, Jasola
New Delhi 110 025, India
Tel: +91 11 4305 8345, 4050 0300
Fax: +91 11 4050 0333
Mail: info@blkashyap.com
blkashyap.com

B L KASHYAP

WE BUILD YOUR WORLD



# B. L. Kashyap and Sons Limited
# Annual Report 2017-18

# Corporate Information

**Board of Directors**
Vinod Kashyap, *Chairman*
Vineet Kashyap, *Managing Director*
Vikram Kashyap, *Joint Managing Director*
Justice C. K. Mahajan (Retd.), *Director*
H. N. Nanani, *Director*
Naresh Lakshman Singh Kothari, *Director*
Poonam Sangha, *Director*
Sharad Sharma, *Nominee Director*
Vivek Talwar, *Director*
Settihalli Basavaraj, *Director*

**Chief Finance Officer**
Manoj Agrawal

**Company Secretary**
Pushpak Kumar

**Statutory Auditors**
Maheshwari & Sharad
Chartered Accountants
240-B, Ansal Chambers-II,
6 Bhikaji Cama Place, New Delhi 110006

**Principal Bankers**
State Bank of India
Canara Bank
IndusInd Bank Limited
Oriental Bank of Commerce
ICICI Bank Limited
Yes Bank Limited

**Registered Office**
409, 4th Floor,
DLF Tower-A, Jasola,
New Delhi-110 025.

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# NOTICE

Notice is hereby given that the 29th Annual General Meeting of B. L. Kashyap and Sons Limited will be held on Friday the 28th day of September, 2018 at 10.00 a.m., at YWCA of Delhi 1, Ashoka Road, New Delhi 110001, to transact the following businesses:

**ORDINARY BUSINESS**

1. **To Consider and Adopt:** (a)the audited financial statements of the Company for the financial year ended 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon and (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2018 together with the Reports of Auditors thereon and in this regard, pass the following resolutions as an Ordinary Resolutions:

   (a) **"RESOLVED THAT** the audited financial statement of the company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon laid before this Meeting, be and are hereby considered and adopted."

   (b) **"RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31st March, 2018 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint Mr. Vinod Kashyap, (DIN: 00038854) who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

   **"RESOLVED THAT** pursuant to the provisions of section 152 of the Company Act, 2013, Mr. Vinod Kashyap, (DIN: 00038854) who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

**SPECIAL BUSINESS**

3. To appoint Mr. Settihalli Basavaraj, (DIN: 00321985), as an Independent Director and in this regard, pass the following resolution as an Special Resolution:

   **"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, The appointment of Mr. Settihalli Basavaraj, (DIN: 00321985), who was appointed as an Additional Director (Independent) of the Company By the Board with effect from 30th September, 2017 under Section 161 of the Act, be and is hereby approved as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2017."

4. To ratify the remuneration of Cost Auditors of the Company for the financial year ending 31st March, 2019 and in this regard, pass the following resolution as an Ordinary Resolution:

   **"RESOLVED THAT** pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) the remuneration as approved and recommend by the board to be paid to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending 31st March, 2019 be and is hereby ratified."

By Order of the Board
**For B. L. Kashyap and Sons Ltd.**

**Pushpak Kumar**
**GM - Corpoarte Affairs & Company Secretary**
F-6871

**Registered Office:**
409, 4th Floor, DLF Tower-A,
Jasola, New Delhi – 110025
Corporate Identity Number (CIN): L74899DL1989PLC036148
Ph:+011 40500300 Fax:011-40500333
email:info@blkashyap.com, Website: www.blkashyap.com

**Place : New Delhi**
**Date : 13th August, 2018**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TOAPPOINT A PROXY TO ATTEND THE MEETING AND VOTE ON POLL, IF ANY, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A proxy form is annexed to this report.

3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.

4. A statement under Section 102 of the Companies Act, 2013 setting out the material facts concerning relevant item of the business to be transacted is annexed herewith.

5. Attendance slips, proxy form and the route map of the venue of the meeting are annexed hereto.

6. The Register of Members and Share Transfer Books shall remain closed from Friday, 21st September, 2018 to Friday, 28th September, 2018 (both days inclusive)

7. Documents referred in the accompanying Notice are open for inspection at the registered office of the Company on all working days except Saturdays and holidays between 10.30 A.M. to 12.30 P.M. upto the date of Annual General Meeting.

8. Details under Regulation 36(3) of the Listing Regulations in respect of the directors seeking appointment/reappointment at the Annual General Meeting (AGM), forms integral part of the Notice. The directors have furnished their requisite declarations for their appointment / re-appointment.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding share in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents, M/s Link Intime India Pvt. Ltd.

10. Electronic copy of the Annual Report for FY 2017-18 is being sent to all Members whose email Ids are registered with the Depository Participants for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2017-18 is being sent in the permitted mode. The Annual Report of the Company for the year FY 2017-18 circulated to the members of Company will also be made available on the Company's website www.blkashyap.com.

11. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

12. Members holding shares in physical form are requested to promptly notify the change in their respective address and bank details to the Registrar & Share Transfer Agent (RTA), LinkIntime India Private Limited, New Delhi.

13. Members holding shares in electronic / dematerialized mode are requested to notify the change, if any, in their respective addresses and/or their NECS / bank details, to their respective Depository Participant (DP) and not to the company or RTA.

14. Pursuant to the applicable provisions of the Companies Act 2013, unpaid/unclaimed dividends up to the financial year 2009-10, stand transferred to the Investor Education & Protection Fund (IEPF) as at the end of year under review. Besides the dividend so transferred, company has also transferred relevant shares to the demat account of IEPF Authority, in accordance with the applicable provisions of Companies Act, 2013 and Rules made thereunder. It may be noted that once the unclaimed / unpaid dividend and/or shares are so transferred; the same can only be reclaimed from the IEPF Authority in accordance with the applicable provisions of the Companies Act 2013 and relevant Rules made thereunder, by following the prescribed procedure in this regard. The IEPF Rules and the application Form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs, are available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

15. The Results of e-voting, physical assent / dissent and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.blkashyap.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

16. **Voting through electronic means**

In compliance with provisions of section 108 of the Companies Act, 2013, read with the rule 20 of Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,the Company is pleased to offer e-voting facility to the Members to exercise their right to vote by electronic means on all Resolutions set forth in the Notice convening the 29th Annual General Meeting to be held on 28th September, 2018, through Central Depository Services (India) Limited {CDSL}. It is hereby clarified that e-voting is optional and members may physically vote at the AGM at their discretion.

**The instructions for shareholders voting electronically are as under:**

(i) The voting period begins on 25.09.2018 at 09:00 a.m. and ends on 27.09.2018 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21st September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of B. L. Kashyap and Sons Limited.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

**17. General Instructions**

a. The e-voting period commences on 25th September, 2018 at 09:00 A.M. and ends on 27th September, 2018 at 5:00P.M. During this period, the shareholders of the Company, holding shares either in physical form or dematerialised form, as on the cut-off date i.e. 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 PM on 27th September, 2018.

b. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 21st September, 2018, may follow the same instructions as mentioned above for E-voting.

c. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.

d. The Board of Directors of the Company has appointed Mr. Rahul Jain, Practicing Company Secretary (C.P. No.5975), to act as Scrutinizer for conducting the e-voting process in a fair and transparent manner.

e. Notice of the meeting is also displayed at www.blkashyap.com

f. The result of the voting on the Resolutions at the Meeting will be announced by the Chairman or any other person authorized by him within two days of the AGM, the result of the meeting will be communicated to the Stock Exchanges and will be placed on the website of www.cdslindia.com and www.blkashyap.com.

**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**

**Item No. 3**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have appointed Mr. Settihalli Basavaraj, as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to the consent by the Members of the Company at the ensuing Annual General Meeting ("AGM"). As an Additional Director, Mr.Settihalli Basavaraj, holds office till the date of the AGM and is eligible for being appointed as an Independent Director.

The Company has received a declaration from Mr. Settihalli Basavaraj, confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Settihalli Basavaraj, is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. In the opinion of the Board, Mr. Settihalli Basavaraj, fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Mr. Settihalli Basavaraj, B.Tech. Mechanical Engineering from Indian Institute of Technology (IIT), Kanpur and MBA from Indian Institute of Management (IIM) Kolkata is the Director of MSG Strategic Consulting Pvt. Ltd. and he has a rich experience of over 25 years as Management consultant with successful track record in acting as a catalyst for implementing organizational change.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company http://www.blkashyap.com.

Mr. Settihalli Basavaraj, is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mr. Settihalli Basavaraj, and his relatives, are in any way, concerned or interested in the said resolution. The resolution as set out in item No. 3 of this Notice is accordingly commended for your approval.

**Item No. 4**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company.

On the recommendation of the Audit Committee the Board has, considered and approved the appointment of M/s. Sanjay Gupta & Associates, Cost Accountants as the cost auditor for the financial year 2018-19 at their meeting held on 19th May, 2018 at a remuneration of ₹ 2 lakhs per annum plus applicable taxes and reimbursement of out of pocket expenses for the financial year.

The resolution contained in Item no. 4 of the accompanying Notice, accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2018-19.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

By Order of the Board
**For B. L. Kashyap and Sons Ltd.**

**Pushpak Kumar**
**GM - Corpoarte Affairs & Company Secretary**
F-6871

**Registered Office:**
409, 4th Floor, DLF Tower-A,
Jasola, New Delhi – 110025
Corporate Identity Number (CIN): L74899DL1989PLC036148
Ph:+011 40500300 Fax:011-40500333
email:info@blkashyap.com, Website: www.blkashyap.com

**Place : New Delhi**
**Date : 13th August, 2018**

**ANNEXURE TO THE NOTICE DATED 13th August, 2018**

**Details of Directors retiring by rotation / appointment / re-appointment at the ensuing Annual General Meeting**

| Particulars | Re-appointment | Appointment |
|---|---|---|
| **Name of the Director** | Mr. Vinod Kashyap | Mr. Settihalli Basavaraj |
| **Date of Birth** | 14th November,1951 | 22nd June, 1956 |
| **Date of first appointment on the Board** | 8th May, 1989 | 30th September, 2017 |
| **Brief Resume** | Mr. Vinod Kashyap is Promoter director of the Company. He holds a bachelor's degree in arts from Hindu College, University of Delhi. Mr. Kashyap has over 3 decade of experience in Construction Industry.<br>In 1978, Mr. Kashyap joined erstwhile M/s B. L. Kashyap And Sons, a partnership firm, as a partner.<br>Presently, he is handling, administrative and finance department. | Mr. Settihalli Basavaraj, B.Tech. Mechanical Engineering from (IIT) Indian Institute of Technology, Kanpur and MBA from IIM (Indian Institute of Management) Kolkata is the Director of MSG Strategic Consulting Pvt. Ltd. |
| **Expertise in specific functional area** | He has vast and rich experience in Construction Industry | He has a rich experience of over 25 years as Management consultant with successful track record in acting as a catalyst for implementing organizational change. |
| **Listed companies(other than B.L. Kashyap and Sons Ltd.) in which holds directorship** | NIL | NIL |
| **Listed companies(other than B.L. Kashyap and Sons Ltd.) in which holds membership of Board Committees** | NIL | NIL |
| **No of Share Held in the Company** | 40684078 | NIL |
| **Disclosure of relationships between directors inter-se** | Brother of Mr. Vikram Kashyap, Jt. Managing Director and Mr. Vineet Kashyap, Managing Director of the Company. | NA |

# Directors' Report

**Dear Members,**

Your Directors are pleased to present before you the 29th Annual Report on the business and operations of the Company, together with the audited financial statements for the financial year ended 31st March, 2018.

## FINANCIAL HIGHLIGHTS

The Company's financial performance during the year as compared with the previous year is summarized below:

Amount (₹ In Crores)

| PARTICULARS | STANDALONE | | CONSOLIDATED | |
|---|---|---|---|---|
| Year ended | 31st March, 2018 | 31st March, 2017 | 31st March, 2018 | 31st March, 2017 |
| Income from operations | 936.68 | 889.49 | 1012.79 | 925.36 |
| Profit/(Loss) before Tax | 65.92 | 18.98 | 31.44 | (6.16) |
| Tax Expenses | 16.93 | 6.34 | 6.11 | (11.14) |
| Profit / (Loss) after Tax | 48.99 | 12.63 | 25.32 | 4.96 |
| Earnings per share, on the face value of ₹ 1/- each (in ₹) | 2.31 | 0.61 | 1.20 | 0.24 |
| No. of shares | 21.5440 | 20.5440 | 21.5440 | 20.5440 |

## OPERATIONS REVIEW

**Standalone:**

The Company is pleased to report operating efficiency across the project sites enhanced during the year and led to improved profitability. During the financial year 2017-18, the company has registered total revenue of ₹ 936.68 Crores as compared to ₹ 889.49 Crores in the previous year representing an increase of 5%.

Profit after tax was ₹ 48.99 Crores in FY 2017-18 against profit of ₹ 12.63 Crores in FY 2016-17 representing an increase of 287.88%.

**Consolidated:**

The consolidated total income from operation of the Company for the current financial year is ₹ 1012.79 Crores as against ₹ 925.36 Crores in the previous year representing an increase of 9.45%

The consolidated profit after tax was ₹ 25.32 Crores in FY 2017-18 against profit of ₹ 4.96 Crores in FY 2016-17.

**Completed Projects**

During the year under review, the Company has executed contractual projects covering an area of approx. 8 million square feet in 20 cities.

**Ongoing Projects**

The Company currently has 26 ongoing contractual projects located in 11 cities aggregating to approx. 17 million square feet under various stages of construction.

The Company has a geographic presence in 11 cities and 9 states across India.

## APPROPRIATIONS:

**a. DIVIDEND**

Your Directors have not recommended any dividend for the financial year ended 31st March, 2018.

**b. TRANSFER TO RESERVES**

For the year under review, Company has added the entire available surplus to the brought forward balance in 'statement of Profit & loss' no amount has been transferred to reserves.

## SHARE CAPITAL

The paid-up equity share capital of the Company as at 31st March, 2017 stood at ₹ 20,54,40,000/- divided into 20,54,40,000 equity share of ₹ 1 each. During the year under review, your Company issued 1,00,00,000 equity shares . Thus, the share capital of the Company as on 31st March, 2018 stand at ₹ 21,54,40,000/- divided into 21,54,40,000 equity share of ₹ 1 each.

## UPDATES ON CORPORATE DEBT RESTRUCTURING (CDR)

Further to the information furnished in the Directors' Report for the financial year 2017-18, after successful implementation of Corporate Debt Restructuring (CDR) mechanism for restructuring of its debts, as approved by Corporate Debt Restructuring Empowered Group ("CDR EG"), the Company continues to comply with the terms and conditions of the CDR package.

Your Company is committed to honour its debt obligation in time and is maintaining cordial relations with lenders. The over dues in debt servicing are owing to delay in debtor realization. However, the Company is exploring other options and endeavoring for timely debt service obligations.

## CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business of the Company during the Financial Year 2017-18.

## MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments in the business operations of the Company from the financial year ended 31st March, 2018 to the date of signing of the Director's Report.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators or Courts or Tribunals, which would impact the 'going concern' status of the Company and its future operations. However, members' attention is drawn to the details about Contingent Liabilities and Commitments appearing in the Notes forming part of the Financial Statements.

## FIXED DEPOSITS

The Company has not accepted any deposit under Section 73 of the Companies Act, 2013 during the year under review.

## SUBSIDIARIES

We have four subsidiaries and two step down subsidiaries as on 31st March, 2018:

| Name | Status |
|---|---|
| B L K Lifestyle Limited | Wholly-owned Subsidiary Company |
| Security Information Systems (India) Limited | Wholly-owned Subsidiary Company |
| BLK Infrastructure Limited | Wholly-owned Subsidiary Company |
| Soul Space Projects Limited | Subsidiary Company |
| Soul Space Realty Limited | Step Down Subsidiary Company |
| Soul Space Hospitality Limited | Step Down Subsidiary Company |

There has been no change in the number of subsidiaries/ step down subsidiaries or in the nature of business of subsidiaries, during the year under review.

None of the above subsidiaries/ step sown subsidiaries is a material non-listed Indian subsidiary since there turnover or net worth (i.e. paid-up capital and free reserves) does not exceed 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

As per provisions of the Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rule, 2014 a separate statement containing the salient features of the financial statement of the subsidiary companies/associate companies/joint venture is prepared in the Form AOC-1 and same is enclosed to this report as 'Annexure –A'.

## INTERNAL FINANCIAL CONTROLS AND SYSTEMS

Your Company has in place adequate financial control system and framework in place to ensure:

- The orderly and efficient conduct of its business;

- 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.

During the year, such controls were tested and no reportable materials Weakness in the design or operation were observed.

**RELATED PARTY TRANSACTIONS**

As per the provision of Companies Act, 2013 and Regulation 23 of 'Listing Regulations', the Company has formulated a Policy on Related Party Transaction to ensure transparency between the Company and the Related Parties. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://www.blkashyap.com/doc/Related_Party_Tran_Policy.pdf

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Information on related party transactions pursuant to Section 134(3)(h) of the Companies Act, 2013 read with rule 8 (2) of the Companies (Accounts) Rule, 2014 are given in **Form AOC-2** as **'Annexure –B'** and the same forms part of this report.

Prior approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

Your Directors draw attention of the members to Note 29 to the financial statement which sets out related party disclosures.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 134(3)(c) and 134(5) , the Board of Director, to the best of their knowledge and ability confirms that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.

ii. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year under review;

iii. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The directors have prepared the annual accounts of the Company on a going concern basis.

v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Company's Act, 2013 Mr. Vinod Kashyap, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

During the year under review the board of directors at its meeting held on 9th August, 2017 appointed Mr. Vivek Talwar, as an additional director in the category of Independent with effect from that date. This appointment have further approved by the shareholders at the Annual General Meeting of the company held on 29th September, 2017.

Based on the Recommendation of the Nomination and Remuneration Committee, the board of Directors at its meeting held on 12th September 2017, appointed Mr. Settihali Basavaraj, as an additional director (Non-Executive Independent ) of the company w.e.f. 30th September 2017. Pursuant to the provisions of the section 161 of the companies act 2013, Mr. Settihali Basavaraj, hold office till the date of ensuing Annual General Meeting and is eligible for appointment. A resolution in this behalf is set out at item no. 3, of the notice of AGM , for members approval.

**NUMBER OF MEETINGS OF THE BOARD**

The Board meets on regular intervals to discuss on Company/business policy, strategy and financial results apart from other Board business. A tentative calendar of Meetings is prepared and circulated in advance to the Directors to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

During the year Six Board Meetings were convened and held. The details of which are given in the Corporate Governance Report which forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## COMMITTEES OF THE BOARD

The Board has five committees viz; Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Executive Committee. The details pertaining to the composition of above committees & their meetings are given separately under the Corporate Governance Report, which forms part of this report.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance report, which forms part of the Board's report.

## BOARD EVALUATION

Provisions of Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, mandate that the Board shall monitor and review the Board evaluation framework. According to this framework, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committees. The manner in which such performance evaluation was carried out is as under:

The performance evaluation framework is in place to seek the response of Directors on the evaluation of the entire board and individual directors. The Nomination and Remuneration Committee carries out evaluation of Director's performance.

The performance of the Board and Individual Directors was evaluated by the Board seeking input from all Directors. The performance of Committees was evaluated by the Board seeking input from the Committee Members. The Nomination and Remuneration Committee reviews the performance of the Individual Directors. A separate meeting of the Independent Directors was also held to review the performance of non-independent Directors; performance of the Board as a whole and performance of the Chairman of the company, taking into account the views of executive as well as non-executive Directors.

The criteria of evaluation of Board includes mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board is based on the criteria laid down by Nomination and Remuneration Committee which includes attendance, contribution at the meetings and otherwise, independent judgement, adherence to Code of Conduct and business ethics, monitoring of regulatory compliance, risk management and review of internal control system, etc.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of Companies Act, 2013 and Regulation 16 of the Listing Regulations.

## AUDITOR'S REPORT

The observation made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

There were no qualifications, reservations or adverse remarks made by the Auditors in their report.

## COST AUDITORS

The Board has appointed M/s. Sanjay Gupta & Associates, Cost Accountants as the cost auditors for conducting the audit of cost records of the Company for the financial year 2017-18. The Cost Audit Report for Financial Year 2017-18 would be filed with the Central Government within the stipulated time period.

## SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Sharma Jain & Associates, a firm of company Secretaries in practice to undertake the Secretarial Audit of the Company for the financial year ended on 31st March, 2018.

## SECRETARIAL AUDIT REPORT

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report. There were no qualifications, reservations or adverse remarks made by the Practicing Company Secretary in their report. The Secretarial Audit report is annexed herewith as "Annexure-C"

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in the Annual Report.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company, in compliance with Section 135 of the Companies Act, 2013 has constituted a Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors. The CSR Committee comprising Mr. H.N. Nanani as the Chairman and Mr. Vinod Kashyap, Mr. Vineet Kashyap and Mr. Vikram Kashyap as other members.

The average net profits calculated as per provisions of Section 198 of the Companies Act, 2013 for of the preceding three (3) financial years being negative, the Company was not under any obligation to spend any amount on CSR for Financial Year 2017-18.

The CSR Policy is available on our website at:

http://www.blkashyap.com/doc/CSR_Policy.pdf

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has in place an alert procedure "Vigil Mechanism / Whistle Blower Policy" to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The procedure "Vigil Mechanism / Whistle Blower Policy" ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

The policy on vigil mechanism and Whistle Blower Policy may be accessed on the Company's website at http://www.blkashyap.com/doc/Whistle_Blower_2014.pdf

**INSIDER TRADING REGULATIONS**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

**PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules made thereunder, your Company has formulated an internal policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal).

The policy aims at educating employees on conduct that constitutes sexual harassment, ways and means to prevent occurrence of any such incident, and the mechanism for dealing with such incident in the unlikely event of occurrence.

The Internal Complaints Committee is responsible for redressal of complaints related to sexual harassment of women at the workplace in accordance with procedures, regulations and guidelines provided in the Policy.

During the year under review, there were no complaints pertaining to sexual harassment.

**LISTING**

The Equity Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The requisite annual listing fees have been paid to these Exchanges.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo as required under section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is below:

**(A) Conservation of Energy**

At every possible level Company is trying to conserve the use of energy i.e. power & fuel.

**(B) Technology absorption, Adoption and Innovation**

There is no information to be furnished regarding Technology Absorption, adoption and innovation.

**(C) Foreign exchange earnings and out go**

While there was no Foreign Currency earning during the year under review, the Foreign Currency outgo was ₹ 17.41 Lacs.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of the Section 124 of the Companies Act, 2013 the unclaimed Dividend amount aggregating to ₹ 25072/- pertaining to the financial year ended on 31st March 2010, lying with the company for period of seven years were transferred by the Company, during the year 2017-18 to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rule, 2016, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 29th September, 2017 (date of last Annual General Meeting) on the Company's website (www.blkashyap.com), as also on the Ministry of Corporate Affairs' website.

Pursuant to the provisions of 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rule, 2016 ("Rule") all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the DEMAT Account of the IEPF Authority after complying with the procedure laid down under the Rules.

**ACCREDITATION**

Your company continues to enjoy ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 accreditation, for meeting international standards of Quality, Environmental, Occupational Health and Safety Management Systems.

**HEALTH AND SAFETY**

The Company places highest value on ensuring the safety of its employees, labours, third parties and visitors. At each of our project sites, it is ensured that safe work practices are followed and environment is protected. Every possible measure is taken to protect environment and ensure occupational health and safe working places for its employees. Our constant and collective efforts for ensuring accident-free operations, fail proof risk management and a cleaner, safer environment have paid rich dividends over the decades, leading to better growth opportunities and enhanced trust. The Company has been accredited with OHSAS 18001:2007 certification, which reinforces & is benchmark for the quality of safety standard and practices which are regularly been used at project sites.

**PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**a.** The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Non-executive directors | Ratio to median remuneration |
|---|---|
| Mr. H.N. Nanani | - |
| Justice C.K. Mahajan (Retd.) | - |
| Mr. Naresh Laxman Singh Kothari | - |
| Ms. Poonam Sangha | - |
| Mr. Sharad Sharma | - |
| Mr. Vivek Talwar | - |
| Mr. Settihalli Basavraj | - |

*** No remuneration was paid to Non-executive directors except sitting fees.**

| Executive directors | Ratio to median remuneration |
|---|---|
| Mr. Vinod Kashyap | 10.46 times |
| Mr. Vineet Kashyap | 10.46 times |
| Mr. Vikram Kashyap | 10.46 times |

**b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

| Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary | % increase in remuneration in the financial year |
|---|---|
| Mr. Vinod Kashyap | Nil |
| Mr. Vineet Kashyap | Nil |
| Mr. Vikram Kashyap | Nil |
| Mr. Manoj Agarwal 'CFO' | 14% |
| Mr. Pushpak Kumar 'CS' | 15% |

**c. The percentage increase in the median remuneration of employees in the financial year: 11%**

**d. The number of permanent employees on the rolls of Company: 1235**

**e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

- No increment has been given to the managerial personnel during the financial year 2017-18.
- Remuneration to executive directors was paid during FY 2017-18 in terms of applicable provisions of the Companies Act, 2013.

**f. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

**g. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate 'Annexure-D' forming part of this report.**

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

The report on Corporate Governance as stipulated under Listing regulations forms an integral part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance forms part of the corporate governance report.

## MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulations 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Management's Discussion and Analysis is set out in this Annual Report.

## EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2018 made under the provisions of Section 92(3) of the Act is attached as 'Annexure E' which forms part of this Report and the same is disclosed on the website of the company and can be accessed at http://www.blkashyap.com/investor-relations/

## ELECTRONIC FILING

The Company is also periodically uploading Annual Reports, Financial Results, Shareholding Pattern, Corporate Governance Reports etc. on its website viz. www.blkashyap.com within the prescribed time limit.

## SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meeting of the Board of Directors' and 'General Meeting' respectively, have been duly complied by the Company.

**REPOTING OF FRAUDS**

There was no instance of fraud during the year under review, which required this statuary auditors to report to the audit committee and / or board under sedition 143(12) of the Act and rules made thereunder.

**ACKNOWLEDGEMENTS**

Your directors would like to express their gratitude for the support, assistance and cooperation received from the Financial Institutions, Bankers, and Government Authorities, Regulatory Authorities, Stock Exchanges, Joint Ventures Partners/ Associates.

The Board also wishes to place on record its appreciation of the continued support from Client, Vendors and Investors during the year. We place on record our appreciation of the contribution made by employees at all levels. Our efforts at consolidating our position would not have been possible but for their hard work, solidarity cooperation and support. The Board expects to continue to receive their continued support and cooperation in future also.

For and on behalf of the Board of Directors of
**B.L. KASHYAP AND SONS LIMITED**

Place : New Delhi
Dated : 13.08.2018

**(VINOD KASHYAP)**
CHAIRMAN
DIN: 00038854

**(VINEET KASHYAP)**
MANAGING DIRECTOR
DIN: 00038897

"Annexure - A"

# Form AOC-1

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(₹In Lakhs)

| S. No. | Name of the subsidiary | Reporting period for the subsidiary concerned | Issued Subscribed & Paid-up Share Capital | Reserves /Profit & Loss Account | Total Assets | Total Liabilities | Investments | Turnover | Profit/ (Loss) before Taxation | Provision for Taxation | Profit/ (Loss) after Taxation | Proposed Dividend | % of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | B L K Lifestyle Ltd. | 31.03.2018 | 1000.00 | (1,639.63) | 4036.09 | 4036.09 | 74.77 | 1255.40 | (477.59) | (10.78) | (466.80) | - | 100% |
| 2 | Soul Space Projects Ltd. | 31.03.2018 | 209.38 | 364.98 | 68840.49 | 68840.49 | 210.33 | 134.98 | (2457.72) | (1003.30) | (1,454.41) | - | 97.91% |
| 3 | Security Information Systems (India) Ltd. | 31.03.2018 | 68.00 | (269.61) | 121.35 | 121.65 | - | - | (10.99) | 38.06 | (49.06) | - | 100% |
| 4 | BLK Infrastructure Limited | 31.03.2018 | 100.00 | (62.52) | 37.81 | 37.81 | - | - | (0.12) | 16.06 | (16.18) | - | 100% |
| 5 | *Soul Space Realty Ltd. | 31.03.2018 | 100.00 | (349.64) | 7910.95 | 7910.95 | - | 5100.00 | (470.89) | (121.25) | (349.64) | - | - |
| 6 | *Soul Space Hospitality Ltd. | 31.03.2018 | 100.00 | (494.65) | 258.72 | 258.72 | - | - | (30.83) | (7.94) | (22.89) | - | - |

***Step down Subsidiary Companies**

Notes:

1. Names of subsidiaries which are yet to commence operations — NA
2. Names of subsidiaries which have been liquidated or sold during the year. — NA

Place : New Delhi
Date : 13.08.2018

Vinod Kashyap
Chairman
DIN: 00038854

Vineet Kashyap
Managing Director
DIN: 00038897

# Form AOC-1

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

*** Part "B": Associates and Joint Ventures**

| Name of Associates/Joint Ventures | Name 1 | Name 2 | Name 3 |
|---|---|---|---|
| **1. Latest audited Balance Sheet Date** | NA | NA | NA |
| **2. Shares of Associate/Joint Ventures held by the company on the year end** | | | |
| No. | | | |
| Amount of Investment in Associates/Joint Venture | | | |
| Extend of Holding % | | | |
| **3. Description of how there is significant influence** | | | |
| **4. Reason why the associate/joint venture is not consolidated** | | | |
| **5. Networth attributable to Shareholding as per latest audited Balance Sheet** | | | |
| **6. Profit / Loss for the year** | | | |
| i. Considered in Consolidation | | | |
| ii. Not Considered in Consolidation | | | |

1. Names of associates or joint ventures which are yet to commence operations. NA
2. Names of associates or joint ventures which have been liquidated or sold during the year NA

Place : New Delhi
Date : 13.08.2018

**Vinod Kashyap**
Chairman
DIN: 00038854

**Vineet Kashyap**
Managing Director
DIN: 00038897

**"Annexure - B"**

## Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:** B.L. Kashyap and Sons Limited(BLK) has not entered into any contract or arrangement or transaction with its related parties which is not in ordinary course of business or at arm's length during financial year 2017-18.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

a. Name(s) of the related party and nature of relationship: NA.

b. Nature of contracts / arrangements / transactions: NA

c. Duration of the contracts / arrangements / transactions: NA.

d. Salient terms of the contracts or arrangements or transactions including the value, if any: NA

e. Date(s) of approval by the Board, if any: Not applicable.

f. Amount paid as advances, if any: Nil

Note: The above disclosure on material contract/arrangement/transactionsare based upon the principal that 'a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity'. And the transactions with wholly owned subsidiaries are exempt for the purpose of section 188 (1) of the Act

On behalf of the board of directors

Place : New Delhi
Date : 13.08.2018

**Vinod Kashyap**
Chairman
DIN: 00038854

**Vineet Kashyap**
Managing Director
DIN: 00038897

**"Annexure-C"**

**Form MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 And rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
**B L Kashyap and Sons Limited**
409, 4th Floor, DLF Tower-A,
Jasola, New Delhi-110025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **B L Kashyap and Sons Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **B L Kashyap and Sons Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

  a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

  b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

  c. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009

  d. SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

(vi) We have also examined whether the adequate systems and processes are in place to monitor and ensure compliances with general laws like Labour Laws, Environmental Laws and Information Technology Act, 2000 (As Amended in 2008)

**Other Applicable Laws:**

(vii) Building and Other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996

We report that, the compliance by the Company of applicable financial laws, like Direct & Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

We have also examined compliances with the applicable clauses of the following:

I. Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings.

II. Listing agreement entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

**Key Points of our observation:**

1. There are delays/inadvertencies for the filling of the statutory forms and returns, payment of statutory dues and/or which are required to be deposited and submitted under the Acts applicable to the Company.
2. Notices, forms, returns, Registers and other document(s) required to be filled/filed, maintained either in physical form or in electronic form in accordance with applicable Labour Laws applicable to the company are required to be properly maintained in the prescribed manner and must be filed within prescribed time.
3. The Company has followed and generally complied with the provisions of Secretarial Standards 1 and 2 as prescribed by Institute of Company Secretaries of India (ICSI) in this regards.

**We further report that**

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board and Committees were carried with requisite majority.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**During the course of Secretarial Audit following are the major events that were witnessed for the Financial Year ended 31/03/2018 are mentioned below:**

1. The company has raised further capital by preferential allotment of equity shares pursuant to Section 62(1)(c) of Companies Act, 2013 amounting to ₹ 1,00,00,000/-(one crore) thereby increasing the Paid Up Capital from ₹ 205440000/- (Twenty Crores Fifty Four Lacs and Forty Thousand) to ₹ 215440000/- (Twenty One Crores Fifty Four Lacs and Forty Thousand).
2. The Company has satisfied 25 (Twenty Five) Charges registered with the Registrar of Companies, Delhi & Haryana in favor of various banks.
3. During the Financial Year 2017-2018 various legal notices were received under different Statutes including Insolvency and Bankruptcy Code, (IBC) 2016. As reported by the Management, no significant matter under IBC-2016 has been filed against the Company which may effect/impact the Company's existence and/or its operations. The Management has also informed that majority of the matters under IBC-2016 were of operational creditors valued less than ₹ 1 (one) crore in outstanding cases and majority of them have been disposed off.
4. The Company has modified a Charge with SBICAP Trustee Company Limited with Charge ID 10557763 on 18/05/2017 amounting to One Thousand Twenty Three Crore & Eighty Lakhs.

For **Sharma Jain & Associates**
Company Secretaries

**DEEPAK SHARMA**
Partner
FCS No.: 5825
C P No.: 3670

Date : 11th August, 2018
Place : Vaishali, Ghaziabad

**Annexure - D**

## Annexure to the Directors' Report

Information as per Sec 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March , 2018

| Sr. No. | Name | Designation | Qualification | Age (Years) | Date of Joining | Experience (Years) | Gross remuneration (₹) p.a. | Previous employment & designation |
|---|---|---|---|---|---|---|---|---|
| 1 | Mr. Naveel Singla | Execution Head-South | B.E. | 48 | 19.07.1993 | 24 | 76,80,000 | B.L. Kashyap & Sons Limited (Execution Head-South) |
| 2 | Mr. Kaushalesh Kumar | Dy. Director-Projects | B.E. | 50 | 25.04.1993 | 24 | 61,95,000 | B.L. Kashyap & Sons Limited (Associate Vice President) |
| 3 | Mr. Dharmendra Kumar Sharma | Dy. Director-Projects | B.E. | 48 | 01.10.1995 | 25 | 61,83,000 | B.L. Kashyap & Sons Limited (Associate Vice President) |
| 4 | Mr. Surinder Singh | Dy. Director-Projects | Diploma - Civil | 58 | 08.05.1989 | 28 | 55,95,000 | B.L. Kashyap & Sons Limited (Associate Vice President) |
| 5 | Mr. Ashok Kumar | Vice President | Diploma - Civil | 46 | 16.02.1994 | 25 | 46,54,992 | B.L. Kashyap & Sons Limited (Sr. General Manager) |
| 6 | Mr. Rajiv Tyagi | Vice President | Diploma - Civil | 44 | 10.01.1996 | 21 | 44,30,000 | B.L. Kashyap & Sons Limited (Sr. General Manager) |
| 7 | Mr.Tapas Mathur | Sr. General Manager | Diploma - Civil | 46 | 19.01.1993 | 24 | 41,32,000 | B.L. Kashyap & Sons Limited (General Manager) |
| 8 | Mr. Munna Lal Agarwal | Sr. General Manager | B.E. | 53 | 08.05.1989 | 28 | 39,61,400 | B.L. Kashyap & Sons Limited (General Manager) |
| 9 | Tarun Ganguli | Associate Vice President | B.E. Civil | 64 | 15.05.2015 | 42 | 38,75,000 | L & T Metro Rail Hyderabad Limited (Head Engineer & Systems Interface) |
| 10 | Mr. Sanjay Mathu | General Manager | B.E. | 56 | 06.09.2010 | 33 | 37,45,400 | B.L. Kashyap & Sons Limited (General Manager) |

Notes:

1 Remuneration includes Basic Salary, Allowances, Taxable value of Perquisites calculated in accordance with the Income Tax Act, 1961 and Rule there under-

2 None of the employees own more than 2% of the outstanding shares of the Company as on 31st March , 2018

3 The nature of employment is contractual in all the above cases.

4 All the employees have adequate experience to dischagre the responsibilities assigned to them.

Place : New Delhi
Date : 13.08.2018

**Vinod Kashyap**
Chairman
DIN: 00038854

**Vineet Kashyap**
Managing Director
DIN: 00038897

**Annexure - E**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**
**As on financial year ended on 31.03.2018**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

## I. REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| 1. | CIN | L74899DL1989PLC036148 |
| 2. | Registration Date | 08.05.1989 |
| 3. | Name of the Company | B.L. Kashyap and Sons Limited |
| 4. | Category/Sub-category of the Company | Company Limited by shares/Indian Non-Government Company |
| 5. | Address of the Registered office & contact details | 409, 4h Floor, DLF Tower-A, Jasola, New Delhi – 110044 |
| 6. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Link Intime India Pvt. Ltd.,<br>44 Community Center, 2nd Floor Narayana Industrial Area, Phase-I, near PVR Cinema, Narayana, New Delhi-110028 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---|---|---|---|
| 1 | Construction | 410 | 100 |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

| S. No. | Name and Address of the Company | CIN | Holding/ Subsidiary/ Associates | % of Share Held | Applicable Section |
|---|---|---|---|---|---|
| 1 | BLK Lifestyle Limited<br>409, 4h Floor, DLF Tower-A, Jasola,<br>New Delhi – 110025 | U20299DL2000PLC106779 | Wholly-owned Subsidiary | 100 | 2(87) |
| 2 | Security Information Systems India Limited<br>B-1 Extn./E-23, Mohan Cooperative Industrial Estate, Mathura Road,<br>New Delhi – 110044 | U74899DL1993PLC055596 | Wholly-owned Subsidiary | 100 | 2(87) |
| 3 | BLK Infrastructure Limited<br>409, 4h Floor, DLF Tower-A, Jasola,<br>New Delhi – 1100025 | U45203DL2008PLC183145 | Wholly-owned Subsidiary | 100 | 2(87) |
| 4 | Soul Space Projects Limited<br>409, 4h Floor, DLF Tower-A, Jasola,<br>New Delhi – 110025 | U70101DL2005PLC142986 | Subsidiary | 97.91 | 2(87) |
| 5 | Soul Space Realty Limited<br>409, 4h Floor, DLF Tower-A, Jasola,<br>New Delhi – 110025 | U45400DL2007PLC170028 | Step Down Subsidiary | - | 2(87) |
| 6 | Soul Space Hospitality Limited<br>409, 4h Floor, DLF Tower-A, Jasola,<br>New Delhi – 110025 | U52100DL2007PLC170027 | Step Down Subsidiary | - | 2(87) |

There are no associates companies within the meaning of Section 2(6) of the Companies Act, 2013.

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year[As on 31-March-2017] | | | | No. of Shares held at the end of the year[As on 31-March-2018] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. PROMOTERS AND PROMOTERS GROUP** | | | | | | | | | |
| **(1) INDIAN** | | | | | | | | | |
| a) Individual/ HUF | 138492434 | 0 | 138492434 | 67.41 | 138498434 | 0 | 138498434 | 64.29 | (3.12) |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | -- | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | -- | - |
| e) Banks / FI | - | - | - | - | - | - | - | -- | - |
| f) Any other | - | - | - | - | - | - | - | -- | - |
| **Sub Total A(1)** | **138492434** | **0** | **138492434** | **67.41** | **138498434** | **0** | **138498434** | **64.29** | **(3.12)** |
| **(2) FOREIGN** | - | - | - | - | - | - | - | -- | - |
| a) NRI Individuals | - | - | - | - | - | - | - | -- | - |
| b) Other Individuals | - | - | - | - | - | - | - | -- | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | -- | - |
| d) Banks / FI | - | - | - | - | - | - | - | -- | - |
| e) Any other | - | - | - | - | - | - | - | -- | - |
| **SUB TOTAL (A) (2)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **--** | **-** |
| **Total shareholding of Promoter (A)** | **138492434** | **0** | **138492434** | **67.41** | **138498434** | **0** | **138498434** | **64.29** | **(3.12)** |
| **B. PUBLIC SHAREHOLDING** | | | | | | | | | |
| **1. INSTITUTIONS** | | | | | | | | | |
| a) Mutual Funds | 7476219 | 0 | 7476219 | 3.64 | 6859219 | 0 | 6859219 | 3.18 | (0.46) |
| b) Banks / FI | 150026 | 0 | 150026 | 0.07 | 143019 | 0 | 143019 | 0.07 | 0.00 |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIIs (including foreign portfolio investors) | 11489882 | 0 | 11489882 | 5.59 | 11912340 | 0 | 11912340 | 5.53 | (0.06) |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (Alternate Investment Fund) | 0 | 0 | 0 | 0 | 46700 | 0 | 46700 | 0.22 | 0.22 |
| **SUB-TOTAL (B)(1):-** | **19116127** | **0** | **19161127** | **9.30** | **19381578** | **0** | **19381578** | **9.00** | **(0.30)** |
| **2. NON-INSTITUTIONS** | | | | | | | | | |
| **A) BODIES CORP.** | | | | | | | | | |
| i) Indian | 11587933 | 0 | 11587933 | 5.64 | 21169819 | 0 | 21169819 | 9.83 | 4.19 |
| ii) Overseas | 20 | 0 | 20 | 0.00 | 20 | 0 | 20 | 0.00 | 0.00 |
| **B) INDIVIDUALS** | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 2 lakh | 20132073 | 16524 | 20148597 | 9.81 | 22213291 | 16785 | 22230076 | 10.32 | 0.51 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 12652437 | 0 | 12652437 | 6.16 | 10807051 | 0 | 10807051 | 5.02 | 1.14 |
| **C) OTHERS (SPECIFY)** | | | | | | | | | |
| i)HUF | 1666961 | 0 | 1666961 | 0.81 | 1265229 | 0 | 1265229 | 0.59 | (0.22) |
| Non Resident Indians | 949964 | 0 | 949964 | 0.46 | 7962159 | 0 | 1264210 | 0.59 | 0.13 |
| Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Clearing Members | 825527 | 0 | 825527 | 0.40 | 807073 | 0 | 807073 | 0.37 | (0.03) |
| Trusts | 0 | 0 | 0 | 0 | 15000 | 0 | 15000 | 0.01 | 0.01 |
| Foreign Bodies – D R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **SUB-TOTAL (B)(2):-** | **47814915** | **16524** | **47831439** | **23.28** | **57541693** | **16785** | **57559988** | **26.72** | **3.44** |
| **TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+ (B)(2)** | **66931042** | **16524** | **66947566** | **32.59** | **76924781** | **16785** | **76941566** | **35.71** | **3.12** |
| **C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0.00** |
| **GRAND TOTAL (A+B+C)** | **205423476** | **16524** | **205440000** | **100** | **215423215** | **16785** | **215440000** | **100** | **0.00** |

**B) Shareholding of Promoters and Promoters Group**

| S. No. | Shareholder's Name | Shareholding at the beginning of the year 01.04.2017 | | | Shareholding at the end of the year 31.03.2018 | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| **A.** | **Promoters** | | | | | | | |
| 1 | Mr. Vinod Kashyap | 40684078 | 19.80 | 100 | 40684078 | 18.88 | 100 | 0 |
| 2 | Mr. Vineet Kashyap | 48932330 | 23.82 | 100 | 48932330 | 22.71 | 100 | 0 |
| 3 | Mr. Vikram Kashyap | 48616750 | 23.66 | 100 | 48616750 | 22.57 | 100 | 0 |
| **B.** | **Promoters Group** | | | | | | | |
| 4 | Mrs. Anjoo Kashyap | 30000 | 0.01 | - | 105000 | 0.04 | - | 0.03 |
| 5 | Mr. Saurabh Kashyap | 94076 | 0.04 | - | 100076 | 0.05 | - | 0.01 |
| 6 | Mrs. Amrita Kashyap | 30200 | 0.01 | - | 30200 | 0.01 | - | 0 |
| 7 | Mrs. Aradhana Kashyap | 30000 | 0.01 | - | 30000 | 0.01 | - | 0 |
| 8 | Mrs. Malini Kashyap | 45000 | 0.02 | - | 0 | 0 | - | (0.02) |
| 9 | Mr. Mohit Kashyap | 30000 | 0.01 | - | 0 | 0 | - | (0.01) |

**C) Change in Promoters and Promoters Group Shareholding (please specify, if there is no change)**

| S. No. | Shareholder's Name | Shareholding | | Date | Increase/ Decrease in Shareholding | Reason | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| A. | Promoters | | | | | | | NIL |
| B. | Promoters Group | | | | | | | |
| 1 | Anjoo Kashyap | | | | | | | |
| | at the beginning of the year | 30000 | 0.01 | 01.04.2017 | | | 30000 | 0.01 |
| | change in shareholding | | | 12.01.2018 | 30000 | Transfer | 60000 | 0.02 |
| | | | | 03.03.2018 | 45000 | Transfer | 105000 | 0.05 |
| | at the end of the year | 105000 | 0.05 | 31.03.2018 | | | 105000 | 0.05 |
| 2 | Mohit Kashyap | | | | | | | |
| | at the beginning of the year | 30000 | 0.01 | 01.04.2017 | | | 30000 | 0.01 |
| | change in shareholding | | | 12.01.2018 | (30000) | Transfer | 0 | 0.00 |
| | at the end of the year | 0 | 0.00 | 31.03.2018 | | | 0 | 0.00 |
| 3 | Malini Kashyap | | | | | | | |
| | at the beginning of the year | 45000 | 0.02 | 01.04.2017 | | | 45000 | 0.02 |
| | change in shareholding | | | 03.03.2018 | (45000) | Transfer | 0 | 0.00 |
| | at the end of the year | 0 | 0.00 | 31.03.2018 | | | 0 | 0.00 |

**D) Shareholding Pattern of top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

| S. No. | Shareholder's Name | Shareholding | | Date | Increase/ Decrease in Shareholding | Reason | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 1 | Embassy Property Developments Private Limited | | | | | | | |
| | at the beginning of the year | 0 | 0.00 | 01.04.2017 | | | 0 | 0.00 |
| | change in shareholding | | | 09.08.2017 | 10000000 | Allotment | 10000000 | 4.64 |
| | at the end of the year | 10000000 | 4.64 | 31.03.2017 | | | 10000000 | 4.64 |
| 2 | HDFC Trustee Company Limited – HDFC Infrastructure Fund | | | | | | | |
| | at the beginning of the year | 7476219 | 3.64 | 01.04.2017 | | | 7476219 | 3.64 |
| | change in shareholding | | | 12.05.2017 | (478000) | Transfer | 6998219 | 3.41 |
| | | | | 19.05.2017 | (109000) | Transfer | 6889219 | 3.35 |
| | | | | 26.05.2017 | (30000) | Transfer | 6859219 | 3.34 |
| | at the end of the year | 6859219 | 3.18 | 31.03.2018 | | | 6859219 | 3.18 |
| 3 | JITENDRA MOHANDAS VIRWANI | | | | | | | |
| | at the beginning of the year | 5497711 | 2.68 | 01.4.2017 | | | 5497711 | 2.68 |
| | change in shareholding | | | | - | - | 5497711 | 2.68 |
| | at the end of the year | 5497711 | 2.55 | 31.03.2018 | | | 5497711 | 2.55 |
| 4 | ACACIA PARTNERS, LP | | | | | | | |
| | at the beginning of the year | 4216000 | 2.05 | 01.4.2017 | | | 4216000 | 2.05 |
| | change in shareholding | | | | - | - | 4216000 | 2.05 |
| | at the end of the year | 4216000 | 1.96 | 31.03.2018 | | | 4216000 | 1.96 |
| 5 | Acacia Institutional Partners, Lp | | | | | | | |
| | at the beginning of the year | 3490220 | 1.70 | 01.04.2017 | | | 3490220 | 1.70 |
| | change in shareholding | | | | - | - | 3490220 | 1.70 |
| | at the end of the year | 3490220 | 1.62 | 31.03.2018 | | | 3490220 | 1.62 |
| 6 | Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited | | | | | | | |
| | at the beginning of the year | 0 | 0.00 | 01.0.2017 | | | 0 | 0.00 |
| | | | | 21.04.2017 | 996917 | Transfer | 996917 | 0.49 |
| | | | | 28.04.2017 | 559455 | Transfer | 1556372 | 0.76 |
| | | | | 05.05.2017 | (15336) | Transfer | 1541036 | 0.75 |
| | | | | 12.05.2017 | (16500) | Transfer | 1524536 | 0.74 |
| | | | | 19.05.2017 | (2684) | Transfer | 1521852 | 0.74 |
| | | | | 26.05.2017 | (20981) | Transfer | 1500871 | 0.73 |
| | | | | 09.06.2017 | 6162 | Transfer | 1507033 | 0.73 |
| | | | | 30.06.2017 | 7259 | Transfer | 1514292 | 0.74 |
| | change in shareholding | | | 07.07.2017 | 621194 | Transfer | 2135486 | 1.04 |
| | | | | 14.07.2017 | (14817) | Transfer | 2120599 | 1.03 |
| | | | | 28.07.2017 | (14506) | Transfer | 2106093 | 1.03 |
| | | | | 04.08.2017 | (21690) | Transfer | 2084403 | 1.01 |
| | | | | 11.08.2017 | 14678 | Transfer | 2099081 | 1.02 |
| | | | | 25.08.2017 | 6160 | Transfer | 2105241 | 1.02 |

| S. No. | Shareholder's Name | Shareholding | | Date | Increase/ Decrease in Shareholding | Reason | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| | | | | 01.09.2017 | (15988) | Transfer | 2089253 | 1.02 |
| | | | | 08.09.2017 | (3099) | Transfer | 2086154 | 1.02 |
| | | | | 15.09.2017 | (37165) | Transfer | 2048989 | 1.00 |
| | | | | 22.09.2017 | (22988) | Transfer | 2026001 | 0.99 |
| | | | | 29.09.2017 | (10587) | Transfer | 2015414 | 0.98 |
| | | | | 06.10.2017 | (22658) | Transfer | 1992756 | 0.97 |
| | | | | 13.10.2017 | 11684 | Transfer | 2004440 | 0.98 |
| | | | | 20.10.2017 | (10273) | Transfer | 1994167 | 0.97 |
| | | | | 03.11.2017 | (15544) | Transfer | 1978623 | 0.96 |
| | | | | 10.11.2017 | 1924 | Transfer | 1980547 | 0.96 |
| | | | | 17.11.2017 | 2508 | Transfer | 1978039 | 0.96 |
| | | | | 08.12.2017 | 20771 | Transfer | 1998810 | 0.97 |
| | | | | 15.12.2017 | (17801) | Transfer | 1981009 | 0.96 |
| | | | | 22.12.2017 | (83) | Transfer | 1980926 | 0.96 |
| | | | | 05.01.2018 | 16365 | Transfer | 1997291 | 0.97 |
| | | | | 12.01.2018 | 3060 | Transfer | 2000351 | 0.97 |
| | | | | 19.01.2018 | 30205 | Transfer | 2030556 | 0.98 |
| | | | | 26.01.2018 | 435 | Transfer | 2030991 | 0.94 |
| | | | | 02.02.2018 | 33582 | Transfer | 2064573 | 0.96 |
| | | | | 09.02.2018 | 34538 | Transfer | 2099111 | 0.97 |
| | | | | 16.02.2018 | (3060) | Transfer | 2096051 | 0.97 |
| | | | | 23.02.2018 | 18828 | Transfer | 2114879 | 0.98 |
| | | | | 02.03.2018 | 17122 | Transfer | 2132001 | 0.99 |
| | | | | 07.03.2018 | 32829 | Transfer | 2164830 | 1.00 |
| | | | | 16.03.2018 | 24119 | Transfer | 2188949 | 1.02 |
| | | | | 23.03.2018 | 9193 | Transfer | 2198142 | 1.02 |
| | | | | 31.03.2018 | 28255 | Transfer | 2226397 | 1.03 |
| | at the end of the year | 2226397 | 1.03 | 31.03.2018 | | | 2226397 | 1.03 |
| 7 | URJITA J MASTER | | | | | | | |
| | at the beginning of the year | 1657500 | 0.81 | 01.04.2017 | | | 1657500 | 0.81 |
| | change in shareholding | | | 07.04.2017 | 10000 | Transfer | 1667500 | 0.81 |
| | | | | 14.04.2017 | 215500 | Transfer | 1883000 | 0.92 |
| | | | | 21.04.2017 | 17000 | Transfer | 1900000 | 0.92 |
| | | | | 19.05.2017 | 35000 | Transfer | 1935000 | 0.94 |
| | | | | 26.05.2017 | 2500 | Transfer | 1937500 | 0.94 |
| | | | | 23.06.2017 | 122500 | Transfer | 2060000 | 1.00 |
| | | | | 30.06.2017 | 40000 | Transfer | 2100000 | 1.02 |
| | | | | 21.07.2017 | 2500 | Transfer | 2102500 | 1.02 |
| | | | | 04.08.2017 | 2500 | Transfer | 2105000 | 1.02 |

| S. No. | Shareholder's Name | Shareholding | | Date | Increase/ Decrease in Shareholding | Reason | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| | | | | 29.09.2017 | 5000 | Transfer | 2110000 | 1.03 |
| | | | | 27.10.2017 | 2500 | Transfer | 2112500 | 1.03 |
| | | | | 10.11.2017 | (225000) | Transfer | 1887500 | 0.92 |
| | | | | 17.11.2017 | (55000) | Transfer | 1832500 | 0.89 |
| | | | | 24.11.2017 | (207500) | Transfer | 1625000 | 0.79 |
| | | | | 01.12.2017 | (60000) | Transfer | 1565000 | 0.76 |
| | | | | 08.12.2017 | (5000) | Transfer | 1560000 | 0.76 |
| | | | | 09.02.2018 | 10000 | Transfer | 1570000 | 0.73 |
| | | | | 16.02.2018 | 55000 | Transfer | 1625000 | 0.75 |
| | | | | 09.03.2018 | 50000 | Transfer | 1675000 | 0.78 |
| | | | | 16.03.2018 | 140000 | Transfer | 1815000 | 0.84 |
| | | | | 23.03.2018 | 110000 | Transfer | 1925000 | 0.89 |
| | | | | 31.03.2018 | 85000 | Transfer | 2010000 | 0.93 |
| | at the end of the year | 2010000 | 0.93 | 31.03.2018 | | | 2010000 | 0.93 |
| 8 | Acacia Conservation Fund Lp | | | | | | | |
| | at the beginning of the year | 1890000 | 0.92 | 01.04.2017 | | | 1890000 | 0.92 |
| | change in shareholding | | | | - | - | 1890000 | 0.92 |
| | at the end of the year | 1890000 | 0.88 | 31.03.2018 | | | 1890000 | 0.88 |
| 9 | SI Investments and Broking Private Limited | | | | | | | |
| | at the beginning of the year | 0 | 0.00 | 01.04.2017 | | | 0 | 0.00 |
| | change in shareholding | | | 07.07.2017 | 1500000 | Transfer | 1500000 | 0.73 |
| | | | | 21.07.2017 | 500 | Transfer | 1500500 | 0.73 |
| | | | | 04.08.2017 | (400) | Transfer | 1500100 | 0.73 |
| | | | | 11.08.2017 | (87196) | Transfer | 1412904 | 0.69 |
| | | | | 08.09.2017 | 66534 | Transfer | 1479438 | 0.72 |
| | | | | 15.09.2017 | 11964 | Transfer | 1491402 | 0.73 |
| | | | | 06.10.2017 | (100) | Transfer | 1491302 | 0.73 |
| | | | | 03.11.2017 | 175000 | Transfer | 1666302 | 0.81 |
| | | | | 10.11.2017 | 308698 | Transfer | 1975000 | 0.96 |
| | | | | 17.11.2017 | (61815) | Transfer | 1913185 | 0.93 |
| | | | | 24.11.2017 | (13185) | Transfer | 1900000 | 0.92 |
| | | | | 09.02.2018 | (33111) | Transfer | 1866889 | 0.87 |
| | at the end of the year | 1866889 | 0.87 | 31.03.2018 | | | 1866889 | 0.87 |
| 10 | Acacia Banyan Partners | | | | | | | |
| | at the beginning of the year | 1334000 | 0.65 | 01.04.2017 | | | 1334000 | 0.65 |
| | change in shareholding | | | | - | - | 1334000 | 0.65 |
| | at the end of the year | 1334000 | 0.62 | 31.03.2018 | | | 1334000 | 0.62 |

*The shares of the Company are traded on a daily basis and hence the date wise increases/decrease in shareholding is not indicated.

**E) Shareholding of Directors and Key Managerial Personnel:**

| S. No. | Shareholder's Name | Shareholding | | Date | Increase/ Decrease in Shareholding | Reason | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| **A.** | **Directors** | | | | | | | |
| 1 | Vinod Kashyap | | | | | | | |
| | at the beginning of the year | 40684078 | 19.80 | 01.04.2017 | | | 40684078 | 19.80 |
| | change in shareholding | | | | - | - | 40684078 | 19.80 |
| | at the end of the year | 40684078 | 18.88 | 31.03.2018 | | | 40684078 | 18.88 |
| 2 | Vineet Kashyap | | | | | | | |
| | at the beginning of the year | 48932330 | 23.82 | 01.04.2017 | | | 48932330 | 23.82 |
| | change in shareholding | | | | - | - | 48932330 | 23.82 |
| | at the end of the year | 4893233 | 22.71 | 31.03.2018 | | | 48932330 | 22.71 |
| 3 | Vikram Kashyap | | | | | | | |
| | at the beginning of the year | 48616750 | 23.66 | 01.04.2017 | | | 48616750 | 23.66 |
| | change in shareholding | | | | - | - | 48616750 | 23.66 |
| | at the end of the year | 48616750 | 22.57 | 31.03.2018 | - | - | 48616750 | 22.57 |
| 4 | Naresh Lakshman Singh Kothari | | | | | | | |
| | at the beginning of the year | 190000 | 0.09 | 01.04.2017 | | | 190000 | 0.09 |
| | change in shareholding | | | | - | - | 190000 | 0.09 |
| | at the end of the year | 190000 | 0.09 | 31.03.2018 | | | 190000 | 0.09 |
| 5 | H.N. Nanani | | | | | | | |
| | at the beginning of the year | 0 | 0.00 | 01.04.2017 | | | 0 | 0.00 |
| | change in shareholding | | | | - | - | 0 | 0.00 |
| | at the end of the year | 0 | 0.00 | 31.03.2018 | | | 0 | 0.00 |
| 6 | Justice C.K. Mahajan (retd.) | | | | | | | |
| | at the beginning of the year | 0 | 0.00 | 01.04.2017 | | | 0 | 0.00 |
| | change in shareholding | | | | - | - | 0 | 0.00 |
| | at the end of the year | 0 | 0.00 | 31.03.2018 | | | 0 | 0.00 |
| 7 | Poonam Sangha | | | | | | | |
| | at the beginning of the year | 10000 | 0.00 | 01.04.2017 | | | 10000 | 0.00 |
| | change in shareholding | | | 07.04.2017 | 3000 | Transfer | 13000 | 0.01 |
| | | | | 19.04.2017 | 4000 | Transfer | 17000 | 0.01 |
| | | | | 14.08.2017 | 2000 | Transfer | 19000 | 0.01 |
| | | | | 16.08.2017 | 2400 | Transfer | 21400 | 0.01 |
| | | | | 16.11.2017 | 3000 | Transfer | 24400 | 0.01 |
| | | | | 04.12.2017 | 5000 | Transfer | 29400 | 0.01 |
| | | | | 22.012.2017 | 6700 | Transfer | 36100 | 0.02 |
| 8 | Sharad Sharma | | | | | | | |
| | at the beginning of the year | 0 | 0.00 | 01.04.2017 | | | 0 | 0.00 |
| | change in shareholding | | | | - | - | 0 | 0.00 |

| S. No. | Shareholder's Name | Shareholding | | Date | Increase/ Decrease in Shareholding | Reason | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| | at the end of the year | 0 | 0.00 | 31.03.2018 | | | 0 | 0.00 |
| 9 | Vivek Talwar | | | | | | | |
| | at the beginning of the year | 0 | 0.00 | 01.04.2017 | | | 0 | 0.00 |
| | change in shareholding | | | | - | - | 0 | 0.00 |
| | at the end of the year | 0 | 0.00 | 31.03.2018 | | | 0 | 0.00 |
| 10 | Settihalli Basavaraj | | | | | | | |
| | at the beginning of the year | 0 | 0.00 | 01.04.2017 | | | 0 | 0.00 |
| | change in shareholding | | | | - | - | 0 | 0.00 |
| | at the end of the year | 0 | 0.00 | 31.03.2018 | | | 0 | 0.00 |
| **B.** | **Key Managerial Personnel** | | | | | | | |
| 11 | Pushpak Kumar | | | | | | | |
| | at the beginning of the year | 0 | 0.00 | 01.04.2017 | | | 0 | 0.00 |
| | change in shareholding | | | | - | - | 0 | 0.00 |
| | at the end of the year | 0 | 0.00 | 31.03.2018 | | | 0 | 0.00 |
| 12 | Manoj Kumar Agrawal | | | | | | | |
| | at the beginning of the year | 0 | 0.00 | 01.04.2017 | | | 0 | 0.00 |
| | change in shareholding | | | | - | - | 0 | 0.00 |
| | at the end of the year | 0 | 0.00 | 31.03.2018 | | | 0 | 0.00 |

**V) INDEBTEDNESS -** Indebtedness of the Company including interest outstanding/accrued but not due for payment.

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 5,807,556,667 | 339,508,479 | - | 6,147,065,146 |
| ii) Interest due but not paid | 235356910 | 0 | - | 235,356,909 |
| iii) Interest accrued but not due | 0 | 0 | - | 0 |
| **Total (i+ii+iii)** | 6,042,913,576 | 339,508,479 | - | 6,382,422,055 |
| **Change in Indebtedness during the financial year** | | | - | |
| * Addition | 1,900,000 | 11,389,009.00 | - | 13,289,009.00 |
| * Reduction | 1,215,668,943 | 1,700,000 | - | 1,217,368,943 |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 4,593,787,723 | 349,197,488 | - | 4,942,985,211 |
| ii) Interest due but not paid | 147094511 | 0 | - | 147,094,511 |
| iii) Interest accrued but not due | 0 | 0 | - | - |
| **Total (i+ii+iii)** | 4740882234 | 349197488 | - | 5,090,079,722 |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| S. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|---|---|---|---|---|---|
| | | Mr. Vinod Kashyap | Mr. Vineet Kashyap | Mr. Vikram Kashyap | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 30,00,000 | 30,00,000 | 30,00,000 | 90,00,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961, Medical + Car | 1,06,000 | 67,000 | 40,000 | 213000 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | Nil |
| 2 | Stock Option | Nil | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil | Nil |
| 4 | Commission<br>- as % of profit<br>- others, specify… | Nil | Nil | Nil | Nil |
| 5 | Others, please specify | Nil | Nil | Nil | Nil |
| | Total (A) | 31,06,000 | 30,67,000 | 30,40,000 | 9213000 |
| | Overall Ceiling as per the Act (@10% of profits calculated under Section 198 of the Companies Act, 2013) | | | | |

### B. Remuneration to other directors

| S. No. | Particulars of Remuneration | Fee for attending board/committee meetings | Commission | Others, please specify | Total Amount in ₹ |
|---|---|---|---|---|---|
| 1 | Independent Directors | | | | |
| | Justice C.K. Mahajan (Retd.) | 30,000 | | | 30,000 |
| | Mr. H.N. Nanani | 1,10,000 | | | 1,10,000 |
| | Ms. Poonam Sangha | 1,60,000 | | | 1,60,000 |
| | Mr. Vivek Talwar | 50,000 | | | 50,000 |
| | Mr. Settihalli Basavaraj | 40,000 | | | 40,000 |
| | **Total (1)** | 3,90,000 | - | - | 3,90,000 |
| 2 | Other Non-Executive Directors | | | | |
| | Mr. Naresh Lakshman Singh | 1,20,000 | | | 1,20,000 |
| | Sharad Sharma | 2,87,000 | | | 2,87,000 |
| | **Total (2)** | 4,07,000 | - | - | 4,07,000 |
| | **Total (B)=(1+2)** | 7,97,000 | | | 7,97,000 |
| | Total Managerial | | | | |
| | Remuneration | - | - | - | - |
| | Overall Ceiling as per the Act (@1% of profits calculated under Section 198 of the Companies Act, 2013) | - | - | - | |

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | Mr. Pushpak Kumar Company Secretary | Mr. Manoj Agrawal CFO | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 20,22,319 | 30,28,500 | 50,50,819 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 12,319 | | 12,319 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | |
| 2 | Stock Option | | | |
| 3 | Sweat Equity | | | |
| 4 | Commission | | | |
| | - as % of profit | | | |
| | others, specify… | | | |
| 5 | Others, please specify | | | |
| | Total | 20,34,638 | 30,28,500 | 50,63,138 |

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2018.

**Annexure - E**

## Annual Report on Corporate Social Responsibility (CSR) Activities

| | | |
|---|---|---|
| 1 | A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | The Company has framed a CSR Policy in compliance with Section 135 of the Companies Act, 2013 and the same is available on the website of the company at http://www.blkashyap.com/DOC/CSR_Policy.pdf |
| 2 | The Composition of the CSR Committee. | Mr. H.N. Nanani (Chairman) |
| | | Mr. Vinod Kashyap |
| | | Mr. Vineet Kashyap |
| | | Mr. Vikram Kashyap |
| 3 | Average net profit of the company for last three financial years. | (Negative) |
| 4 | Prescribed CSR Expenditure (2% of the amount as in item 3 above). | NA |
| 5 | Details of CSR spent during the financial year | |
| | (a) Total amount to be spent for the financial year; | NA |
| | (b) Amount unspent , if any; | NA |
| | (c) Manner in which the amount spent during the financial year. | NA |
| 6 | Reason for not spending the prescribed amount. | NA |
| 7 | A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company. | We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company. |

**MR. VINEET KASHYAP**
Managing Director
DIN: 00038897

**MR. H.N. NANANI**
Chairman, CSR Committee
DIN: 00051071

Place : New Delhi
Date : 13.08.2018

**Annexure IV**

# Management Discussion And Analysis

## INDUSTRY OVERVIEW

### The Industry Overview – A Broad perspective

**Infrastructure is one of the core growth drivers of the Indian Economy and this driver will continue to grow if our GDP growth targets are to be met irrespective of the Government in power.**

In real terms, the Indian construction industry registered an average annual growth rate of 3.5% during the review period (2012-2016). This growth was supported by the 12th Five-Year Plan 2012-2017, under which the government invested heavily in infrastructure, industrial parks and residential buildings. In addition, government flagship programs such as the Jawaharlal Nehru National Urban Renewal Mission, the National Rural Health Mission (NRHM) and Indira Awas Yojana supported review-period growth.

The industry is expected to continue to expand over the forecast period (2017-2021), driven by investments in residential, infrastructure and energy projects under flagship programs such as the 100 Smart Cities Mission, Housing for All 2022, the Atal Mission for Urban Rejuvenation and Transformation (AMRUT), the National Skill Development Mission (NMSD), Pradhan Mantri Gram Sadak Yojana (PMGSY), Make in India, and Power for All (PFA) by various governments.

The industry's output value in real terms is expected to rise at a compound annual growth rate (CAGR) of 4.16% over the forecast period; up from 3.95% during the review period.

https://www.openpr.com/news/493484/Indian-construction-Industry-Will-Reach-At-CAGR-Of-4-16-till-year-2021.html

Project launches will further improve in the next fiscal year across the spectrum. This will be driven by higher orders from infrastructure, re-developments of government lands, housing, railways & metros, and an improvement in real estate sentiments thanks to rigorous implementation of RERA, IBC & GST. These reforms will boost investor confidence & will eventually lead to the economy rebounding.

There has been a slow revival on the commercial side in Public & Private sector projects as there has been a cautious uptake in commercial space rental. Co-Working spaces are huge factor in this increase of demand and will receive US$ 400-US$ 500 million in investments in 2018 and this is projected to grow by 40-50% by the end of this financial year.

The Residential Market is also on an uptrend in different areas. **Affordable Housing sales has pushed residential property sales upto 24 % in the June quarter.** New Housing launches have jumped by 50% over the previous quarter.

**We at BLK believe,** that India is at the cusp of a big revolution in, infrastructure, in the form of contracts, technologies, designing methodologies, structural innovations and improved deliveries.

## THE POTENTIAL

- **1.4 Billion:** Expected size of Indian population by 2025
- **USD $ 974 Billion:** Investment needed in India's cities until 2025
- **62%:** of Total investment required in roads & infrastructure
- **4,100 lakh crore:** Investment in next 15 years to set up 100 airports under NABH scheme
- **8 times:** Boost in infrastructure spending needed in the next 12 years leading to 2025.
- New rail corridors such as agri-rail and tourist rail networks creating opportunities requiring real estate for warehousing, cold storage& hospitality sectors
- **100% FDI** allowance in townships and settlements development projects.
- **₹ 48,000 Crores** for building 100 smart cities under Smart Cities Mission.
- **₹ 50,000 Crores** for 500 cities under Atal Mission for Rejuvenation and Urban Transformation.
- Incumbent Government's 'Housing for all by 2022' initiative.
- **₹ 500 Crores** allocated in Budget towards 3P India to rejuvenate the PPP model
- More policy and delivery driven Real Estate Market on an upward trend

**OPPORTUNITIES AND THREATS (RISK)**

**OPPORTUNITIES**

1. **Emerging Smart Cities:**
   - Smart cities are being planned to decongest Tier 1 & 2 cities

     The smart cities shortlisted by the Government of India have proposed projects with investments of ₹ 191,155 crore (US$ 30.02 billion) which include Projects Focusing on Revamping an Identified Area (Area Based Projects) with investment of ₹ 152,500 crore (US$ 23.95 billion).
   - Government will be pumping money for infrastructure development to support development of these cities.
2. **Office & IT Parks - Pre-committed Spaces at a High:**
   - Pre commitment levels in Key Office Markets across India are their highest due to sustained market demand till 2019.
   - Flexi- co working spaces are taking Centre stage and have US $ 500 million funding in next 18 months coming in. Currently 16 million sq. feet has been leased by players.
3. **Banking & Financial Services (BFSI) & Tech Companies:**
   - Leasing activities have picked with demand resurgence in this sector.
   - Record new supply has been added in this segment for 2017-2018
4. **Infrastructure:**

   **Low Income Housing:**
   - The Government's "Housing for all by 2022" has resulted in various development schemes with NBCC, NPCC etc. taking the lead. The Government plans to construct 29.5 million homes under this. As a result affordable housing has got huge budget allocations at State level
   - PMAY urban scheme – 1.2 crore homes – 1.86 trillion crores rupees allocated in the next three years
   - PMAY rural- 1.02 crore homes – 1.2 trillion crore rupees allocated till March 2019

   **Roads, Railways & Airports:**
   - NHAI has 20,000 km of highway projects to be awarded by March 2018
   - Bharatmala Scheme: 34,800 kms of roads headed by NHAI to be awarded in HAM 7 EPC contract formats & other EPC Contracts.
   - Indian Railways has 3 Billion rupees allocated for fencing, up gradation of track etc.
   - More than 100 airports are in the pipeline.
5. **Green Construction:**
   - Indian Green Building Council (IGBC) expects10 million square feet to built by 2022.
   - IGBC is also pushing state governments to give additional FAR to Green developments.
6. **New Sectors in Real Estate/Urban Development:**
   - Logistics, Warehousing & Industrial parks
   - Student Housing: Pune, Bangalore & Chennai have 30-60% shortage in good quality housing
   - Coworking spaces

**RISKS**

On the government side there is still a huge gap between the planning and ground reality of difference schemes and policies in infrastructure.

**Some of the main issues are:**

1. A Lack of funding in government programs like smart cities.
2. Land acquisition is still a hurdle and require further reforms.
3. Schemes like affordable housing will require government to allocate land to truly achieve the affordable requirements, as land cost is almost certainly transferred to the customer by the developer.
4. Liquidity and Financing is again a huge question mark in today's environment.

   Even after the success of NCLT and recoveries being achieved by the bank by selling companies today as going concerns, there is a complete bog down in corporate credit. Due to a few bad apples, reduction in FDI vigilance on bankers and inflation which would certainly creep up with oil prices companies are finding financing extremely difficult. We are still awaiting industry status
5. Another factor that needs to be addressed further for our industry are the huge out-standings that contractors incur in projects because of external agencies or clients.
6. One of the most critical factors is the lack of Manpower and inefficiency in our industry.

**OUTLOOK**

Your company has renewed its push towards Government projects and has successfully started to bid with a number of agencies to capture a part of the infrastructure boom. Along with this we have managed to successfully market our strengths in deliveries and quality. Delivering some of the largest composite structure steel works across the country. Most recently part of the ETV campus in Bangalore.

We are also already well established in the cities where most developer centric growth is happening like Bangalore, Pune & Hyderabad along with a stronghold in the North which is a hub for EPC activity in the Government sector. You company even today has one of the largest yearly deliveries in terms of pure 'building', square footage across construction companies.

To handle the challenges of HR skills your company has partnered with Skill India and has started trainings for its workforce. We have started encouraging our clients to move to less labour and more mechanical means of construction.

We have also developed programs on mentorship within the company with focus on retaining and grooming talent within the company. SOPs have been revamped and will be further automated by 2019.

Your company is committed to focussing on sustainable growth and for that our foundation is being strengthened and the skill sets of our people are being honed.

**INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The philosophy with regard to internal control systems and their adequacy has been formulation of effective systems and their strict implementation to ensure that assets and interests of the Company are safeguarded; checks and balances are in place to determine the accuracy and reliability of accounting data. The Company has a robust and adequate system of internal control to ensure the timely and accurate recording of financial transactions and adhere to applicable accounting standards.This includes safeguarding and protecting its assets against any loss from unauthorized use or disposition.

The Audit Committee of its Board of Directors, comprising of Independent Directors, also review the systems at regular intervals. The Internal Auditor periodically tests the efficacy of the prevailing internal control system.

Also, the statutory auditors, M/s Maheshwari&Sharad, Chartered Accountants, have evaluated and given their opinion on the Internal Financial Control, as per the provisions of the Companies Act, 2013.

**FINANCIAL PERFORMANCE (CONSOLIDATED)**

**Income from Operations:** During the year under consideration, the Company has recorded a consolidated turnover of ₹ 1012.79 Crores, increased by 11% as compared to previous year. Profit after taxes were ₹ 25.32 Crores as against Profit (in terms of Ind-AS) of ₹ 4.96 Crores in 2016-17.

**Fixed Assets:** The Consolidated Gross Block of the Company's fixed assets as on 31st March 2018 was ₹ 377 Crores. The Net Block as on 31st March 2018 was ₹ 181 Crores.

**Other Income:** Other Income for the year was ₹ 30.52 Crores. Other Income comprises of Interest, Dividend Income, and other miscellaneous income.

**Expenditures**

**Cost of Material Consumed:** Expenditure towards Cost of Material Consumed was ₹ 398.69 Crores. This represents cost of various raw materials consumed during the year.

**Employee's Benefit Expenses:** The Employee's Benefit Expenses increased from ₹ 149 Crores to ₹ 158 Crores.

**Sub Contract Work Expenses:** Expenses towards sub contract works increased from ₹ 129.43 Crores to ₹ 200.64 Crores

**Finance Cost:** During the Financial year 2017-2018, the Finance Cost decreased from ₹ 82.72 Crores to ₹ 77.16 Crores.

**Depreciation:** During Financial Year 2017-2018, depreciation decreased from ₹ 12.98 Crores to ₹ 11.90 Crores.

**Provision for Taxation:** The Provision for taxes was ₹ 6.11 Crores.

**HUMAN RESOURCES**

The Company has an excellent combination of experienced and talented professionals. The dedicated work force of the Company has been the back-bone for its achievement during the year. The Company will continue its efforts to attract and retain a highly skilled professional work force to increase its capacity to deliver increasing revenues and earnings in the future. The Company prides itself in providing a working environment for its employees based on the principles of honesty, integrity, excellence and professionalism. Strong HR initiatives are also geared to nurture talent and to unlock the power of the Company's intellectual capital.

**CORPORATE DEBT RESTRUCTURING**

Subsequent to the approval of Restructuring package by Corporate Debt Restructuring (CDR) Empowered Group after duly recommended by Independent Evaluation Committee (IEC) on 31.12.2014 the company has complied with all the critical conditions. The participative CDR lenders were State Bank of India, Canara Bank, ICICI Bank, Oriental Bank of Commerce, Indusind Bank, Syndicate Bank and the Non CDR members were Yes Bank Ltd, SREI Equipment Finance Ltd, Standard Chartered Bank Ltd and HDFC Bank In terms of LOA ( letter of approval) and MRA ( Master Restructuring Agreement) dated 31.12.2014 , the company's debts have been restructured with longer repayment schedule stretching up to FY 2019-20 with lower interest rates linked to Base rates of respective Banks. However the CDR lenders would have a right of recompense for their sacrifices at the time of Company's exit from CDR. The total amount of recompense works out to ₹ 69.50 Crores during the full tenure of the CDR of which the sacrifice amount for the period upto March 2018 is ₹ 42.55 Crores as per CDR LOA.

**CAUTIONARY STATEMENT**

Statements in Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed herein or implied.

# Corporate Governance Report

[As required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**1. Company's Philosophy on Code of Corporate Governance**

Corporate Governance calls for transparent decision making and accountability for safeguarding the interests of all stakeholders in the organisation and your company believe that good Corporate Governance is essential to achieve Long Term Corporate Goals and to enhance stakeholders' value. The Company is committed to pursue growth by adhering to the highest national standards of Corporate Governance and has complied in all material aspects with the requirements specified in the Listing Agreement with Stock Exchanges.

**2. Board of Directors**

**(a) Composition of the Board**

The Board of Directors has an optimal combination of Executive and Non -Executive Independent Directors. As on 31st March, 2018 the Board consists of Ten Directors comprising three executive Directors, one nominee Director of SBI as lender, five Independent Directors including one woman director and one Non-executive Director. The Board is headed by an Executive Chairman.

Independent directors are non-executive directors as defined under Regulation 16 (1) (b) of SEBI Listing Regulations read with Section 149 (6) of the Act. The maximum tenure of independent director is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 17 of the SEBI Listing Regulations read with Sec 149 (6) of the Companies Act, 2013.

None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director.

All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

Independent Directors on the Company's Board:

a. apart from receiving Sitting fees, does not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management or its subsidiaries and associates which may affect independence of the director.

b. are not related to promoters or persons occupying management positions at the board level or at one level below the board.

c. have not been an executive of the company in the immediately preceding three financial years.

d. are not a partner or an executive or was not partner or an executive during the preceding three years, of any of the following:

   i. the statutory audit firm or the internal audit firm that is associated with the Company, and

   ii. the legal firm(s) and consulting firm(s) that have a material association with the Company.

e. are not material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the director.

f. are not a substantial shareholder of the company i.e. owning two percent or more of the block of voting shares.

g. are not less than 21 years of age.

**(b) Board Meetings**

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. The Board of Directors met six times during the financial year 2017-18. The company has held at least one Board Meeting in every quarter. The notice of the Board meeting is given well in advance to all the Directors. The agenda papers along with notes and other supporting were circulated in advance of the Board Meeting with sufficient

information as required under SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. The details of the Board Meetings are as under:

| S. No. | Date | Board Strength | No. of Directors Present |
|---|---|---|---|
| 1 | 27th May, 2017 | 8 | 7 |
| 2 | 26th June, 2017 | 8 | 6 |
| 3 | 09th August, 2017 | 8 | 6 |
| 4 | 12th September, 2017 | 9 | 8 |
| 5 | 14th December, 2017 | 10 | 9 |
| 6 | 09th February, 2018 | 10 | 8 |

Details of the composition of the Board, category, attendance of Directors at Board Meetings and General Meetings, number of the Directorships and other Committee memberships are as follows:

| Name of Directors | Category | No. of Board Meetings Attended | Attendance at last AGM | *Directorship in other Public Companies | *Number of Committee positions in other public companies | |
|---|---|---|---|---|---|---|
| | | | | | Member | Chairman |
| Vinod Kashyap<br>DIN 00038854 | Promoter (Executive) | 6 | Yes | 6 | Nil | Nil |
| Vineet Kashyap<br>DIN 00038897 | Promoter (Executive) | 6 | Yes | 6 | Nil | Nil |
| Vikram Kashyap<br>DIN 00038937 | Promoter (Executive) | 6 | Yes | 6 | Nil | Nil |
| Justice C.K. Mahajan (Retd.)<br>DIN 00039060 | Independent (Non-Executive) | 6 | No | 2 | Nil | Nil |
| H. N. Nanani<br>DIN 00051071 | Independent (Non-Executive) | 6 | Yes | 1 | 1 | 1 |
| Naresh Lakshman Singh Kothari<br>DIN 00012523 | (Non-Executive) | 6 | Yes | 3 | 1 | Nil |
| Poonam Sangha<br>DIN 07141150 | Independent (Non-Executive) Women Director | 6 | Yes | Nil | Nil | Nil |
| Sharad Sharma<br>DIN 05160057 | Nominee Director | 6 | Yes | Nil | Nil | Nil |
| Vivek Talwar<br>DIN 00043180 | Independent (Non-Executive) | 2 | No | 1 | 2 | Nil |
| Settihalli Basavaraj<br>DIN 00321985 | Independent (Non-Executive) | 2 | No | Nil | Nil | Nil |

*Other Directorship does not include directorship in private limited companies, foreign companies and companies u/s 8 of the Act. Chairmanship/Membership of Board Committee shall only include Audit Committee and Stakeholders' Relationship Committee.

**(c) Number of Shares held by Non-Executive Directors**

Mr. Naresh Lakshman Singh Kothari, Non-executive Director, held 190000 equity shares as on 31.03.2018.

Ms. Poonam Sanghga, Non-executive and Independent Director, held 36100 equity shares as on 31.03.2018

**(d) Directors retiring and seeking re-appointment**

Mr. Vinod Kashyap, Director of the Company, will be retiring by rotation on the forthcoming Annual General Meeting of the Company and being eligible have seek himself for the re-appointment.

The relevant information pertaining to Directors seeking appointment and re-appointment is given separately in the annexure to the Notice for the ensuing Annual General Meeting.

**(e) Relationship between Directors**

Mr. Vinod Kashyap, Mr. Vineet Kashyap and Mr. Vikram Kashyap are brothers. None of the other directors are related to each other.

**(f) Information available to the Board**

During the financial year 2017-18, information as mentioned in Schedule II Part a of SEBI Listing Regulations, has been placed before the Board for its consideration.

**(g)** The terms and conditions of appointment of the independent directors are disclosed on the website of the Company in the following link: http://www.blkashyap.com/DOC/TC_App_Ind_Dir.pdf

**(h)** During the year a separate meeting of the independent directors was held on 09th February, 2018 inter-alia to review the performance of non-independent directors and the board as a whole.

**(i)** The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

**(j)** The detail of familiarization programme of the Independent Directors are available on the website of the Company in the following link: http://www.blkashyap.com/DOC/Familiarization.pdf

**3. Audit committee**

The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013. As on 31st March, 2018 the Audit Committee comprises of the four Independent Directors, one Non-executive Director and one Nominee Director. The Audit Committee is headed by Mr. H.N. Nanani, and has Mr. Justice C.K. Mahajan (Retd.), Mr. Naresh Lakshman Singh Kothari, Mr. Vivek Talwar, Mr. Sharad Sharma and Ms. Poonam Sangha as its members. All the members of the Audit Committee are qualified and having insight to interpret and understand financial statements.

During the Financial Year 2017-2018, four meetings of the Committee were held on 27th May 2017, 12th September, 2017, 14th December, 2017 and 09th February 2018. The gap between any two consecutive meetings did not exceed one hundred and twenty days.

The necessary quorum was present for all the meetings.

Details of composition of the Committee and attendance of the members at the meetings are given below:

| Sl. No. | Name | Position | Category | No. of Meetings attended |
|---|---|---|---|---|
| 1 | Mr. H.N. Nanani | Chairman | Independent (Non-Executive) | 3 |
| 2 | Mr. Justice C.K. Mahajan (Retd.) | Member | Independent (Non-Executive) | 1 |
| 3 | Mr. Naresh Lakshman Singh Kothari | Member | Non-Executive | 4 |
| 4 | Ms. Poonam Sangha | Member | Independent (Non-Executive) | 4 |
| 5 | Mr. Sharad Sharma | Member | Nominee (Non-Executive) | 3 |
| 6 | Mr. Vivek Talwar* | Member | Independent (Non-Executive) | 1 |

*Appointed as member of the committee w.e.f. 12 September, 2017.

The terms of reference of the audit committee are broadly as under:

1. Reviewing, with the management, the quarterly and annual financial statements before submission to the Board.
2. Accounting policies and practices.
3. Review of operations of subsidiaries.
4. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment.
5. Approving payment to statutory auditors, including cost auditors for any other services rendered by them.
6. Reviewing the functioning of whistle blower mechanism.
7. Approval of appointment of CFO.
8. Internal control process and procedures and its ever changing effectiveness.
9. Related party transactions.
10. Internal audit reports and adequacy of internal audit functions.
11. Compliances with Statutory obligations.

12. Compliances with Indian Accounting Standards.

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

- A statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties which are not in the normal course of business, if any.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same, if any.

The Audit Committee invites such of the executives as it considers appropriate and representative(s) of the Statutory Auditors to be present at its meeting. The Company Secretary acts as Secretary to the Audit Committee.

The previous annual general meeting (AGM) of the Company was held on 29th September, 2017 and was attended by Mr. H.N. Nanani, Chairman of the audit committee Mr. Naresh Laxman Singh Kothari, Mr. Sharad Sharma and Ms. Poonam Sangha Member of the Audit Committee.

**4. Nomination and Remuneration Committee**

**i. Composition:**

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with section 178 of the Companies Act, 2013.

During the Financial Year 2017-18 one meeting of the Nomination and Remuneration Committee was conducted on 09th August, 2017.

Details of composition of the Committee and attendance of the members at the meetings are given below:

| Sl. No. | Name | Position | Category | No. of Meetings attended |
|---|---|---|---|---|
| 1 | Mr. H.N. Nanani | Chairman | Independent (Non-Executive) | 1 |
| 2 | Mr. Justice C.K. Mahajan (Retd.) | Member | Independent (Non-Executive) | 0 |
| 3 | Mr. Naresh Lakshman Singh Kothari | Member | Non-Executive | 1 |

**ii. Terms of Reference of the Committee, inter alia, includes the Following:**

(a) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.

(b) To carry out evaluation of every Director's performance.

(c) To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

(d) To formulate the criteria for evaluation of Independent Directors and the Board.

(e) To devise a policy on Board diversity.

(f) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

(g) To perform such other functions as may be necessary or appropriate for the performance of its duties.

**iii. Performance evaluation criteria for Independent Directors**

The Nomination and Remuneration Committee is responsible for reviewing the overall goals and objectives of compensation programs. The Nomination and Remuneration Committee is also responsible for the performance evaluation of Directors including Independent Directors. The criteria for evaluation includes Director's attendance and contribution at Board and Committee Meetings, preparedness for the meetings, expression of opinions and suggestions, commitment, domain knowledge to evaluate current business and strategic options.

**iv. Nomination and Remuneration Policy**

The Company has a Nomination and Remuneration Policy in place, which is disclosed on its website at the following link:

http://www.blkashyap.com/DOC/Remuneration_Policy.pdf

**5. Details of Remuneration paid/payable for the year ended 31st March 2018:**

**(a) Remuneration to Non-Executive Directors**

Only sitting fees was paid to them for attending any meeting of the Board and its Committees. The details of which for the Financial Year 2017-18 are provided in Annexure 4, the extract of Annual Return, annexed to the Directors' Report in Form MGT-9 as required under the provisions of Section 92 of the Companies Act, 2013.

**(b) Pecuniary relationship or transactions**

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive and/or Independent Directors.

**(c) Remuneration to Executive Directors**

The details of remuneration paid to Chairman/Managing/Joint Managing Directors during the financial year 2017-18 are as under:

(₹ In Lakh)

| Name | Designation | Salary | Allowance/ Perquisites | Total |
|---|---|---|---|---|
| Mr. Vinod Kashyap | Chairman | 30 | 1.06 | 31.06 |
| Mr. Vineet Kashyap | Managing Director | 30 | 0.67 | 30.67 |
| Mr. Vikram Kashyap | Jt. Managing Director | 30 | 0.40 | 30.40 |

Notes:

1. The tenure of office of the Chairman/Managing/Joint Managing Directors is for 5 (Five) years from the respective date of appointments, and can be terminated by either party by giving one month notice in writing. There is no separate provision for payment of severance fees.
2. The Company does not have any Stock Option Scheme.

**6. Stakeholders Relationship Committee**

The stakeholders relationship committee of the Company is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.

Details of composition of the Committee and attendance of the members at the meetings are given below:

| Sl. No. | Name | Position | Category | No. of Meetings attended |
|---|---|---|---|---|
| 1 | Mr. H.N. Nanani | Chairman | Independent (Non-Executive) | 3 |
| 2 | Mr. Justice C.K. Mahajan (Retd.) | Member | Independent (Non-Executive) | 1 |
| 3 | Mr. Vinod Kashyap | Member | (Executive) | 4 |
| 4 | Mr. Vineet Kashyap | Member | (Executive) | 4 |
| 5 | Mr. Vikram Kashyap | Member | (Executive) | 4 |

**Terms of Reference:**

The functioning and terms of reference of the committee are to oversee various matters relating to redressal of shareholders grievances like:

a. Oversee and review all matters connected with the transfer of the Company's share.

b. Approve issue of the Company's duplicate share certificates.

c. To look into redressal of shareholders complaint related to transfer / transmission of shares, non-receipt of share certificates, balance sheets, declared dividends etc.

d. To oversee the performance of the Registrar and Transfer Agents.

e. To recommend the measures for overall improvement in the quality of investor services.

f. Such other activities resulting from statutory amendments / modifications from time to time.

g. Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading.

**Compliance Officer:**

Mr. Pushpak Kumar, GM- Corporate Affairs & Company Secretary and Compliance Officer, acted as the Secretary to the 'Stakeholders Relationship Committee'.

**Status of investor complaints / requests as on 31st March 2018**

| Period: 01.04.2017 - 31.03.2018 | No. of Complaints |
|---|---|
| Pending at the beginning of financial year 01.04.2017 | 1 |
| Total complaints received during the year | 1 |
| Total complaints resolved during the year | 2 |
| Total complaints pending as on 31st March 2018 | 0 |

**7. Executive Committee**

The Company has an executive committee of the Directors. The Executive Committee has been entrusted with all such powers other than those to be exercised by the Board of Directors at their meetings.

Nine meetings of the Executive Committee were held during the year on 28th April, 2017, 10th May, 2017, 27th May, 2017, 05th August, 2017, 21st August, 2017, 29th September, 2017 & 17th January, 2018, 9th February, 2018 and 30th March, 2018.

Details of composition of the Committee and attendance of the members at the meetings are given below:

| Sl. No. | Name | Position | Category | No. of Meetings attended |
|---|---|---|---|---|
| 1 | Mr. Vinod Kashyap | Chairman | Executive | 9 |
| 2 | Mr. Vineet Kashyap | Member | Executive | 9 |
| 3 | Mr. Vikram Kashyap | Member | Executive | 9 |

**8. Corporate Social Responsibility (CSR) Committee:**

The Board has constituted the CSR Committee as per the requirements of the Companies Act, 2013 along with applicable rules. The Company has framed a CSR policy which is available on the following link: http://www.blkashyap.com/DOC/CSR_Policy.pdf

CSR Committee comprises four directors viz. Mr. H.N. Nanani (Chairman), Mr. Vinod Kashyap, Mr. Vineet Kashyap and Mr. Vikram Kashyap as members of the committee and defined the role of the Committee, which is as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy.
- Monitor the CSR Policy of the Company and its implementation from time to time.
- Such other functions as the Board may deem fit.

The average net profits calculated as per provisions of Section 198 of the Companies Act, 2013 for of the preceding three (3) financial years being negative, the Company was not under any obligation to spend any amount on CSR.

**9. General Body Meetings**

**(i)** Details of Location, Date and Time of the Annual General Meeting held during the last three years are given below:

| Financial Year | Date | Time | Venue |
|---|---|---|---|
| 2016-2017 | 29 September, 2017 | 10.00 a.m. | PHD Chamber of Commerce & Industry , PHD House, 4/2 , Siri Institutional Area, August Kranti Marg , New Delhi-110016 |
| 2015-2016 | 29 September, 2016 | 10.00 a.m. | |
| 2014-2015 | 29 September, 2015 | 10.00 a.m. | |

**(ii) Special Resolutions passed in the previous three Annual General Meetings 2016-17**

- Re-Appointment of Mr. Vinod Kashyap (DIN: 00038854) as Whole-Time Director designated as Chairman.
- Re-Appointment of Mr. Vineet Kashyap (DIN: 00038897) as Managing Director.
- Re-Appointment of Mr. Vikram Kashyap (Din: 00038937) as Whole-Time Director designate as Joint Managing Director.
- Ratification of the disclosure made with respect to the identity of the natural persons who are ultimately beneficial owners of the equity warrants allotted by the Company on preferential basis, 'Relevant Date' and Issue Price approved by the members as special resolution through Postal ballot on 26th July, 2017.
- Ratification of the disclosure made with respect to the identity of the natural persons who are ultimately beneficial owners of the equity shares allotted by the Company on preferential basis, 'Relevant Date' and Issue Price approved by the members as special resolution through Postal ballot on 26th July, 2017.
- Appoint Mr. Vivek Talwar, as an Independent Director.
- Change the Category of Mr. Naresh Lakshman Singh Kothari (DIN: 00012523) from Independent Director to Non-Executive Director of the Company.

**2015-16**

- Preferential Allotment including Qualified Institutional Placement (QIP) etc. not exceeding Rupees 450 Crores.

**2014-15**

- Preferential Allotment including Qualified Institutional Placement (QIP) etc. not exceeding Rupees 450 Crores.
- Issue of Equity Shares on Preferential Basis on Conversion of Working Capital Term Loan and Funded Interest Term Loan to CDR Lenders.

**(iii) Postal Ballot**

A Postal Ballot was conducted during the Financial Year 2017-18. The details are given below:

At the Board meeting held on 26th June, 2017, notice of Postal Ballot was approved.

Pursuant to Section 110 of the Companies Act, 2013 read with, Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to other applicable laws and regulations, the approval of the Members was sought for:

1) Preferential issue of equity warrants to person other than promoters and promoter group.

2) Preferential issue of equity shares to person other than promoters and promoter group.

The Board of Directors of Company in their meeting held on 26th June, 2017 appointed Mr. Rahul Jain, Practicing Company Secretary as the scrutinizer for the process of Postal Ballot to be conducted as per the provisions of Section 110 of Companies Act, 2013. The procedure for the Postal ballot was stated in the notice of Postal Ballot. Please refer the Notice of Postal Ballot under http://www.blkashyap.com/DOC/Notice%20of%20Postal%20Ballot.pdf.

The results of the Postal Ballot, including the E-Voting are as follows

**Resolution 1 - Preferential Issue of Equity Warrants to the Person other than Promoters and Promoter Group**

| Category | No. of shares Held | Mode of Voting | No. of valid Votes polled | % of Votes Polled on Outstanding Shares | No. of Votes in Favour | No. of Votes in Against | % of votes in favour over votes Polled | % of votes in against over Votes Polled |
|---|---|---|---|---|---|---|---|---|
| | (1) | | (2) | (3)=(2)/(1)*100 | (4) | (5) | (6)=(4)/(2)*100 | (7)=(5)/(2)*100 |
| Promoter and Promoter Group | 138492434 | e voting | 138492434 | 100 | 138492434 | 0 | 100 | 0 |
| | | Ballot voting | 0 | 0.00 | 0 | 0 | 0 | 0 |
| | | Total | 138492434 | 100 | 138492434 | 0 | 100 | 0 |
| Public- Institutional | 18425272 | e-voting | 18104439 | 98.26 | 18104439 | 0 | 100 | 0 |
| | | Ballot voting | 0 | 0.00 | 0 | 0 | 0 | 0 |

| Category | No. of shares Held | Mode of Voting | No. of valid Votes polled | % of Votes Polled on Outstanding Shares | No. of Votes in Favour | No. of Votes in Against | % of votes in favour over votes Polled | % of votes in against over Votes Polled |
|---|---|---|---|---|---|---|---|---|
| | (1) | | (2) | (3)=(2)/(1)*100 | (4) | (5) | (6)=(4)/(2)*100 | (7)=(5)/(2)*100 |
| | | Total | 18104439 | 98.26 | 18104439 | 0 | 100 | 0 |
| Public- Others | 48522294 | e-voting | 32086 | 0.07 | 21623 | 10463 | 67.39 | 32.61 |
| | | Ballot voting | 20318 | 0.04 | 15358 | 4960 | 75.58 | 24.41 |
| | | Total | 52404 | 0.11 | 36981 | 15423 | 70.56 | 29.43 |
| Total | 205440000 | | 156649277 | | 156633854 | | | |

**Resolution 2 - Preferential Issue of Equity Shares to the Person other than Promoters and Promoter Group**

| Category | No. of shares Held | Mode of Voting | No. of valid Votes polled | % of Votes Polled on Outstanding Shares | No. of Votes in Favour | No. of Votes in Against | % of votes in favour over votes Polled | % of votes in against over Votes Polled |
|---|---|---|---|---|---|---|---|---|
| | (1) | | (2) | (3)=(2)/(1)*100 | (4) | (5) | (6)=(4)/(2)*100 | (7)=(5)/(2)*100 |
| Promoter and Promoter Group | 138492434 | e-voting | 138492434 | 100 | 138492434 | 0 | 100 | 0 |
| | | Ballot voting | 0 | 0.00 | 0 | 0 | 0 | 0 |
| | | Total | 138492434 | 100 | 138492434 | 0 | 100 | 0 |
| Public- Institutional | 18425272 | e-voting | 18104439 | 98.26 | 18104439 | 0 | 100 | 0 |
| | | Ballot voting | 0 | 0.00 | 0 | 0 | 0 | 0 |
| | | Total | 18104439 | 98.26 | 18104439 | 0 | 100 | 0 |
| Public- Others | 48522294 | e-voting | 32086 | 0.07 | 19968 | 12118 | 62.23 | 37.77 |
| | | Ballot voting | 20318 | 0.04 | 15148 | 5170 | 74.55 | 25.44 |
| | | Total | 52404 | 0.11 | 35116 | 17288 | 67.00 | 33.00 |
| Total | 205440000 | | 156649277 | | 156631989 | | | |

## 8. MEANS OF COMMUNICATION

(i) Quarterly results: The Company's quarterly/half yearly/ annual financial results are sent to the Stock Exchanges and published in 'Financial Express' and Jansatta. Simultaneously, they are also put up on the Company's website (www.blkashyap.com).

(ii) News releases, presentations, among others: Official news releases and official media releases are sent to Stock Exchanges and are displayed on its website (www.blkashyap.com).

## 9. Disclosures:

### (i) Related party transactions

During the year, there were no transactions of material nature with the Directors or the Management or the subsidiaries or relatives that had potential conflict with the interests of the Company at large.

Related Party transactions are defined as transactions of the Company of material nature, with Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

The board has approved a policy for related party transactions which has been uploaded on the Company's website and can be accessed viz.

http://www.blkashyap.com/DOC/Related_Party_Tran_Policy.pdf

### (ii) Details of non-compliance by the listed entity, during the last three years

The Company has complied with all requirements of the Listing Regulations with Stock Exchanges as well as the regulations

and guidelines of SEBI. Consequently no penalties or any strictures were imposed against your Company by SEBI, Stock Exchanges or any other Statutory Authority, on any matter related to capital markets during last three years except fine for inadvertently delay in approaching BSE Limited within stipulated time w.r.t. allotment of shares.

**(iii) Equity Share in Suspense Account**

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following detail in respect of the equity share lying in the suspense account which was issued pursuant to the public issue of the Company.

| | Number of Shareholders | Numbers of Equity Shares |
|---|---|---|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2017 | 4 | 1720 |
| Number of shareholders who approached issuer for transfer of shares from suspense account during the year | NIL | NIL |
| Number of shareholders to whom shares were transferred from suspense account during the year | NIL | NIL |
| Number of shareholders to whom shares were transferred from suspense account to IEPF Authority | NIL | NIL |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2018 | 4 | 1720 |

- The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
- These shares have been transferred into one folio in the name of "B.L KASHYAP AND SONS LIMITED UNCLAIMED SHARE DEMAT SUSPENSE ACCOUNT".

**(iv) Compliance Certificate on Corporate Governance**

Certificate from the auditor's, confirming compliance with conditions of Corporate Governance as stipulated in Regulation 34 read with Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 is attached to this Report.

**(v) CEO / CFO Certification**

In terms of Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the annual certificate given by the Managing Director and Chief Financial Officer is published in this Report.

**(vi) Risk Management**

The Board is apprised of the matters with regard to Risk Management & Assessment. The Risk minimization procedures have been put in place and are being reviewed from time to time, to ensure that the executive management, controls risk, through means of a properly defined framework.

**(vii) Declaration by Managing Director on Compliance with Code of Conduct**

I hereby confirm that the Company has obtained affirmation from all the members of the Board and senior management personnel that they have complied with the Code of conduct of the Company in respect of the financial year 2017-18.

New Delhi
August 13, 2018

**Vineet Kashyap**
Managing Director

**(viii) Transfer of unclaimed / unpaid amounts to the investor education and protection fund (IEPF):**

In terms of the provisions of the Section 124 and 125 of the Companies Act, 2013 and other applicable provisions, if any, of the Act read with the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all dividends that are remaining unclaimed for a period of seven years or more along with the corresponding shares are required to be transferred by the Company to the IEPF Authority. The Company has sent intimation to the concerned shareholders at their latest available address individually whose dividends/shares are liable to be transferred to IEPF as well as through a Press advertisement. Full details of such dividends/shares, including the names of shareholders, Folio number or DP ID-Client ID and the number of shares and dividend amount have also been uploaded on the website of the Company www. blkashyap.com.

During the year under review, the Company has credited ₹ 25072/- to the Investor Education & Protection Fund (IEPF), pursuant to the provisions of the Companies Act, 2013. Your Company has transferred 4712 equity shares of ₹ 10/- each to the IEPF Authority, in respect of which dividend had not been paid or claimed by the members for seven consecutive years or more.

Amounts of unclaimed dividend as on 31st March, 2018 and the due date for transfer to IEPF are:

| Financial Year | Amount (₹) | Due date for transfer to IEPF |
|---|---|---|
| 2010-11 | 40741.10 | 26th October, 2018 |

**(ix) Subsidiary companies**

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the board of directors of the Company.

The Company has four non-listed subsidiary companies and two step down subsidiary companies as at 31st March, 2018 but none of them is a material non-listed subsidiary company.

The Company has put in place a policy for determining 'material subsidiaries' and same can be accessed at the website of the Company viz.

http://www.blkashyap.com/DOC/Policy_Material_Subsidiary.pdf

**(x) Vigil mechanism / whistle blower policy**

In terms section 177(9) of the Companies act, 2013 and Regulation 22 of the SEBI Listing Regulations, the Board of Directors of the Company has adopted a Vigil mechanism / whistle blower policy for its employees. The employees are encouraged to report to the Audit Committee any fraudulent financial or any other information, any conduct that results in the instances of unethical behaviour, actual or suspected violation of the Company's Code of Conduct and ethics, which may come to their knowledge.

It is the Company's policy to ensure that whistle blowers are not victimized or denied direct access to the Chairman of the Audit Committee. The existence of a whistle blower policy mechanism has been communicated to all employees.

The said policy has been also put up on the website of the Company at the following link:

http://www.blkashyap.com/DOC/Whistle_Blower_2014.pdf

**(xi) Audit Qualification**

The Company from inception has ensured to remain in the regime of unqualified financial statement.

**(xii) Communication to Shareholders**

The Company has maintained a functional website at www.blkashyap.com containing basic information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

The Quarterly / Annual results and official news releases are generally published in Financial Express and Jansatta (a Regional daily published from Delhi). The results are also displayed on the Company's website (www.blkashyap.com).

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre

**(xiii) Managements' Discussion & Analysis**

Managements' Discussion & Analysis forms part of the Annual Report, which is mailed to the shareholders of the Company.

**(xiv) Compliance**

The Company is in full compliance with all the requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of the listing regulations.

**(xv) Adoption of mandatory and non-mandatory requirements**

The Company has complied with all mandatory requirements of regulation 34 of the Listing Regulations. The Company has not adopted non-mandatory requirements of regulation 27(1) which is the discretionary requirements as specified in Part E of Schedule II.

**10. General Shareholders' Information:**

**A** i. Annual General Meeting:

| | | |
|---|---|---|
| Date | : | 28th September, 2018, |
| Time | : | 10.00 a.m. |
| Venue | : | YWCA of Delhi 1, Ashoka Road, New Delhi-110001 |

As required under Regulation 36 (3) of the SEBI Listing Regulations, particulars of directors seeking appointment / re-appointment at the forthcoming AGM are given in the Annexure to the notice of the AGM to be held on 28th September, 2018.

ii. Date of Book Closure : 21st September, 2018 to 28th September, 2018

iii. Dividend Payment : NA

iv. Financial Calendar (tentative): Financial Reporting for the quarter ending

30th June 2018: on or before August 14, 2018

30th September, 2018: on or before November 14, 2018

31st December, 2018: on or before February 14, 2019

31st March, 2019: on or before May 30, 2019

v. Listing on Stock Exchanges : a. BSE Limited (BSE)

b. National Stock Exchange of India Limited (NSE)

vi. Listing Code/Symbol :

| | | |
|---|---|---|
| BSE | : | 532719 |
| NSE | : | BLKASHYAP |
| ISIN Code | : | INE350H01032 |

vii. Listing fees for 2017-18 : Paid to above Stock Exchanges

viii. Custodial fees to Depositories : Paid to National Security Depository Limited (NSDL) & Central Depository Securities Limited (CDSL) for 2018-19.

ix. Registered Office : B.L. Kashyap and Sons Limited
(CIN: L74899DL1989PLC036148)
409, 4th Floor, DLF Tower-A
Jasola, New Delhi – 110 025
Tel: +91 11 40500300,
Fax: +91 11 40500333
Website: www.blkashyap.com

**B. Market Price Data**

Monthly high and low price of Company's Equity Share at National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) for the period from 1 April, 2017 to 31 March, 2018 are stated hereunder.

| Month | | NSE | | | BSE | | |
|---|---|---|---|---|---|---|---|
| | Face Value of the Share ₹ | Share Price (₹) | Share Price (₹) | Total no. of Share traded | Share Price (₹) | Share Price (₹) | Total no. of Share traded |
| | | High | Low | | High | Low | |
| April 2017 | 1 | 32.70 | 21.45 | 1,32,70,940 | 22.35 | 19.80 | 747418 |
| May 2017 | 1 | 34.30 | 29.00 | 1,12,94,291 | 25.15 | 20.10 | 1298301 |
| June 2017 | 1 | 43.90 | 29.60 | 1,59,28,042 | 25.05 | 20.10 | 1732836 |
| July 2017 | 1 | 51.50 | 40.30 | 1,50,60,828 | 32.70 | 21.70 | 3805464 |
| August 2017 | 1 | 44.60 | 34.50 | 60,42,354 | 34.15 | 29.00 | 2843428 |
| September 2017 | 1 | 50.00 | 38.80 | 89,64,077 | 44.00 | 30.25 | 3571048 |
| October 2017 | 1 | 58.40 | 40.60 | 93,22,337 | 51.40 | 40.40 | 4885507 |
| November 2017 | 1 | 71.90 | 54.00 | 2,16,53,747 | 44.65 | 34.60 | 1384259 |
| December 2017 | 1 | 68.00 | 56.25 | 1,08,69,875 | 49.90 | 39.10 | 2305853 |
| January 2018 | 1 | 68.20 | 54.20 | 1,11,91,798 | 58.50 | 40.65 | 2269507 |
| February 2018 | 1 | 57.35 | 40.10 | 84,44,138 | 71.95 | 54.45 | 6863212 |
| March 2018 | 1 | 44.90 | 34.85 | 75,25,130 | 67.90 | 56.20 | 2466909 |

Performance in Comparison to BSE Sensex.

The Performance of the Company's scrip on the BSE as compared to Sensex is as under:

| Month | BSE Sensex | | B. L. Kashyap And Sons Limited | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April 2017 | 30184.22 | 29241.48 | 22.35 | 19.80 |
| May 2017 | 31255.28 | 29804.12 | 25.15 | 20.10 |
| June 2017 | 31522.87 | 30680.66 | 25.05 | 20.10 |
| July 2017 | 32672.66 | 31017.11 | 32.70 | 21.70 |
| August 2017 | 32686.48 | 31128.02 | 34.15 | 29.00 |
| September 2017 | 32524.11 | 31081.83 | 44.00 | 30.25 |
| October 2017 | 33340.17 | 31440.48 | 51.40 | 40.40 |
| November 2017 | 33865.95 | 32683.59 | 44.65 | 34.60 |
| December 2017 | 34137.97 | 32565.16 | 49.90 | 39.10 |
| January 2018 | 36443.98 | 33703.37 | 58.50 | 40.65 |
| February 2018 | 36256.83 | 33482.81 | 71.95 | 54.45 |
| March 2018 | 34278.63 | 32483.84 | 67.90 | 56.20 |

C. **Categories of equity shareholders as on 31st March 2018:**

| Category | No. of Shares held | % of Shareholdings |
|---|---|---|
| Promoters | 138498434 | 64.29 |
| Mutual Funds & UTI | 6859219 | 3.18 |
| Foreign Institution Investors | 11245220 | 5.22 |
| Foreign Portfolio Investors (Corporate) | 667120 | 0.31 |
| Financial Institutions / Banks | 143019 | 0.07 |
| Private Bodies Corporate | 21169819 | 9.83 |
| Indian Public | 33037127 | 15.33 |
| Hindu undivided family | 1265229 | 0.59 |
| Non-Resident Indians (NRI's) | 1264210 | 0.59 |
| Overseas Corporate Bodies | 20 | 0.00 |
| Government Companies | 1510 | 0.00 |
| Clearing Member | 807073 | 0.37 |
| Alternate Investment Funds | 467000 | 0.22 |
| Trusts | 15000 | 0.01 |
| **GRAND TOTAL** | **215440000** | **100.00** |

D. **Shareholding Pattern by Size :**

| No. of Equity Shares | No. of Shareholders | % of Shareholders | *Total Shares | % Total Shares |
|---|---|---|---|---|
| Up to 500 | 25541 | 81.3745 | 3138630 | 1.4568 |
| 501 - 1,000 | 2707 | 8.6246 | 2232436 | 1.0362 |
| 1,001 - 2,000 | 1302 | 4.1482 | 2076050 | 0.9636 |
| 2,001 - 3,000 | 513 | 1.6344 | 1349359 | 0.6263 |
| 3,001 - 4,000 | 217 | 0.6914 | 789170 | 0.3663 |
| 4,001 - 5,000 | 263 | 0.8379 | 1519315 | 0.5851 |
| 5,001 - 10,000 | 380 | 1.2107 | 2919242 | 1.3550 |
| 10,001 & Above | 464 | 1.4783 | 201674607 | 93.6106 |
| **Total** | **31387** | **100.0000** | **215440000** | **100.0000** |

E. **Capital Reconciliation:**

As stipulated by SEBI, a Qualified Chartered Accountant carries out Reconciliation of Share Capital to reconcile the total admitted capital with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors. The audit confirms that the total listed and paid up capital is in agreement with the aggregate of total number of shares in dematerlized form and in physical form.

F. **Dematerialization of shares:**

As on 31st March 2018, 99.99% of the Company's total paid-up capital representing 215423215 shares were held in dematerialized form and the balance 0.01% representing 16785 shares were held in physical form. The shareholders who wish to get their shares dematerialised can submit the share certificates together with the Demat request form to Depository Participants with whom they have opened a demat account.

G. **Share Transfer System:**

The Company's Shares are traded in the Stock Exchanges compulsorily in demat mode. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time.

**H. Investor Correspondence**

**For share transfer, transmission and dematerialization requests**

**Link InTime India Private Limited (RTA)**
44, Community Centre, 2nd Floor, Nariana Industrial Area,
Phase-I, New Delhi-110028
Tel. No.-011-41410592-94
Fax No. - 011-41410591
e.mail: delhi@linkintime.co.in

**For General Correspondence**

**Registered Office:**
B.L. Kashyap and Sons Ltd.
409, 4th Floor, DLF Tower –A, Jasola,
New Delhi 110 025
Ph.: 011-40500300 Fax: 011-40500333
E-mail:info@blkashyap.com

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that services of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses with the depository through their concerned Depository Participants.

## AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

TO THE MEMBERS OF B.L. KASHYAP AND SONS LIMITED

We have examined the compliance of conditions of Corporate Governance by B. L. Kashyap and Sons Limited ("the Company") in terms of Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the year ended 31.03.2018.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit for an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Maheshwari and Sharad**
**Chartered Accountants**
**Firm Regn No. 015513N**

**Sharad Mohan**
**Partner**
**M.No. 082176**

**Place: New Delhi**
**Date: 13.08.2018**

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## CEO & CFO Certification

### COMPLIANCE CERTIFICATE UNDER REGULATION 17(8)& AS SPECIFIED IN PART B OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS,2015

A. We have reviewed the financial statements and the cash flow statement of the company for the financial year ended 31st March, 2018 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the period, which are fraudulent, illegal or violative of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operations of such internal controls.

D. We have indicated to the auditors and the Audit Committee that:

   i. there are no significant changes, if any, in internal control over financial reporting during the year;

   ii. there are no significant changes in accounting policies during the year; and

   iii. there are no instances of significant fraud of which we have become aware.

**Place: New Delhi**
**Date: 13.08.2018**

**Vineet Kashyap**
**Managing Director**
**(DIN: 00038897)**

**Manoj Agarwal**
**CFO**

# Independent Auditors' Report

**To the Members of B.L. Kashyap and Sons Limited**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of B.L. KASHYAP AND SONS Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Ind AS 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.

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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 presentation of the standalone 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 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, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to the following matters;

(a) Note No.23 to the financial statements regarding claims against the Company not acknowledged as debts amounting ₹ 18.38 Crores in respect of disputed statutory dues and ₹ 42.55 Crores in respect of differential amount of interest sacrificed by bankers pursuant to scheme of Corporate Debt Restructuring as bankers have a right of recompose of sacrifices.

(b) Note No. 23 to the financial statements regarding Corporate Guarantee given by the Company.

(c) Note 5(a) to the financial statements regarding inadequate provision of losses for diminution in the value of Investments in the Subsidiary Companies.

(d) Note No. 3 & 4 to the financial statements regarding Change in method of charging Depreciation from written Down Value to Straight Line Method.

Our opinion is not modified in respect of these matters.

**Other Matters**

e) The comparative financial information for the year ended 31st March, 2017 and the transition date opening balance sheet as at 01st April, 2016 included in these standalone Financial statements are based on the statutory financial statements prepared in accordance with the Companies ( Accounting Standards) Rules 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017, 31st March 2016, 27th May, 2017 and 27th May 2016 respectively expressed an unmodified opinion on those standalone financial statements and have been restated to comply with Ind AS adjustments made to the previously issued said financial information prepared in accordance with the Companies ( Accounting Standards) Rules 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

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

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

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

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements; ( Refer Note 23 )

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

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

**2.** As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Maheshwari and Sharad**
Chartered Accountants
Firm Regn No. 015513N

**Sharad Mohan**
Partner
M.No. 082176

Place : New Delhi
Date : 19th May, 2018

## Annexure- A to the Auditors' Report

The Annexure referred to in our Auditors' Report of even date on the accounts for the year ended 31st March, 2018 of B.L. Kashyap & Sons Limited, New Delhi in pursuance to the Companies (Auditor's Report) order, 2016 on the matters specified in paragraphs 3 and 4 of the said order.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of information available.

(b) The Company has a practice of physical verification of its fixed assets once in a year, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. In accordance with such practice, the management has physically verified fixed assets at the year end and no material discrepancies were noticed on such verification.

(c) Title of the building of the Company amounting to ₹ 79,917 (S.L.M) as on 31st March, 2018 is not in name of the Company.

(ii) (a) As explained to us, the stores and material at different sites have been physically verified by the management at the year-end.

(b) In our opinion and according to information and explanations given to us, the Procedures of physical verification of stores and material followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to information and explanations given to us, the Company has maintained proper records of its inventories. Discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of accounts.

(iii) The Company has granted unsecured loans, to the companies, covered in the register maintained under section 189 of the Companies Act.

(a) The terms and conditions of the grant of loan are not prejudicial to the company's interest.

(b) The receipt of principal amount and interest are as per agreed terms and conditions.

(c) As per agreed terms and conditions there are no overdue amounts.

(iv) The Company has complied with provisions of section 185 and 186 of the Companies Act, in respect of loans, investments, guarantees and security.

(v) The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.

(vi) The Central Government has specified maintenance of cost record u/s. 148(1) of the Companies Act, 2013.As per records produced and explanations given to us, the company has made and maintained cost records and accounts.

(vii) (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has following undisputed statutory dues outstanding for more than six months.

| Nature of dues | Undisputed Amount Arrear More Six Month (₹) |
|---|---|
| EPF | 3,01,11,369/- |
| E.S.I.C. | 1,07,30,758/- |
| Labour Cess | 10,07,877/- |
| Service Tax | 2,48,25,135/- |

(b) According to the information and explanations given to us, there are disputed amount payable towards Income Tax, Service Tax, Central Excise, and Valued added tax as on the date of Balance Sheet in the following cases:-

| Name of the Statute | Nature of Dues | Period to which the amounts relates | Disputed Amount Not Deposited (₹ in Lac) | Forum Where the Dispute is pending |
|---|---|---|---|---|
| Service Tax Act, Delhi | Service Tax Demand | F.Y. 2006-07 to F.Y. 2009-10 | 1385.53 | Tribunal CESTAT,New Delhi |
| Central Excise Act, Noida | Excise Demand | F.Y. 2012-13 | 3.5 | Tribunal CESTAT, Allahabad |
| Service Tax Act, Delhi | Service Tax Demand | F.Y. 2010-11 to F.Y. 2014-15 | 78.78 | Custom and Central Excise Settlement Commission Additional Bench at Chennai |

| Name of the Statute | Nature of Dues | Period to which the amounts relates | Disputed Amount Not Deposited (₹ in Lac) | Forum Where the Dispute is pending |
|---|---|---|---|---|
| Income Tax | TDS Demand | F.Y. 2014-15 | 9.05 | CIT(Appeal), Delhi -41 |
| Income Tax | TDS Demand | F.Y. 2016-17 | 1.22 | CIT(Appeal), Delhi -41 |
| Value Added Tax, Haryana | Vat Demand | F.Y. 2011-12 | 44.77 | Appeal VAT, Haryana |
| Value Added Tax, Haryana | Vat Demand | F.Y. 2012-13 | 19.11 | Appeal VAT, Haryana |
| Value Added Tax, Haryana | Vat Demand | F.Y. 2013-14 | 16.25 | Appeal VAT, Haryana |
| Value Added Tax, Punjab | Vat Demand | F.Y. 2009-10 | 126.48 | Appeal VAT, Punjab |
| Value Added Tax, Bihar | Vat Demand | F.Y. 2014-15 | 152.86 | Appeal VAT, Bihar |
| | | Total | 1837.58 | |

(viii) The Company has defaulted in repayment of its dues to the Bank and Financial Institution as under:-

| Name of Bank | Delayed Principal Amount in ₹ | Period of Default (days) | Delayed Interest Amount in ₹ | Delay in No. of Days |
|---|---|---|---|---|
| ICICI Bank - Corporate Loan | 19,67,080 | 1 | 110,216 | 1 |
| ICICI BANK – WCTL | 292,80,000 | 1 | 223,776 | 1 |
| State Bank of India(TL-WCTL) | 155,14,768 | 32 | 136,318 | 32 |
| Indusind Bank - Corporate Loan | 30,80,000 | 1 | 184,907 | 1 |
| Indusind Bank – WCTL | 358,24,000 | 32 | 330,382 | 32 |
| Oriental Bank of Commerce - Corporate Loan | 45,60,000 | 1 | 269,367 | 1 |
| State Bank of India- Corporate Loan | 77,00,000 | 32 | 450,768 | 32 |
| Oriental Bank OF Commerce - WCTL | 12994334 | 32 | 115,848 | 32 |
| State Bank of India(TL-WCTL-BG) | 4000000 | 32 | 34,933 | 32 |
| Syndicate Bank – FITL | 220000000 | 365 | 52,360,067 | 424 |
| Syndicate Bank – TL | 1040399998 | 639 | 66,116,766 | 762 |
| CANARA BANK -CORPORATE LOAN | 4680000 | 1 | 140,912 | 1 |
| Yes Bank - Corporate Loan | 2202240 | 1 | 394,219 | 60 |

(ix) According to the information and explanation given to us, the money raised by way of initial public offer and Term Loans availed by the Company were applied for the purpose for which those were raised.

(x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

(xi) The managerial remuneration provided is in accordance with the requisite approval as mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not the Nidhi Company and as such this clause is not applicable.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and are disclosed in the financial statements.

(xiv) The Company during the year has not made any preferential, private placement, of shares or fully or partly convertible debentures during the year.

(xv) The Company has not entered with any non-cash transaction with Directors or persons connected with them, during the year within the meaning of section 192 of the Companies Act, 2013.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Maheshwari & Sharad**
Chartered Accountants
Firm Regn No. 015513N

**Sharad Mohan**
Partner
M.No. 082176

Place : New Delhi
Date : 19th May, 2018

# ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF B.L. KASHYAP AND SONS LIMITED

**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 BL Kashyap and Sons Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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". 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**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 March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **Maheshwari & Sharad**
Chartered Accountants
Firm Regn No. 015513N

**Sharad Mohan**
Partner
M.No. 082176

Place : New Delhi
Date : 19th May, 2018

# BALANCE SHEET AS AT 31 MARCH, 2018

( Amount in ₹)

| Particulars | Note No. | 31 March, 2018 | 31 March ,2017 | 1 April, 2016 |
|---|---|---|---|---|
| **A Assets** | | | | |
| **1 Non -current assets** | | | | |
| (a) Property , plant and equipment | 3 | 765,819,339 | 806,959,435 | 909,180,396 |
| (b) Capital work in progress | 3 | 67,597,533 | 54,831,696 | 44,984,736 |
| (c) Other intangible assets | 4 | 3,673,935 | 5,677,709 | 1,415,595 |
| (d) Financial Assets | | | | |
| (i) Investment | 5 (a) | 124,907,567 | 124,907,567 | 134,907,567 |
| (ii) Loans | 5 (c) | 4,535,002,129 | 4,434,769,419 | 4,277,633,391 |
| (iii) Other financial assets | 5 (f) | 5,600,143 | 3,358,778 | 17,639,145 |
| (e) Deferred tax assets, net | 6 | 560,930,572 | 684,905,414 | 748,540,434 |
| (f) Other non-current assets | | | | |
| (i) Mat Credit | | 124,739,277 | 31,345,943 | |
| **Total -Non-Current assets** | | 6,188,270,494 | 6,146,755,960 | 6,134,301,264 |
| **2 Current Assets** | | | | |
| (a) Inventories | 7 | 3,021,454,565 | 3,378,589,094 | 3,671,062,379 |
| (b) Financial Assets | | | | |
| (i) Trade receivables | 5 (b) | 4,374,310,274 | 4,156,162,604 | 4,577,308,563 |
| (ii) Cash and Cash Equivalents | 5 (d) | 91,672,601 | 71,292,602 | 68,409,802 |
| (iii) Other bank balances | 5 (e) | 125,202 | 125,202 | 124,949 |
| (iv) Other financial assets | 5 (f) | - | - | 173,175 |
| (c) Current tax assets (net) | 8 | 477,309,084 | 660,015,527 | 743,746,996 |
| (d) other current assets | 9 | 1,167,429,354 | 987,115,828 | 1,101,626,330 |
| **Total -Current assets** | | 9,132,301,079 | 9,253,300,861 | 10,162,452,194 |
| **TOTAL - ASSETS** | | 15,320,571,573 | 15,400,056,821 | 16,296,753,458 |
| **B EQUITY AND LIABILITIES** | | | | |
| **1 Equity** | | | | |
| (a) Equity Share Capital | 10 (a) | 215,440,000 | 205,440,000 | 205,440,000 |
| (b) Other Equity | 10 (b) | 4,955,364,954 | 4,050,415,422 | 3,923,293,049 |
| **Total - Equity** | | 5,170,804,954 | 4,255,855,422 | 4,128,733,049 |
| **2 Liabilities** | | | | |
| **Non -Current liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Loans | 11 (a) | 395,457,456 | 555,814,991 | 2,139,886,175 |
| (ii) Trade payables | 11 (c) | 553,293,303 | 531,019,232 | 437,663,414 |
| (b) Provision | 12 | 6,471,984 | 7,647,846 | 69,364,959 |
| (c) Other non-current liabilities | 13 | 790,091,249 | 858,870,106 | 1,142,509,582 |
| **Total - Non-current liabilities** | | 1,745,313,992 | 1,953,352,175 | 3,789,424,130 |
| **Current liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Loans | 11 (b) | 2,977,057,689 | 3,426,765,808 | 3,412,840,997 |
| (ii) Trade payables | 11 (c) | 1,943,500,378 | 1,498,582,859 | 1,912,318,196 |
| (iii) Other financial Liabilities | 11 (d) | 2,124,784,615 | 2,992,181,049 | 1,474,842,814 |
| (b) Provision | 12 | 78,835,394 | 77,335,464 | 7,697,899 |
| (c) Other current liabilities | 13 | 1,280,274,551 | 1,195,984,043 | 1,570,896,373 |
| **Total - Current liabilities** | | 8,404,452,626 | 9,190,849,224 | 8,378,596,280 |
| **TOTAL - EQUITY AND LIABILITIES** | | 15,320,571,573 | 15,400,056,821 | 16,296,753,458 |
| General Information and Significant Accounting Policies | 1 & 2 | | | |
| Other Notes on Accounts | 22-37 | | | |

The Notes are an integral part of these financial statements

In terms of our report of even date attached

For **Maheshwari & Sharad**
*Chartered Accountants*
*Firm Regn.no. 015513N*

**Sharad Mohan**
*Partner*
*Membership No.- 082176*
Place : New Delhi
Dated : 19.05.2018

For and on behalf of the Board of Directors

**Vikram Kashyap**
*Joint Managing Director*
*DIN-00038937*

**Vineet Kashyap**
*Managing Director*
*DIN-00038897*

**Vinod Kashyap**
*Chairman*
*DIN-00038854*

**Pushpak Kumar**
*Company Secretary*

**Manoj Agrawal**
*Chief Financial Officer*

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

( Amount in ₹)

| | Particulars | Note No. | 31 March, 2018 | 31 March, 2017 |
|---|---|---|---|---|
| I. | Revenue from operations | 14 | 9,366,804,003 | 8,894,954,960 |
| II. | Other income | 15 | 440,353,933 | 221,568,556 |
| III. | **Total Revenue (I + II)** | | 9,807,157,936 | 9,116,523,516 |
| IV. | Expenses: | | | |
| | Cost of materials consumed | 16 | 3,956,447,830 | 4,389,802,116 |
| | Changes in inventories of work-in-progress and Stock-in-Trade | 17 | 249,838,941 | 348,510,235 |
| | Sub Contract Work | | 2,002,341,129 | 1,285,921,844 |
| | Employees' benefits expenses | 18 | 1,549,060,776 | 1,459,575,263 |
| | Finance costs | 19 | 656,594,491 | 772,928,284 |
| | Depreciation and amortization expenses | 3-4 | 94,518,728 | 103,295,924 |
| | Other expenses | 20 | 639,089,445 | 556,686,255 |
| | **Total expenses** | | 9,147,891,340 | 8,916,719,920 |
| V. | **Profit from operations before tax and diminution in value of investment** | | 659,266,596 | 199,803,596 |
| VI. | Provision for diminution in the value of investment | | - | 10,000,000 |
| VII. | **Profit before tax (V - VI)** | | 659,266,596 | 189,803,596 |
| VIII. | **Tax expense:** | 21 | | |
| | (1) Current tax | | 143,190,950 | 31,590,689 |
| | (2) Minimum Alternative Tax Credit | | (93,393,334) | (31,345,943) |
| | (3) Deferred tax Liability (Asset) | | 119,534,499 | 63,220,228 |
| IX. | **Profit (Loss) for the period from continuing operations** | | 489,934,481 | 126,338,6222 |
| | Other Comprehensive income | | | |
| | (a) items that will not be reclassified to profit or loss | | | |
| | i) re-measurements of redefined benefit plans | | 12,830,395 | 1,198,543 |
| | ii) Income taxes related to items that will not be reclassified to profit or loss | | (4,440,343) | (414,792) |
| X. | **Total other Comprehensive Income** | | 8,390,052 | 783,751 |
| XI. | **Total comprehensive income** | | 498,324,533 | 127,122,372 |
| XII. | Earnings per equity share: | | | |
| | (1) Basic | | 2.31 | 0.61 |
| | (2) Diluted | | 2.17 | 0.61 |
| | Face value of each Equity Share | | ₹ 1.00 | ₹ 1.00 |
| | General Information and Significant Accounting Policies | 1 & 2 | | |
| | Other Notes on Accounts | 23-37 | | |
| | The Notes are an integral part of these financial statements | | | |

In terms of our report of even date attached

For **Maheshwari & Sharad**
*Chartered Accountants*
*Firm Regn.no. 015513N*

**Sharad Mohan**
*Partner*
*Membership No.- 082176*
Place : New Delhi
Dated : 19.05.2018

For and on behalf of the Board of Directors

**Vikram Kashyap**
*Joint Managing Director*
*DIN-00038937*

**Vineet Kashyap**
*Managing Director*
*DIN-00038897*

**Vinod Kashyap**
*Chairman*
*DIN-00038854*

**Pushpak Kumar**
*Company Secretary*

**Manoj Agrawal**
*Chief Financial Officer*

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

Amount in ₹

| | PARTICULARS | 31 March, 2018 | | | 31 March, 2017 | | |
|---|---|---|---|---|---|---|---|
| A | **Cash Flow From Operating Activities** | | | | | | |
| | Net Profit before tax | | 672,096,991 | | | 191,002,139 | |
| | Adjustment for : | | | | | | |
| | - Depreciation | 94,518,728 | | | 103,295,924 | | |
| | - Interest Expenses | 656,594,491 | | | 772,928,284 | | |
| | - Bad Debts | 206,747,928 | | | - | | |
| | - Loss/(Profit) on Fixed Assets / Investments sold | (7,453,209) | | | 4,351,352 | | |
| | - Interest Received | (297,207,495) | | | (223,953,541) | | |
| | | | 653,200,443 | | | 656,622,018 | |
| | Operating Profit Before Working | | | | | | |
| | **Capital Changes** | | 1,325,297,434 | | | 847,624,158 | |
| | Adjustment for : | | | | | | |
| | - Decrease/(Increase) in Trade And Other Receivables | (424,895,598) | | | 421,145,960 | | |
| | - Decrease/(Increase) in Inventories | 357,134,529 | | | 286,892,998 | | |
| | - Decrease/(Increase) in Other Assets | (91,000,418) | | | 176,896,028 | | |
| | - Increase/(Decrease) in Short Term Provisions | 1,499,930 | | | 69,637,565 | | |
| | - Increase/(Decrease) in Non- Current Provisions | (1,175,862) | | | (61,717,113) | | |
| | - Decrease/(Increase) in Other Financial assets | (2,241,365) | | | 14,453,542 | | |
| | - Increase/(Decrease) in other liability | 84,290,508 | | | (374,912,329) | | |
| | - Increase/(Decrease) in other Non-current liability | (342,161,012) | | | (212,716,168) | | |
| | - Increase/(Decrease) in Trade And Other Payables | 467,191,590 | 48,642,303 | | (320,379,519) | (699,035) | |
| | Cash Generated From Operations | | 1,373,939,736 | | | 846,925,123 | |
| | - Income Tax paid | | 49,797,616 | | | 244,746 | |
| | **Net Cash From Operating Activities** | | | 1,324,142,121 | | | 846,680,377 |
| B | **Cash Flow From Investing Activities** | | | | | | |
| | - Proceeds from Sale of Fixed Assets | | 23,866,557 | | | 17,162,657 | |
| | - Loans to related parties | | (100,232,710) | | | (157,136,027) | |
| | - Interest Received | | 297,207,495 | | | 223,953,541 | |
| | - Purchase of Fixed Assets | | (80,554,043) | | | (31,117,760) | |
| | **Net Cash (Used In)/From Investing Activities** | | | 140,287,299 | | | 52,862,411 |

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

Amount in ₹

| | PARTICULARS | 31 March, 2018 | | 31 March, 2017 | | |
|---|---|---|---|---|---|---|
| C | **Cash Flow From Financing Activities** | | | | | |
| | - Proceeds from Borrowings | (754,371,815) | | (137,656,256) | | |
| | - proceed from Equity shares | 10,000,000 | | - | | |
| | - proceed from share Warrant | 2,500,000 | | - | | |
| | - proceed from share Premium | 404,125,000 | | - | | |
| | -Changes in unpaid dividend paid account | - | | (253) | | |
| | - Interest and Finance Charges Paid | (656,594,491) | | (772,928,284) | | |
| | Net Cash (Used In)/From Financing Activities | | (994,341,306) | | | (910,584,793) |
| | Net Increase In Cash And Equivalents | | 470,088,114 | | | (11,042,006) |
| | Cash And Cash Equivalents (Opening Balance) | | (3,355,473,201) | | | (3,344,431,195) |
| | Cash And Cash Equivalents (Closing Balance) | | (2,885,385,088) | | | (3,355,473,201) |
| | **Notes :** | | | | | |
| | Cash and cash equivalents include :- | | | | | |
| | Cash,Cheque in hand and bank balance (as per note 5 (b) & 11(b) to the financial statements | | (2,885,385,088) | | | (3,355,473,201) |
| | **Total** | | (2,885,385,088) | | | (3,355,473,201) |

| | |
|---|---|
| General Information and Significant Accounting Policies | 1 & 2 |
| Notes on Accounts | 22-37 |

The Notes are an integral part of these financial statements

In terms of our report of even date attached

For **Maheshwari & Sharad**
*Chartered Accountants*
*Firm Regn.no. 015513N*

**Sharad Mohan**
*Partner*
*Membership No.- 082176*
Place : New Delhi
Dated : 19.05.2018

For and on behalf of the Board of Directors

**Vikram Kashyap**
*Joint Managing Director*
*DIN-00038937*

**Vineet Kashyap**
*Managing Director*
*DIN-00038897*

**Vinod Kashyap**
*Chairman*
*DIN-00038854*

**Pushpak Kumar**
*Company Secretary*

**Manoj Agrawal**
*Chief Financial Officer*

# STATEMENT OF CHANGES IN EQUITY (SOCIE)

**For the year Ended 31 March , 2018**

**A Equity Share Capital**

**As on 31.03.2017**

| Particulars | (Amount in ₹) |
|---|---|
| **Balance As on 1 April 2016** | 205,440,000 |
| Additional Equity Share Issued during 2016-17 | - |
| **Balance As on 31 March 2017** | **205,440,000** |

**As on 31.03.2018**

| Particulars | (Amount in ₹) |
|---|---|
| **Balance As on 1 April 2017** | 205,440,000 |
| Additional Equity Share Issued during 2017-18 | 10,000,000 |
| **Balance As on 31 March 2018** | **215,440,000** |

**B Other Equity**

**As on 31.03.2017**

| Particulars | Share warrant | Securities Premium Account | General Reserves | Surplus | Total |
|---|---|---|---|---|---|
| **Balance As on 1 April, 2016** | - | 1,899,480,000 | 861,461,245 | 1,162,351,804 | 3,923,293,049 |
| **Total Comprehensive Income for the year ended 31st March 2017** | | | | | |
| Profit for the year | | | | 126,338,622 | 126,338,622 |
| Other Comprehensive income (Net of Taxes) | - | | | 783,751 | 783,751 |
| **Total Comprehensive Income** | **-** | **-** | **-** | **127,122,373** | **127,122,373** |
| Transaction with the owners in their capacity as owners | | | | | |
| **Issue of Share Capital** | | | | | |
| Balance As on 31 March, 2017 | - | 1,899,480,000 | 861,461,245 | 1,289,474,176 | 4,050,415,421 |

**As on 31.03.2018**

| | | | | | |
|---|---|---|---|---|---|
| **Balance As on 1 April, 2017** | - | 1,899,480,000 | 861,461,245 | 1,289,474,177 | 4,050,415,422 |
| **Total Comprehensive Income for the year ended 31st March, 2018** | | | | | |
| Profit for the year | - | - | | 498,324,533 | 498,324,533 |
| Other Comprehensive income (Net of Taxes) | | | | | |
| **Total Comprehensive Income** | **-** | **-** | **-** | **498,324,533** | **498,324,533** |
| **Transaction with the owners in their capacity as owners** | | | | | |
| Issue of Share Warrant | 2,500,000 | | | | |
| Security Premium Issue of Share Capital | | 404,125,000 | | | 404,125,000 |
| **Balance As on 31 March, 2018** | **2,500,000** | **2,303,605,000** | **861,461,245** | **1,787,798,710** | **404,125,000** |

**Terms of issue of Share warrants:**

All Share Warrants bear no interest or dividend and each Share warrant is entitled to one equity share of ₹ 1/- each on payment of ₹ 33.33 (inclusive of ₹ 32.33 towards premium) per Share Warrant on exercise of conversion right by the holder on or before 8 February, 2019. The Equity Shares to be issued on conversion of such Share Warrants will not be sold / transferred / hypothecated for a period of one year from the date of trading approval from the stock exchanges.

General Information and Significant Accounting Policies 1 & 2

Notes on Accounts 22-37

In terms of our report of even date attached

For **Maheshwari & Sharad**
*Chartered Accountants*
*Firm Regn.no. 015513N*

**Sharad Mohan**
*Partner*
*Membership No.- 082176*
Place : New Delhi
Dated : 19.05.2018

For and on behalf of the Board of Directors

**Vikram Kashyap**
*Joint Managing Director*
*DIN-00038937*

**Vineet Kashyap**
*Managing Director*
*DIN-00038897*

**Vinod Kashyap**
*Chairman*
*DIN-00038854*

**Pushpak Kumar**
*Company Secretary*

**Manoj Agrawal**
*Chief Financial Officer*

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note 1 General Information**

B.L. Kashyap And Sons Ltd {CIN: L74899DL1989PLC036148} (BLK) is a public limited company domiciled in India and with registered office at 409, 4th Floor, DLF Tower-A, Jasola, New Delhi-110025 , incorporated under the provisions of the Companies Act, 1956. Its Equity Share are listed on Bombay stock Exchange and National Stock Exchange of India Limited.Founded in 1978 as a partnership firm, BLK owes its success to Shri B L Kashyap, a veteran construction professional. Incorporated as a limited company on 08.05.1989. Today, BLK is one of India's most respected construction and infrastructure development company with a pan India presence. Our service portfolio extends across the construction of factories manufacturing facilities, IT campuses, commercial & residential complexes, malls and hotels.

**Basis of Preparation**

**(a) Statement of compliance**

These standalone Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Acts amended from time to time. The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act. As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First Time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the company is provided in Note 35.

These standalone Ind AS financial statements were authorized for issue by the Company's Board of Directors on 19th May 2018.

Details of the Company's Accounting Policies are included in Note 2.

**(b) Functional and presentation currency**

These standalone Ind AS financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) all amounts have been rounded-off to the nearest Rupees, unless otherwise stated

**(c) Basis of Measurement**

The standalone Ind AS financial statements have been prepared on a historical cost basis, except for the following:

- defined benefit plans - plan assets measured at fair value

**(d) Use of estimates and judgments**

The preparation of the standalone Ind AS financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected thereby.

The areas involving critical estimates and judgments are:

(i) Estimation of Contract Cost for Revenue recognition (Refer Note -30)

(ii) Estimation of useful life of property, Plant and Equipment and Intangible (refer point 2.12 & 2.14)

(iii) Estimation of provision for defect liability period and liquidated damages, if any (refer note 26 )

(iv) Estimation of defined benefit obligation (refer note 28)

(v) Estimation of recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used (refer note -6)

(vi) Impairment of financial assets (refer note -22)

**(e) Measurement of fair values**

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuation meet the requirements of Ind AS including the level in the fair value hierarchy in which such valuations could be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follow:

Level 1: quoted prices ( unadjusted ) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Input for the assets or liability that are not based on observable market data ( unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an assets or a liability fall into different level of the fair value hierarchy. then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**Note 2 Significant Accounting Policies**

**2.1 Current and Non -Current Classification**

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

**2.2 Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Based on the nature of operations, the time between the acquisition of assets for processing and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

**2.3 Foreign Currency Transactions**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity, if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI, are recognised in other comprehensive income.

**2.4 Revenue recognition**

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

**2.4.1 Construction Revenue**

Revenue from contracts is recognised based on the stage of completion determined with reference to the costs incurred on

contracts and their estimated total costs. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision becomes known by management.

When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined based on technical and other assessment of cost to be incurred. Liquidated damages/penalties are accounted as per the contract terms whenever there is a delayed delivery attributable to the Company.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The profits on contracts are recognised only when outcome of the contract is reasonably certain.

Revenue excludes Integrated Goods & Services Tax, Central/State Goods & Services Tax, Sales Tax/Value Added Tax and Service Tax charged to customer.

Revenue from contracts awarded to a Jointly Controlled Entity but executed by the Company under the arrangement with the Joint Venture Partner (being in substance in the nature of Jointly Controlled Operations, in terms of Ind AS Accounting Standard-28 is recognised on the same basis as similar contracts independently executed by the company.

**2.4.2 Dividend**

Income from Dividend is recognised when the right to payment is established.

**2.4.3 Interest Income and expenses**

Interest income or expense is accounted based on effective interest rate. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

- In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis

**2.5 Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

**2.5.1 Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is a convincing evidence that the Company will pay normal tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**2.5.2 Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

-temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

-temporary differences related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

-taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**2.6 Impairment of non financial assets**

The carrying amounts of the Company's non-financial assets, investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**2.7 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**2.8 Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**2.9 Inventories**

Construction materials and spares, tools and stores, are stated at the lower of cost and net realisable value. Cost of construction materials comprises cost of purchases cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of FIFO (first in first out). Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

**2.10 Financial instruments**

**2.10.1 Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the Management. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

**2.10.2 Classification and subsequent measurement**

**A) Financial Assets**

**Classification**

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**Initial recognition and measurement**

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

**Debt instruments at amortised cost**

1. A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
   a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   b) Contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
2. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.
3. Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

1. The rights to receive cash flows from the asset have expired, or
2. The Company has transferred its rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.
3. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained
4. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

1. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
2. Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs 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.

**B) Financial Liabilities**

**Classification**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, 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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

**Gains or losses on liabilities held for trading are recognised in the profit or loss.**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognized.

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.

This category generally applies to interest-bearing loans and borrowings.

**Derecognition**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**2.11 Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.12 Property, Plant and Equipment**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

**Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

- Building 60 years
- Machinery 9 to 15 years
- Vehicle 8 to 10 years
- Equipment 3 to 5 years
- Furniture, fittings 10 year

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**Reclassification to investment property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

**2.13 Investment Property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised

Based on technical evaluation and consequent advice, the management believes a period of 25-40 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties using the straight-line method over their estimated useful lives.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

**2.14 Intangible assets**

**Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**Amortisation methods and periods**

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer software 6 years

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets.

**2.15 Trade and other payable**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid unless and otherwise aggreed, the amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, please refer to note 11c.

**2.16 Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity 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 profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**2.17 Borrowing Costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**2.18 Provisions**

Provisions for legal claims, service warranties are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**2.19 Employee benefits**

**(i) Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long term employee benefits**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on independent actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post employment benefits**

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity and

(b) defined contribution plans such as provident fund and superannuation fund

**Pension and gratuity obligations**

The liability recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

**(iv) Bonus plan**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**2.20 Contributed equity**

**Equity shares are classified as equity**

Incremently cost directly attributable to the issue of new shares or options are show in equity as a deduction net of tax, from the proceeds

**2.21 Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**2.22 Earning per share**

**(i) Basic Earning per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**(ii) Diluted Earning per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**2.23 Statement of cash flows**

The company's statements of cash flows are prepared using the Indirect method, whereby profit for the period is adjusted for the effect of transaction of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts and cash credit facility that form an integral part of the company's cash management.

**2.24 Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the IND AS financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-3 Property, Plant, Equipment and Intangible Assets**

| | Land & Building | Plant & Machinery | Equipment's | Vehicles | Furniture & Fixtures | Total Tangible Assets | Capital Work in Progress |
|---|---|---|---|---|---|---|---|
| **Year ended 31 March, 2016** | | | | | | | |
| Cost or deemed cost (Gross carrying amount) | | | | | | | |
| **Deemed cost as at 1 April, 2016** | **37,709,342** | **2,495,279,382** | **64,994,006** | **89,678,326** | **12,483,113** | **2,700,144,169** | **44,984,736** |
| Additions | - | 8,483,573 | 859,318 | 6,268,840 | 83,569 | 15,695,301 | 9,846,960 |
| Disposals | - | 99,349,610 | 9,785,678 | 4,039,772 | 1,313,868 | 114,488,928 | - |
| **Balance as at 31 March,2016 (Gross carrying amount)** | **37,709,342** | **2,404,413,345** | **56,067,646** | **91,907,394** | **11,252,814** | **2,601,350,541** | **54,831,696** |
| Accumulated depreciation | 33,469,312 | 1,604,552,955 | 61,874,237 | 79,942,061 | 11,125,207 | 1,790,963,772 | - |
| on Disposals | - | 83,722,292 | 9,744,254 | 3,802,774 | 1,285,885 | 98,555,205 | - |
| Amotisation for the year | 4,158,458 | 93,837,460 | 1,131,125 | 2,552,112 | 303,382 | 101,982,536 | - |
| **Balance as at 31 March,2016 (Accumulated depreciation)** | **37,627,770** | **1,614,668,123** | **53,261,110** | **78,691,399** | **10,142,704** | **1,794,391,106** | **-** |
| **Net carrying amount** | **81,572** | **789,745,222** | **2,806,536** | **13,215,995** | **1,110,110** | **806,959,435** | **54,831,696** |
| Year ended 31 March,2017 | | | | | | | |
| Cost or deemed cost (Gross carrying amount) | - | - | - | - | - | - | - |
| Deemed cost as at 1 April,2017 | 37,709,342 | 2,404,413,345 | 56,067,646 | 91,907,394 | 11,252,814 | 2,601,350,541 | 54,831,696 |
| Additions | - | 54,289,968 | 1,969,272 | 11,184,268 | 274,698 | 67,718,206 | 12,765,837 |
| Disposals | - | 95,402,809 | 8,743,117 | 14,335,919 | 1,494,546 | 119,976,391 | - |
| **Balance as at 31 March,2018 (Gross carrying amount)** | **37,709,342** | **2,363,300,504** | **49,293,801** | **88,755,743** | **10,032,966** | **2,549,092,356** | **67,597,533** |
| Accumulated depreciation | 37,627,770 | 1,614,668,123 | 53,261,110 | 78,691,399 | 10,142,704 | 1,794,391,106 | - |
| on Disposals | - | 79,293,497 | 8,717,937 | 14,101,387 | 1,450,217 | 103,563,038 | - |
| Amotisation for the year | 2,437 | 87,919,679 | 1,115,768 | 3,198,399 | 208,671 | 92,444,953 | - |
| **Balance as at 31 March,2018 (Accumulated depreciation)** | **37,630,207** | **1,623,294,300** | **45,658,941** | **67,788,411** | **8,901,159** | **1,783,273,018** | **-** |
| **Net carrying amount** | **79,135** | **740,006,204** | **3,634,860** | **20,967,333** | **1,131,807** | **765,819,339** | **67,597,533** |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-4 Other intangible Assets**

| | Intangible Assets |
|---|---|
| **Year ended 31st March, 2016** | |
| **Cost or deemed cost (Gross carrying amount)** | |
| **Deemed cost as at 1st April, 2016** | 24,033,027 |
| Additions | 5,575,499 |
| Disposals | - |
| **Balance as at 31st March, 2016 (Gross carrying amount)** | **29,608,526** |
| Accumulated depreciation | 22,617,432 |
| on Disposals | - |
| Amotisation for the year | 1,313,385 |
| **Balance as at 31st March,2017 (Accumulated depreciation)** | **23,930,817** |
| Net carrying amount | 5,677,709 |
| Year ended 31st March,2017 | |
| Cost or deemed cost (Gross carrying amount) | - |
| Deemed cost as at 1st April,2017 | 29,608,526 |
| Additions | 70,000 |
| Disposals | - |
| **Balance as at 31st March, 2018 (Gross carrying amount)** | **29,678,526** |
| Accumulated depreciation | 23,930,817 |
| on Disposals | - |
| Amotisation for the year | 2,073,774 |
| **Balance as at 31st March, 2018 (Accumulated depreciation)** | **26,004,591** |
| Net carrying amount | 3,673,935 |

The future economic benefits embodied in the all items of the despicable assets owned by the Company as per note no 3 and 4 which are expected to be consumed from year to year over their respective balance lives, shall be same from year to year. Therefore, the method of charging depreciation has been changed from written down value to straight line method to reflect the true consumption pattern of the depreciable assets resulting in change in the amount of depreciation charged from ₹ 144,976,689/- (₹ 178,206,557/-) to ₹ 94,518,727/- (₹103,295,924). Consequently, the carrying value of depreciable assets also been changed from ₹ 711,722,212/- (₹ 792,558,207/-) to ₹ 837,090,807/- ( ₹ 867,468,840/-). Consequently, the charge of depreciation is lower by ₹ 50,457,962/- (₹ 74,910,633/-) and profit before tax is higher by the above amount in respective financial years.

Property, Plant and equipment have been pledged as security for borrowings, refer note 11a for detail.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-5A NON CURRENT INVESTMENTS -AT COST***

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| **A** | **Trade Investments (Refer A below)** | | | |
| | (a) Investment in Equity instruments- Unquoted | 88,842,000 | 88,842,000 | 88,842,000 |
| | (b) Investments in preference shares-unquoted | 50,000,000 | 50,000,000 | 50,000,000 |
| | **Total (A)** | **138,842,000** | **138,842,000** | **138,842,000** |
| **B** | **Other Investments (Refer B below)** | | | |
| | (a) Investment in Equity instruments-quoted | 140,160 | 140,160 | 140,160 |
| | (b) Investment in Equity instruments-unquoted | 95,735 | 95,735 | 95,735 |
| | (c) Investments in Government or Trust securities-unquoted | 79,672 | 79,672 | 79,672 |
| | **Total (B)** | **315,567** | **315,567** | **315,567** |
| | **Grand Total (A + B)** | **139,157,567** | **139,157,567** | **139,157,567** |
| | Less : Provision for diminution in the value of Investments | 14,250,000 | 14,250,000 | 4,250,000 |
| | **Total** | **124,907,567** | **124,907,567** | **134,907,567** |

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| (i) | Aggregate amount of quoted investments (Market value ) | 39,110 | 61,110 | 61,227 |
| (ii) | Aggregate amount of unquoted investments at cost | 139,017,407 | 139,017,407 | 139,017,407 |
| (iii) | Aggregate amount of total provision on investments | 14,250,000 | 14,250,000 | 4,250,000 |

* In accordance with section 186 of the Act read with companies( Meeting of Board and its Power) Rules ,2014 the details of investments made by the Company as at the reporting dates are stated above . There have been no addition or deletions during the years ended 31 March, 2017 and 31 March, 2018

**A. Details of Trade Investments**

Amount in ₹

| Sr. No. | Name of the Body Corporate | Relation | No. of Shares / Units | | | Quoted / Unquoted | Partly Paid / Fully paid | Extent of Holding (%) | | | Amount (₹) | | | Whether stated at Cost Yes / No |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2018 | 2017 | 2016 | | | 2018 | 2017 | 2016 | 2018 | 2017 | 2016 | |
| (a) | **Investment in Equity Instruments** | | | | | | | | | | | | | |
| | B L K Lifestyle Ltd | Subsidiary | 5,000,000 | 5,000,000 | 5,000,000 | Unquoted | Fully Paid | 100 | 100 | 100 | 54,092,000 | 54,092,000 | 54,092,000 | Yes |
| | Less: Provision for diminution in the value of investment | | | | | | | | | | -10,000,000 | -10,000,000 | | |
| | Security Information Systems India Ltd | Subsidiary | 680,000 | 680,000 | 680,000 | Unquoted | Fully Paid | 100 | 100 | 100 | 4,250,000 | 4,250,000 | 4,250,000 | Yes |
| | Less: Provision for diminution in the value of investment | | | | | | | | | | -4,250,000 | -4,250,000 | -4,250,000 | |
| | Soul Space Project Ltd | Subsidiary | 2,050,000 | 2,050,000 | 2,050,000 | Unquoted | Fully Paid | 97.9 | 97.9 | 97.9 | 20,500,000 | 20,500,000 | 20,500,000 | Yes |
| | B L K Infrastructure Ltd | Subsidiary | 1,000,000 | 1,000,000 | 1,000,000 | Unquoted | Fully Paid | 100 | 100 | 100 | 10,000,000 | 10,000,000 | 10,000,000 | Yes |
| (b) | **Investments in Preference Shares** | | | | | | | | | | | | | |
| | B L K Lifestyle Ltd | Subsidiary | 5,000,000 | 5,000,000 | 5,000,000 | Unquoted | Fully Paid | 100 | 100 | 100 | 50,000,000 | 50,000,000 | 50,000,000 | Yes |
| | **Total** | | | | | | | | | | **124,592,000** | **124,592,000** | **134,592,000** | |

935648 Nos. Equity shares of Soul Space Projects Limited have been pledged in favor of bankers for obtaining loan by Soul Space Projects Limited (Subsidiary)

In respect of losses in Subsidiary Companies other than Security Information Systems India Ltd and B L K Lifestyle Ltd for which provision for diminution in the value of Investments has not been made, the management is of the view that from the current year onwards these Subsidiaries will start making profits and situation is expected to improve in near future.

**B. Details of Other Investments**

Amount in ₹

| Sr. No. | Name of the Body Corporate | Relation | No. of Shares / Units | | | Quoted / Unquoted | Partly Paid / Fully paid | Amount (₹) | | | Whether stated at Cost Yes / No |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2018 | 2017 | 2016 | | | 2018 | 2017 | 2016 | |
| (a) | Investment in Equity Instruments at cost | | | | | | | | | | |
| | GR Cables Ltd | Others | 1,300 | 1,300 | 1,300 | Quoted | Fully Paid | 13,000 | 13,000 | 13,000 | Yes |
| | Northland Sugar Ltd | Others | 4,800 | 4,800 | 4,800 | Quoted | Fully Paid | 48,000 | 48,000 | 48,000 | Yes |
| | Somdatt Finance Corporation Ltd | Others | 2,000 | 2,000 | 2,000 | Quoted | Fully Paid | 20,000 | 20,000 | 20,000 | Yes |
| | Crew B.O.S Products Ltd | Others | 1,000 | 1,000 | 1,000 | Quoted | Fully Paid | 59,160 | 59,160 | 59,160 | Yes |
| | GI Power Corporation Ltd | Others | 4,000 | 4,000 | 4,000 | Unquoted | Fully Paid | 42,549 | 42,549 | 42,549 | Yes |
| | GTZ Securities Ltd | Others | 5,000 | 5,000 | 5,000 | Unquoted | Fully Paid | 53,186 | 53,186 | 53,186 | Yes |
| | **Total** | | | | | | | **235,895** | **235,895** | **235,895** | |
| (b) | Investments in Government or Trust securities | | | | | | | | | | |
| | Kisan Vikas Patra | Others | | | | | | 7,282 | 7,282 | 7,282 | Yes |
| | 6 Year Nsc VIII issue | Others | | | | | | 72,390 | 72,390 | 72,390 | Yes |
| | **Total** | | | | | | | **79,672** | **79,672** | **79,672** | |
| | **Total** | | | | | | | **315,567** | **315,567** | **315,567** | |

The Company, as at 31 March,2018, has a non-current investment amounting to ₹ 10,40,92,000/- (31 March,2017: ₹ 10,40,92,000/-; 1 April 2016:

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ 10,40,92000/-), non-current loans amounting to ₹ 22,83,29,371/- (31 March,2017: ₹ 22,04,09,221/-; 1 April, 2016: ₹ 20,79,63,269/-) and other current financial assets amounting to ₹ 6,56,89,145/- (31 March, 2017: ₹ 3,24,12,607/-; 1 April, 2016: ₹ 4,00,04,836/-) in B L K Lifestyle Ltd, a subsidiary. While such entity has been incurring losses and the net-worth of Entity as at 31 March 2018 has been fully eroded, this entity is operating at at much lower then its installed capacity due to current market situation caused by low private investment and is expected to achieve adequate profitability on revival of private investment in coming years. The net-worth of this subsidiary does not represent its true market value as the value of the underlying assets/installed capacity, based on valuation report of an independent valuer, is substantially higher. Therefore, based on certain estimates like future business plans, growth prospects and other factors, the management believes that the realizable amount of this subsidiary is substantially higher than the carrying value of the non-current investment, non-current loans and other current financial assets due to which these are considered as good and recoverable.

The Company, as at 31 March, 2018 has a non-current investment amounting to ₹ 2,05,00,000/- (31 March, 2017: ₹ 2,05,00,000/-; 1 April, 2016: ₹ 2,05,00,000/-), non-current loans amounting to ₹ 4,21,17,20,390/- (31 March, 2017: ₹ 4,10,78,56,622/-; 1 April, 2016: ₹ 3,91,30,71,122/-) and other current financial assets amounting to ₹ 39,05,23,303/- (31 March, 2017: ₹ 39,18,08,040/-;1 April, 2016: ₹ 38,71,99,802/-) in Soul Space Project Ltd, a subsidiary (97.91%), which is holding 100% in SSHL (Soul Space Hospitality Limited) and 100% in SSRL ( Soul Space Reality Limited). While SSPL has been incurring losses, the underlying projects are expected to achieve adequate realizable value. The net-worth of this subsidiary does not represent its true market value as the value of the underlying investments/ assets, based on valuation report of an independent valuer, is higher. Therefore, based on certain estimates like future business, growth prospects and other factors, the management believes that the realizable amount of the subsidiary is higher than the carrying value of the investments, non-current loans and other current financial assets due to which these are considered as good and recoverable.

**Note 5B Trade Receivables**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Current** | | | |
| Trade Receivable -Unsecured, considered good | 4,374,310,274 | 4,156,162,603 | 4,577,308,563 |

For terms and conditions of receivables due from related parties, refer note 32 of standalone Ind AS financial statements.

For details of borrowings secured by receivables, refer note 11(a), 11 (b) & 32 of Standalone Ind AS Financial Statements.

The Company exposure to credit and currency risks, and loss allowances related to receivables are disclosed in note 32 of standalone Ind AS financial statements.

Debtors amounting to ₹ 1,05,39,85,406/- (As On 31.03.2017 ₹ 2,24,88,84,798/- and As On 01.04.2016 ₹ 2,27,71,50,150/-) are outstanding for more than one year.

Sundry Debtors as at 31 March, 2018 include debtors aggregating to ₹ 35,93,10,871 (31 March 2017 ₹ 39,97,20,296/- and 1 April 2016 ₹ 17,29,57,697/-). These represent amounts of work done and retention which have been disputed by the Clients. However, the matters has been referred to arbitration. The management is reasonably confident of establishing its claims for the said amount supported by proper evidences and consequently no change have been made to the values and classification of these amounts in the financial statements.

Sundry Debtors as at 31 March, 2018 include ₹ Nil (31 March, 2017 ₹ 3,87,87,898/- and 1 April, 2016 ₹ 16,30,40,701/-) it represents amount recoverable under a contract foreclosed by the client(s).

**Note-5C Loans**

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| a. | Security Deposits | 65,837,137 | 69,891,979 | 90,140,625 |
| | | 65,837,137 | 69,891,979 | 90,140,625 |
| b. | Loans and advances to related parties - Subsidiaries | | | |
| | Unsecured, considered good | 4,469,164,991 | 4,356,307,211 | 4,149,131,079 |
| | | 4,469,164,991 | 4,356,307,211 | 4,149,131,079 |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| c. | Other loans and advances | | | |
| | Inter Corporate Deposits | | | |
| | Unsecured, considered good | - | 8,570,228 | 38,361,687 |
| | | - | 8,570,228 | 38,361,687 |
| | **Total** | **4,535,002,129** | **4,434,769,419** | **4,277,633,391** |
| | Non Current | 4,535,002,129 | 4,434,769,419 | 4,277,633,391 |
| | Current | - | - | - |

Long Term Loans and Advances given to subsidiary and other companies which are recoverable on demand have been classified as Long Term Loans and Advances as the management is of the view that there is no likelihood of asking for their repayment, atleast within next 12 months.

**Note-5D Cash and Cash Equivalents**

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| a. | Balances with banks | 49,760,029 | 50,891,963 | 33,431,580 |
| b. | Cash on hand | 41,912,572 | 10,400,644 | 34,978,222 |
| c. | Cheques, drafts on hand | - | 10,000,000 | - |
| | **Total** | **91,672,601** | **71,292,607** | **68,409,802** |

**Note-5E other Bank Balances**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Bank balances other than note 6d | 125,202 | 125,202 | 124,949 |
| | **125,202** | **125,202** | **124,949** |

**Note-5F Other Financial assets**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Non-Current | | | |
| Bank deposits with more than 12 months maturity | 5,600,143 | 3,358,778 | 17,639,145 |
| This include Earmarked Balances ₹ 56,00,143 (30,94,023 on 31 March 2017 and 1,50,85,766 on 1 April 2016) | | | |
| Total Non- Current | 5,600,143 | 3,358,778 | 17,639,145 |
| Current | | | |
| Interest Accrued On FDR ( Current ) | 0 | 0 | 173,175 |
| Total Current | 0 | 0 | 173,175 |
| **Total** | **5,600,143** | **3,358,778** | **17,812,320** |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-6 Deferred Tax Assets**

**The balance comprises temporary differences attributable to :**

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Deferred Tax assets arising on account of :** | | | |
| Depreciation and amortisation of Property, plant & equipment. And other intangible assets | 40,302,885 | 48,586,660 | 68,137,229 |
| Defined benefit obligations | 48,941,641 | 52,689,179 | 44,292,581 |
| Unabsorbed of Business Losses and Depreciation | 358,310,426 | 526,137,992 | 632,922,419 |
| Long Term Capital Loss | | | 3,188,204 |
| Provisions-43B | 113,375,619 | 57,491,582 | |
| | **560,930,571** | **684,905,413** | **748,540,434** |

**Movement in deferred tax assets (net)**

| Particulars | 1 April, 2016 | Recognized in other comprehensive Income | Recognized in profit and loss | 31 March, 2017 |
|---|---|---|---|---|
| Depreciation and amortisation of Property, plant & equipment. And other intangible assets | 68,137,229 | - | (19,550,569) | 48,586,660 |
| Defined benefit obligations | 44,292,581 | (414,792) | 8,811,390 | 52,689,179 |
| Unabsorbed of Business Losses, House Property Loss and Depreciation | 632,922,419 | - | (106,784,427) | 526,137,992 |
| Long Term Capital Loss | 3,188,204 | | (3,188,204) | - |
| Provisions-43B | - | | 57,491,582 | 57,491,582 |
| **Total** | **748,540,434** | **(414,792)** | **(63,220,229)** | **684,905,413** |

**Movement in deferred tax assets (net)**

| Particulars | 31 March, 2017 | Recognized in other comprehensive Income | Recognized in profit and loss | 31 March, 2018 |
|---|---|---|---|---|
| Depreciation and amortisation of Property, plant & equipment. And other intangible assets | 48,586,660 | | (8,283,775) | 40,302,885 |
| Defined benefit obligations | 52,689,179 | (4,440,343) | 692,805 | 48,941,641 |
| Unabsorbed of Business Losses, House Property Loss and Depreciation | 526,137,992 | | (167,827,566) | 358,310,426 |
| Long Term Capital Loss | - | | - | - |
| Provisions-43B | 57,491,582 | - | 55,884,037 | 113,375,619 |
| **Total** | **684,905,413** | **(4,440,343)** | **(119,534,499)** | **560,930,571** |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-7 Inventories**

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| a. | Raw Materials and components (Valued at cost) | 388,157,351 | 495,452,939 | 439,415,989 |
| b. | Work-in-progress (Valued at cost) | 2,554,976,568 | 2,812,035,290 | 3,126,702,893 |
| c. | Stock-in-trade (Valued at lower of cost and net realisable value) | 78,320,646 | 71,100,865 | 104,943,497 |
| | **Total** | **3,021,454,565** | **3,378,589,094** | **3,671,062,379** |

**Note-8 Current Tax Assets**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Advance Tax / TDS | 300,895,333 | 481,742,050 | 571,229,043 |
| Income Tax Recoverable for earlier year | 176,413,751 | 178,273,476 | 172,517,953 |
| **Total** | **477,309,084** | **660,015,527** | **743,746,996** |

**Note-9 Other Current Assets**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Value Added Tax Recoverable | 313,599,672 | 332,384,922 | 298,261,539 |
| Service Tax Recoverable | 26,250 | 73,492,581 | 122,220,180 |
| GST Receivable | 144,722,505 | - | - |
| Others | 709,080,926 | 581,238,324 | 681,144,611 |
| **Total** | **1,167,429,353** | **987,115,828** | **1,101,626,330** |

**Note-10a Share Capital**

| Share Capital | 31 March, 2018 | | 31 March, 2017 | | 1 April, 2016 | |
|---|---|---|---|---|---|---|
| | Number | ₹ | Number | ₹ | Number | ₹ |
| **Authorised** | | | | | | |
| Equity Shares of ₹ 1/- each | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 |
| **Issued** | | | | | | |
| Equity Shares of ₹ 1/- each | 215,440,000 | 215,440,000 | 205,440,000 | 205,440,000 | 205,440,000 | 205,440,000 |
| **Subscribed & Paid up** | | | | | | |
| Equity Shares of ₹ 1/- each | 215,440,000 | 215,440,000 | 205,440,000 | 205,440,000 | 205,440,000 | 205,440,000 |
| **Total** | **215,440,000** | **215,440,000** | **205,440,000** | **205,440,000** | **205,440,000** | **205,440,000** |

The Company has only one class of equity shares having par value of INR 1/- per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**a. Reconciliation of shares outstanding at the beginning and at the end of reporting period**

| Share Capital | Equity Shares | | Preference Shares | |
|---|---|---|---|---|
| | Number | ₹ | Number | ₹ |
| Shares outstanding at the beginning of the year | 205,440,000 | 205,440,000 | - | - |
| Shares Issued during the year | 10,000,000 | 10,000,000 | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 215,440,000 | 215,440,000 | - | - |

**b. Details of Shareholders holding more than 5% shares in company**

| Share Capital | 31 March, 2018 | | 31 March, 2017 | | 1 April, 2016 | |
|---|---|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Vinod Kashyap | 40,684,078 | 18.88 | 40,684,078 | 19.80 | 40,684,078 | 19.80 |
| Vineet Kashyap | 48,932,330 | 22.71 | 48,932,330 | 23.82 | 48,932,330 | 23.82 |
| Vikram Kashyap | 48,616,750 | 22.57 | 48,616,750 | 23.66 | 48,616,750 | 23.66 |

**c. Aggregate no of shares issued for consideration other than cash**

| Share Capital | 31 March, 2018 | | 31 March, 2017 | | 1 April, 2016 | |
|---|---|---|---|---|---|---|
| | No of share | Amount | No of share | Amount | No of share | Amount |
| Aggregate no of shares issued for consideration other than cash | - | - | - | - | - | - |

**Share warrant**

| Share Capital | 31 March, 2018 | | 31 March, 2017 | | 1 April, 2016 | |
|---|---|---|---|---|---|---|
| Issued 10,000,000 @ ₹ 0.25 per share warrant | 10,000,000 | 2,500,000 | - | - | - | - |
| **Total** | **10,000,000** | **2,500,000** | **-** | **-** | **-** | **-** |

**Terms of issue of share warrants:**

All Share Warrants bear no interest or dividend and each Share warrant is entitled to one equity share of ₹1/- each on payment total of ₹ 33.33 (inclusive of ₹ 32.33 towards premium) per Share Warrant will on exercise of conversion right by the holder on or before 8th February, 2019. The Equity Shares to be issued on conversion of such Share Warrants shall not be sold / transferred / hypothecated for a period of one year from the date of trading approval from the stock exchanges.

**Note-10 (b) Reserves and Surplus**

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| a. | **Securities Premium Account** | | | |
| | Opening Balance | 1,899,480,000 | 1,899,480,000 | 1,899,480,000 |
| | Add : Securities premium credited on Share issue and Share Warrant | 404,125,000 | - | - |
| | Closing Balance | **2,303,605,000** | **1,899,480,000** | **1,899,480,000** |
| b. | **General Reserves** | | | |
| | Opening Balance | 861,461,245 | 861,461,245 | 861,461,245 |
| | (+) Current Year Transfer | - | | |
| | Closing Balance | **861,461,245** | **861,461,245** | **861,461,245** |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| c. | **Surplus** | | | |
| | Opening balance | 1,289,474,177 | 1,162,351,804 | 1,152,791,817 |
| | (+) Net Profit/(Net Loss) For the current year | 498,324,533 | 127,122,373 | 9,559,987 |
| | Closing Balance | **1,787,798,709** | **1,289,474,177** | **1,162,351,804** |
| d. | **Share Warrants** | | | |
| | Opening balance | - | - | - |
| | addition during the year | 2,500,000 | - | - |
| | Deletion during the year | - | - | - |
| | Closing Balance | 2,500,000 | - | - |
| | **Total** | **4,955,364,954** | **4,050,415,422** | **3,923,293,049** |

**Nature and purpose of Reserves**

**(i) Securities Premium Reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act

**(ii) General Reserve**

General reserve is created out of surplus of profit and loss

**Note-11 (a) Non Current Borrowings**

**Financial Liabilities**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Secured** | | | |
| **Term loans** | | | |
| - From Banks | 39,581,140 | 136,165,963 | 1,811,967,483 |
| - From Other Parties | 6,678,828 | 80,140,549 | - |
| | **46,259,968** | **216,306,512** | **1,811,967,483** |
| **Unsecured** | | | |
| **Term loans** | | | |
| - From related parties | 262,029,041 | 259,029,041 | 259,029,041 |
| - From Others | 87,168,447 | 80,479,438 | 68,889,651 |
| | 349,197,488 | 339,508,479 | 327,918,692 |
| **Total** | **395,457,456** | **555,814,991** | **2,139,886,175** |

**A. CORPORATE DEBT RESTRUCTURING (CDR)**

Subsequent to the approval of Restructuring package by Corporate Debt Restructuring (CDR) Empowered Group after duly recommended by Independent Evaluation Committee (IEC) on 31.12.2014 the company has complied with all the critical conditions. The participative CDR Lenders were State Bank of India, Canara Bank, ICICI Bank, Oriental Bank of Commerce, Indusind Bank, Syndicate Bank and the Non CDR Members were Yes Bank Ltd, SREI Equipment Finance Ltd, Standard Chartered Bank Ltd and HDFC Bank In terms of LOA ( Letter of Approval) and MRA ( Master Restructuring Agreement) dated 31.12.2014 , the company's debts have been restructured with longer repayment schedule stretching up to FY 2019-20 with lower interest rates linked to Base Rates of respective Banks. However the CDR lenders would have a right of recompense for their sacrifices at the time of Company's exit from CDR. The total amount of recompense works out to ₹ 69.50 Cr during the full

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

tenure of the CDR, of which the sacrifice amount for the period upto 31 March 2018 is ₹ 42.55 Crores( 31 March 2017 is ₹ 33.61 Crores and 1April 2016 ₹ 23.93 Crores) However as per RBI directives dated 12.02.2018 in respect of Resolution of stressed assets all the restructuring schemes such as CDR, SDR, ,S4A etc. stands withdrawn.

**B. POSITION OF SECURITIES AND GUARANTEES GIVEN TO SECURE THE DEBTS**

Amount in ₹

| Name of Bank/Financial Institution | 31 March, 2018 | 31 March, 2017 | Detail of Security | Repayment Terms |
|---|---|---|---|---|
| **Secured** | | | | |
| **From Banks** | | | | |
| Syndicate Bank | 1,040,399,998 | 1,040,399,999 | Refer note A(a) to (d) | Refer Note A(g) |
| Syndicate Bank-(FITL) | 220,000,000 | 219,999,999 | Refer note A(a) to (d) | Refer Note A(g) |
| State Bank of India | 70,976,268 | 158,940,873 | Refer note A(a) to (d) | Refer Note A(g) |
| State Bank of India-(FITL) | | 61,568,316 | Refer note A(a) to (d) | Refer Note A(g) |
| Canara Bank -(FITL) | | 30,300,000 | Refer note A(a) to (d) & (f) | Refer Note A(g) |
| Canara Bank | 28,715,000 | 42,989,143 | Refer note A(a) to (d) & (f) | Refer Note A(g) |
| ICICI Bank | 42,756,920 | 143,961,716 | Refer note A(a) to (d) | Refer Note A(g) |
| ICICI Bank -(FITL) | - | 15,933,852 | Refer note A(a) to (d) | Refer Note A(g) |
| IndusInd Bank | 56,768,000 | 182,641,018 | Refer note A(a) to (d) | Refer Note A(g) |
| IndusInd Bank -(FITL) | - | 43,861,449 | Refer note A(a) to (d) | Refer Note A(g) |
| Oriental Bank of Commerce | 44,002,334 | 100,396,000 | Refer note A(a) to (d) | Refer Note A(g) |
| Oriental Bank of Commerce - (FITL) | - | 36,197,729 | Refer note A(a) to (d) | Refer Note A(g) |
| Yes Bank | 14,972,237 | 34,116,233 | Refer note A(a) to (d) | Refer Note A(g) |
| Standard Chartered Bank | | 104,300,000 | Refer note A(a) to (d) | Refer Note A(g) |
| **Total** | **1,518,590,757** | **2,215,606,328** | | |
| **From Other Parties** | | | | |
| SREI Equipment Finance Pvt. Ltd. | 98,139,278 | 165,184,531 | Refer note A(e) | |
| **Total** | 98,139,278 | 165,184,531 | | |
| **Unsecured** | | | | |
| **From Related Parties** | | | | |
| Mr Vikram Kashyap | 11,000,000 | 11,000,000 | | |
| Mr Vinod Kashyap | 95,979,041 | 95,979,041 | | |
| Mr Vineet Kashyap | 126,850,000 | 126,850,000 | | |
| CHRYSALIS REALTY PROJECT P LTD | 3,000,000 | - | | |
| M/s Aiyana Trading Private Limited | 25,200,000 | 25,200,000 | | |
| **Total** | **262,029,041** | **259,029,041** | | |
| **From others- Inter Corporate Deposit** | | | | |
| Tehkhand Associates Ltd | 12,200,000 | 13,900,000 | | |
| Worlds Window Impex (I)Pvt.Ltd | 54,660,266 | 48,543,753 | | |
| Dharitri Maa Urja Private Limited | 20,308,181 | 18,035,685 | | |
| **Total** | **87,168,447** | **80,479,438** | | |
| **Grand Total** | **1,965,927,523** | **2,720,299,337** | | |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note A.**

a) First Pari Passu Charge on the entire fixed assets of the company in terms of CDR Package.

b) First Pari Passu Charge on the entire Current Assets of the company in terms of CDR Package.

c) Pledge of Un-encumbered share holding of B. L. Kashyap and Sons Limited in favour of lenders by the Whole Time Directors.

d) Unconditional and Irrevocable Personal Guarantee of Mr. Vinod Kashyap, Mr. Vineet Kashyap and Mr. Vikram Kashyap.

e) Srei Equipment Finance Ltd - Loan secured against creation/modification of equitable mortgage by way of deposit of title deed of third party property and Personal Guarantee of Mr. Vineet Kashyap, Whole Time Director.

f) Canara Bank Credit Facility is secured by way of Equitable mortgage of third party property of M/s Ahuja Kashyap Malts Private Limited

**g) Repayment Terms**

Term Loan (Restructured) Under CDR - 2% of Loan amount in quarterly installments in Financial Year 2016-17, 50% of The loan amount in quarterly installments in Financial Year 2017-18, 44% of Loan amount in in quarterly installment in Financial Year 2018-19 and 4% of the loan amount in quarterly installment in Financial Year 2019-20

Corporate Loans under CDR repayable in 14 quarterly structured installments beginning form 30.06.2016 to 31.03.2018.

Working Capital Term Loans under CDR repayable in 8 quarterly structured installments beginning form 30.06.2016 to 30.09.2019.

Funded Interest Term Loan (FITL) - 91.39% of Loan amount in March 2017 and 8.61% of Loan Amount on Sept 2017

Loan from SREI is to be paid in 14 quarterly installments and interest @11.50 to be paid monthly

The above breakup of total loans of ₹ 1,96,59,27,523/- in aggregate, out of which, an amount of ₹ 39,54,57,456/- is shown under Non -Current loans as per Note 11a and the balance of ₹ 1,57,04,70,067/- is shown as part of the current maturities of Long Term Debt under Other Current Financial Liabilities as per Note 11d in terms of requirements of Schedule III to the Companies Act, 2013

**Delay in payments of Secured Term Loans from Banks**

| Name of the Bank | Delayed Principal Amount of ₹ | Delay in No. of Days | Delayed Interest Amount of ₹ | Delay in No. of Days |
|---|---|---|---|---|
| ICICI Bank - Corporate Loan | 1,967,080 | 1 | 110,216 | 1 |
| ICICI BANK - WCTL | 29,280,000 | 1 | 223,776 | 1 |
| State Bank of India(TL-WCTL) | 15,514,768 | 32 | 136,318 | 32 |
| Indusind Bank - Corporate Loan | 3,080,000 | 1 | 184,907 | 1 |
| Indusind Bank - WCTL | 35,824,000 | 32 | 330,382 | 32 |
| Oriental Bank of Commerce - Corporate Loan | 4,560,000 | 1 | 269,367 | 1 |
| State Bank of India- Corporate Loan | 7,700,000 | 32 | 450,768 | 32 |
| Oriental Bank OF Commerce - WCTL | 12,994,334 | 32 | 115,848 | 32 |
| State Bank of India(TL-WCTL-BG) | 4,000,000 | 32 | 34,933 | 32 |
| Syndicate Bank - FITL | 220,000,000 | 365 | 52,360,067 | 424 |
| Syndicate Bank - TL | 1,040,399,998 | 639 | 66,116,766 | 762 |
| CANARA BANK -CORPORATE LOAN | 4,680,000 | 1 | 140,912 | 1 |
| Yes Bank - Corporate Loan | 2,202,240 | 1 | 394,219 | 60 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-11(b) Financial liabilities - Loans**

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Current** | | | |
| **Secured** | | | |
| Loans Repayable on demand | 2,977,057,689 | 3,426,765,808 | 3,412,840,997 |
| From Banks | | | |
| | 2,977,057,689 | 3,426,765,808 | 3,412,840,997 |

**(a) Secured Loans**

**1. Working Capital Facility From Banks**

(Secured by way of first pari passu charge on Current Assets of the company and second pari passu charge on Fixed Assets of the Company except those specifically charged to Financial Institutions/banks/others for term Loans of machinery & vehicles and Personal Guarantees of whole time Directors)

**2. Delay in Payments of Interest on working capital Loans**

| Name of the Bank | Delayed Interest Amount of ₹ | Delay in No. of Days |
|---|---|---|
| Yes Bank (WCDL) | 7,156,962 | 60 |
| Canara Bank | 7,485,162 | 9 |
| State Bank of India | 9,192,226 | 1 |
| ICICI Bank | 3,505,570 | 32 |
| Oriental Bank of Commerce | 5,321,594 | 32 |
| Indusind Bank | 6,643,995 | 32 |

**Note-11 (c) Financial Liabilities - Trade Payable**

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Sundry Creditors ( Non Current) | 553,293,303 | 531,019,232 | 437,663,414 |
| Sundry Creditors ( Current) | 1,943,500,378 | 1,498,582,859 | 1,912,318,196 |
| | **2,496,793,682** | **2,029,602,091** | **2,349,981,610** |

The Sundry Creditors Trade (Long Term) payable are those Sundry Creditors which are outstanding for a period of more than one year and hence fall outside the operating cycle of the company.

**Note 11 (d) Other Financial Liabilities**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Current** | | | |
| Current maturities of long-term debt* | 1,570,470,067 | 2,164,484,347 | 718,069,419 |
| Interest accrued and due on borrowings | 147,094,511 | 235,356,910 | 71,892,803 |
| Interest accrued but not due on borrowings | - | - | 3,805 |
| Unclaimed dividends | 104,630 | 125,202 | 153,803 |
| Other payables | | | |
| - Others | 407,115,407 | 592,214,592 | 684,722,984 |
| **Total** | **2,124,784,615** | **2,992,181,049** | **1,474,842,814** |

*Refer note 11(a) A & B

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-12 Provisions**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Non -Current** | | | |
| Gratuity (unfunded) | 4,938,144 | 4,886,917 | 66,456,811 |
| Leave Encashment (unfunded) | 1,533,840 | 2,760,929 | 2,908,148 |
| **Non -Current Total** | 6,471,984 | 7,647,846 | 69,364,959 |
| **Current** | | | |
| Leave Encashment (unfunded) | 65,852 | 239,029 | 420,610 |
| Gratuity (unfunded) | 69,767,804 | 72,648,958 | 7,277,289 |
| Other Provision (defect liability period) | 9,001,738 | 4,447,477 | |
| Current Total | 78,835,394 | 77,335,464 | 7,697,899 |
| **Total** | **85,307,378** | **84,983,310** | **77,062,858** |

**Note-13 Other Liabilities**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Current** | | | |
| Other payables | | | |
| - Statutory Dues | 278,958,094 | 374,771,045 | 531,466,144 |
| - Mobilisation Advance | 598,531,300 | 465,699,852 | 579,201,801 |
| - Interest payable on govt due | 225,488,612 | 210,186,315 | 193,848,105 |
| - Others | 177,296,545 | 145,326,830 | 266,380,323 |
| **Total Current** | **1,280,274,550** | **1,195,984,043** | **1,570,896,373** |
| Non Current | | | |
| Mobilisation Advance from Customers | 790,091,249 | 858,870,106 | 1,142,509,582 |
| **Total Non Current** | **790,091,249** | **858,870,106** | **1,142,509,582** |
| **Total** | **2,070,365,799** | **2,054,854,149** | **2,713,405,955** |

**Note-14 Revenue from Operations**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 |
|---|---|---|
| Construction Job Work -Net | 9,354,512,540 | 8,845,684,223 |
| Other operating revenues | 12,291,463 | 49,270,738 |
| **Total** | **9,366,804,003** | **8,894,954,960** |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-15 Other Income**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 |
|---|---|---|
| Interest Income | 297,207,495 | 223,953,541 |
| Other non-operating income (net of expenses directly attributable to such income) | 143,146,438 | (2,384,985) |
| **Total** | **440,353,932** | **221,568,556** |

**Note-16 Cost of Materials Consumed**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 |
|---|---|---|
| Opening Stock-Materials | 495,452,939 | 439,415,989 |
| Add: Purchases | | |
| Basic Materials | 777247691.4 | 647,811,462 |
| Cement and Cement Products | 748816739 | 963,205,077 |
| Doors and Windows | 123561512.1 | 44,667,071.90 |
| Flooring, Cladding and Paving | 127038693.4 | 61,403,577 |
| Reinforcement Steel | 957348632.1 | 1,358,908,731 |
| Structural Steel | 103819552.8 | 270,390,608 |
| Other Materials | 1,011,319,421 | 1,099,452,539 |
| Less: Closing Stock-Materials | 388,157,350.59 | 495,452,939 |
| Consumption of materials | 3,956,447,830 | 4,389,802,116 |

**Note-17 Changes in Inventories of work-in-progress and stock in trade**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 |
|---|---|---|
| **Work-In-Progress** | | |
| Opening | 2,812,035,290 | 3,126,702,893 |
| Closing | 2,554,976,568 | 2,812,035,290 |
| Changes | 257,058,722 | 314,667,603 |
| **Stock In trade** | | |
| Opening | 71,100,865 | 104,943,497 |
| Closing | 78,320,646 | 71,100,865 |
| Changes | (7,219,781) | 33,842,632 |
| **Total** | **249,838,941** | **348,510,235** |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-18 Employees benefit expenses**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 |
|---|---|---|
| **Salaries & Wages - staff** | | |
| Salaries & Wages | 1,395,635,458 | 1,327,600,435 |
| Contribution to Provident Fund | 77,431,276 | 68,954,489 |
| Contribution to ESI | 29,831,512 | 17,935,464 |
| Staff Welfare | 11,400,313 | 14,503,887 |
| Gratuity | 15,596,077 | 12,241,777 |
| Leave Encashment | (1,400,266) | (157,369) |
| Bonus | 6,501,048 | 5,697,636 |
| Medical Expenses | 4,118,378 | 3,054,434 |
| **Salaries & Wages - Directors** | | |
| Remuneration | 9,000,000 | 9,000,000 |
| Sitting fees | 797,000 | 460,000 |
| Medical expenses | 149,980 | 284,511 |
| **Total** | **1,549,060,776** | **1,459,575,263** |

**Note-19 Finance cost**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 |
|---|---|---|
| Interest expense | 622,839,856 | 734,291,431 |
| Other borrowing costs | 33,754,636 | 38,636,853 |
| **Total** | **656,594,491** | **772,928,284** |

**Note-20 Other Expenses**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 |
|---|---|---|
| Power and Fuel | 178,674,001 | 182,453,987 |
| Bad Debts Written Off | 206,747,928 | - |
| Hire Charges | 155,604,784 | 146,889,587 |
| Legal And Professional expenses | 49,496,905 | 48,232,186 |
| Other Expenses | 48,565,826 | 179,110,495 |
| **Total** | **639,089,445** | **556,686,255** |

**Note-20.1 Other Expenses**

**(i) detail of payment to Auditors**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 |
|---|---|---|
| (a) Auditors fee | 1,000,000 | 800,000 |
| (b) tax Audit fee | - | 200,000 |
| (c) other certification charges | 1,00,000 | 150,000 |
| (d) other charges | - | 100,000 |
| (e) income tax Matters | - | 1,000,000 |
| **Total** | **1,100,000** | **2,250,000** |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-21 Income Tax Expenses**

**a) Current Tax, MAT and Deferred Tax**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 |
|---|---|---|
| **Current Tax** | | |
| Current tax on profits for the year | 143,190,950 | 31,590,689 |
| Total Current Tax expenses | 143,190,950 | 31,590,689 |
| Credit of Minimum Alternate Tax | 93,393,334 | 31,345,943 |
| **Total** | **93,393,334** | **31,345,943** |
| **Deferred Tax** | | |
| Decrease / (increase) in deferred tax assets | 119,534,499 | 63,220,229 |
| (Decrease) / increase in deferred tax liabilities | - | - |
| Total deferred tax expense/ (benefits) | 119,534,499 | 63,220,229 |
| Total Income Tax Expenses | 169,332,115 | 63,464,975 |
| Income tax expenses attributable to : | | |
| Profit from continuing operations | 169,332,115 | 63,464,975 |
| Profit from discontinuing operations | - | - |
| **Total Income Tax Expenses** | **169,332,115** | **63,464,975** |

**b) Amount recognised as other comprehensive income**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 |
|---|---|---|
| Remeasurements of defined benefit liability (assets) before tax | 12,830,395 | 1,198,543 |
| Tax benefit on above | 4,440,343 | 414,792 |
| Other comprehensive income (net of taxes) | 8,390,052 | 783,751 |

**Note-22 Impairment of assets**

The management is of the opinion that as on the balance sheet date, there are no indications of a material impairment loss on Property, Plant and Equipment, hence the need to provide for impairment loss does not arise.

**Note-23 Contingent liability in respect of**

| Particulars | | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| A. | Bank Guarantees | 1,097,898,009 | 1,024,054,450 | 1,181,250,798 |
| B. | Corporate Guarantees given on behalf of subsidiaries | 840,000,000 | 1,420,000,000 | 1,420,000,000 |
| C. | Corporate Guarantees given on favour of Clients | 261,658,405 | 332,261,985 | 355,212,172 |
| D. | Claims against the company not acknowledge as debts | | | |
| | Income Tax TDS | 1,026,530 | - | 3,504,000 |
| | Service Tax | 146,431,634 | 138,483,000 | 139,801,000 |
| | Excise Duty | 350,000 | 350,000 | 350,000 |
| | VAT | 35,949,686 | 39,685,000 | 33,528,000 |
| **Total** | | **2,383,314,264** | **2,954,834,435** | **3,133,645,970** |

The company has not provided for penal and overdue interest on the Outstanding Loans as on 31st March 2018. Pending Settlement The aggregate of such panel and overdue interest of ₹ 1,60,63,304/-

- Differential amount of Interest sacrificed by Bankers pursuant to scheme of Corporate Debt Restructuring (Refer Note 11a) amount ₹ 42.55 Cr as Bankers have a right of recompose of sacrifices.
- Additional tax liability, if any pending assessments is indeterminate.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-24 Capital and other commitments**

Amount in ₹

| Particular | As at 31 March, 2018 | As at 31 March, 2017 | As at 31 March, 2016 |
|---|---|---|---|
| Capital Commitments | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) | 46,181,395 | 41,881,261 | - |

**Note 25**

In the management opinion, the assets other than Property, Plant and Equipment's and Non-Current Investments have a realisable value, in the ordinary course of business, approximately of the amount at which they are stated in these standalone In AS financial statements.

**Note-26 The disclosure in respect of Provisions is as under :**

Amount in ₹

| Particulars | Defect Liability period | Onerous contract |
|---|---|---|
| Balance at 1 April 2016 | - | - |
| Additions during the year | 4,447,477 | - |
| Utilisation during the year | - | - |
| Reversal (withdrawn as no longer required) | - | - |
| As at 31 March 2017 | 4,447,477 | - |
| Additions during the year | 4,554,261 | - |
| Utilisation during the year | - | - |
| Reversal (withdrawn as no longer required) | - | - |
| As at 31 March 2018 | 9,001,738 | - |
| Non current | - | - |
| Current | 9,001,738 | - |

Provision for defect liability period - The Company has made provision for defect liability period based on the defect liability period mentioned in contracts. The provision is bases on the estimates made from historical data associated with similar project. The Company expects to incur the related expenditure over the defect liability period

Provision for onerous contracts - The Company has a contract where total contract cost exceeds the total contract revenue. In such situation as per In AS 11 the Company has to provide for these losses. The provision is based on the estimate made by the management

**Note-27 Earning Per Share**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March, 2017 |
|---|---|---|
| i) Net Profit after tax as per Standalone Statement of profit and loss attributable to equity shareholders | 489,934,481 | 126,338,622 |
| (ii)Weighted average number of equity shares used as denominator for calculating EPS (Re-stated pursuant to share issue) | 211,838,356 | 205,440,000 |
| (iii) Basic earning per share | 2.31 | 0.61 |
| (iv) Diluted earning per share | 2.17 | 0.61 |
| (v) Face value of equity share | 1.00 | 1.00 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-28 Retirement Benefits**

**a. Defined Contribution Plan**

The Company makes contribution towards provident fund and superannuation fund which are defined contribution retirement plans for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement contribution schemes to fund benefits.

The Company recognised ₹ 7,74,31,276 (31 March, 2017: ₹ 6,89,54,489) for Provident Fund contributions in the Statement of Profit & Loss. The contribution payable to these plans by the Company are at rates specified in the rules.

**b. Defined Benefit Plan**

The scheme provides for lump sum payment to vested employees at retirement, upon death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

The following table sets out the funded status of the gratuity plan and the amount recognised in the Company's Standalone Ind AS financial statements as at 31 March, 2018

**Disclosure**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Change in benefit obligations: | | | |
| Projected benefit obligation at the beginning of the year | 77,535,875 | 73,734,100 | 75,222,642 |
| Interest cost on DBO | 6,078,813 | 5,426,830 | 5,950,111 |
| Net Current Service Cost | 7,010,711 | 6,814,947 | 7,214,994 |
| Annual Plan Participants Contributions | - | | |
| Past Service Cost | 2,506,553 | | |
| Actuarial (Gain) / Loss | (12,830,395) | (1,198,543) | (7,313,116) |
| Change in foreign Currency Rates | - | - | |
| Acquisition/ Business Combination/ Divestiture | - | - | |
| Loss/ (Gain ) on curtailments/ settlements | - | - | |
| Benefits Paid | (5,595,609) | (7,241,459) | (7,340,531) |
| Projected benefit obligation at the end of the year | 74,705,948 | 77,535,875 | 73,734,100 |

| Change in plan assets | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Fair value of plan assets at the beginning of the year | - | - | - |
| Expected return on plan assets | - | - | - |
| Employer's contribution | - | - | - |
| Actual Plan Participants Contributions | - | - | - |
| Actual Tax Paid | - | - | - |
| Actual Administration Expenses Paid | - | - | - |
| Change in foreign currency rates | - | - | |
| Benefit paid | - | - | - |
| Acquisition/ Business Combination/ Divestiture | - | - | |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

| Change in plan assets | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Assets Extinguished on Curtailments/ Settlements | - | - | |
| Actuarial gain / (loss) | - | - | - |
| Fair value of plan assets at the end of the year | - | - | - |
| | | | |
| Net gratuity cost for the year ended | | | |
| Service Cost | 7,010,711 | 6,814,947 | 7,214,994 |
| Interest of defined benefit obligation | 6,078,813 | 5,426,830 | 5,950,111 |
| Expected return on plan assets | - | - | - |
| Past Service Cost | 2,506,553 | | |
| Remeasurements | - | - | (7,313,116) |
| Net gratuity cost | 15,596,077 | 12,241,777 | 5,851,989 |
| Actual return on plan assets | | | |

| Analysis of Amounts Recognised in Remeasurements of the net Defined Benefits Liability / (assets during the period | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Amount recognised in OCI (Gain )/loss Beginning of the period | (1,198,543) | - | - |
| Remeasurment due to : | | | |
| Effect of Change in Financial Assumptions | (3,450,055) | 3,926,467 | - |
| Effect of Change in Demographic Assumptions | - | - | - |
| Effect of Experience Adjustment | (9,380,340) | (5,125,010) | - |
| Return on Plan Assets ( Excluding Interest) | - | - | - |
| Change in Assets Ceiling | - | - | - |
| Total Re-measurement Recognised in OCI (Gain)/ Loss | (12,830,395) | (1,198,543) | - |
| Amount recognised in OCI (Gain )/loss end of the period | (14,028,938) | (1,198,543) | |

| Total defined benefits Cost / ( Income) included in profit and loss and Other comprehensive income | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Amount recognised in P/L End of the period | 15,596,077 | 12,241,777 | 5,851,989 |
| Amount recognised in OCI end of the period | (12,830,395) | (1,198,543) | - |
| Total Net defined benefits Cost/ (income) recognised as the period -End | 2,765,682 | 11,043,234 | 5,851,989 |

| Reconciliation of Balance Sheet Amount | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Balance sheet (assets/ liability, Beginning of the period | 77,535,875 | 73,734,100 | 75,222,642 |
| True up | - | - | - |
| Total charge / (credit) recognised in Profit and Loss | 15,596,077 | 12,241,777 | 5,851,989 |
| Total remeasurement recognised on OC (income)/Loss | (12,830,395) | (1,198,543) | - |
| Acquisition / Business Combination / Divestiture | - | - | |
| Employer Contribution | - | - | |
| Benefits Paid | (5,595,609) | (7,241,459) | (7,340,531) |
| Amount recognised in standalone balance sheet | 74,705,948 | 77,535,875 | 73,734,100 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

| Actual Return on plan Assets | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Expected return on plan assets | - | - | - |
| Remeasurement on plan assets | - | - | - |
| Actual Return on plan Assets | - | - | - |

| Current and non Current Bifurcation | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Current liability | 69,767,804 | 72,648,958 | 7,277,289 |
| Non Current liability | 4,938,144 | 4,886,917 | 66,456,811 |
| **Total liability** | **74,705,948** | **77,535,875** | **73,734,100** |

| Financial Assumptions used to determine the profit and loss charge | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Discount rate | 7.84 P.A | 7.36 P.A | 7.91 P.A |
| Salary escalation rate | 6.00 P.A | 6.00 P.A | 6.00 P.A |
| Expected rate of return on plan assets | 0.00 P.A | 0.00 P.A | 0.00 P.A |

| Demographic assumptions used to determine the defined benefits | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Retirement Age | 58 year | 58 year | 58 year |
| Mortality table | | IALM (2008) | |
| Employee Turnover / Attrition Tate :- | | | |
| 18 to 30 year | 4.00% | 4.00% | 4.00% |
| 30 to 45 years | 3.00% | 3.00% | 3.00% |
| Above 45 years | 2.00% | 2.00% | 2.00% |

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Amount in ₹

| Particulars | 31 March, 2018 | | 31 March, 2017 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate 100 basis point | (6,488,253) | 7,463,946 | (6,921,802) | 7,982,169 |
| Salary Escalation Rate 100 basis point | 7,526,826 | (6,651,694) | 8,011,004 | (7,066,575) |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Expected cash Outflow for the following years**

Expected total benefits payments

Amount in ₹

| Particulars | 31 March, 2018 | 31 March, 2017 |
|---|---|---|
| year 1 | 5,019,835 | 4,974,463 |
| year 2 | 3,964,064 | 5,060,396 |
| year 3 | 4,133,215 | 5,690,918 |
| year 4 | 8,287,364 | 4,546,385 |
| year 5 | 12,350,119 | 8,932,189 |
| Next 5 years | 89,037,270 | 74,867,168 |

The following table sets out the funded status of the gratuity plan and the amount recognised in the Company's Ind AS financial statements as at 31 March 2018

**Disclosure**

Amount in ₹

| Change in benefit obligations: | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Projected benefit obligation at the beginning of the year | 2,999,958 | 3,328,758 | 3,098,271 |
| Interest Cost on DBO | 235,197 | 244,997 | 245,073 |
| Net Current Service Cost | 237,366 | 311,611 | 485,577 |
| Annual Plan Participants Contributions | - | - | - |
| Benefits Paid | - | (171,431) | - |
| Past Service Cost | - | - | - |
| Change in foreign Currency Rates | - | - | - |
| Acquisition/ Business Combination/ Divestiture | - | - | - |
| Loss/ (Gain ) on curtailments/ settlements | - | - | - |
| Actuarial (Gain) / Loss on obligation | (1,872,829) | (713,977) | (500,163) |
| Projected benefit obligation at the end of the year | 1,599,692 | 2,999,958 | 3,328,758 |

| Change in Fair Value of plan assets | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Fair value of plan assets at the beginning of the year | - | - | - |
| Expected return on plan assets | - | - | - |
| Employer's contribution | - | - | - |
| Actual Plan Participants Contributions | - | - | - |
| Actual Tax Paid | - | - | - |
| Actual Administration Expenses Paid | - | - | - |
| Changes in Foreign Currency Exchange Rates | - | - | - |
| Benefit paid | - | - | - |
| Acquisition/ Business Combination/ Divestiture | - | - | - |
| Assets Extinguished on Curtailments/ Settlements | - | - | - |
| Actuarial (gain)/ Loss on Assets | - | - | - |
| Fair value of plan assets at the end of the year | - | - | - |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

| Amount recognised in Statement of Profit & Loss at Period - End | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Service Cost | 237,366 | 311,611 | 485,577 |
| Interest of defined benefit obligation | 235,197 | 244,997 | 245,073 |
| Expected return on plan assets | - | - | - |
| Remeasurements | (1,872,829) | (713,977) | (500,163) |
| Administration Expenses | - | - | - |
| (Gain )/loss due to settlements/ curtailments/ Termination / Divestitures | - | - | - |
| **Total Expense/ ( income ) included in " Employee Benefit Expense"** | **(1,400,266)** | **(157,369)** | **230,487** |

| Analysis of Amounts Recognised in Remeasurements of the net Defined Benefits Liability / (assets during the period) | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Remeasurements due to : | | | |
| Effect of Change in Financial Assumptions | (80,770) | 146,575 | - |
| Effect of Change in Demographic Assumptions | - | - | - |
| Effect of Experience Adjustment | (1,792,059) | (860,552) | - |
| Return on Plan Assets ( Excluding Interest) | - | - | - |
| Change in Assets Ceiling | - | - | - |
| | **(1,872,829)** | **(713,977)** | **-** |

| Reconciliation of Balance Sheet Amount | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Balance sheet (assets/ liability, Beginning of the period) | 2,999,958 | 3,328,758 | 3,098,271 |
| Total charge / (credit) recognized in Profit and Loss | (1,400,266) | (157,369) | 230,487 |
| Benefit payouts | | (171,431) | - |
| Balance sheet (assets/ liability, End of the period) | 1,599,692 | 2,999,958 | 3,328,758 |

| Actual Return on plan Assets | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Expected return on plan assets | - | - | - |
| Remeasurement on plan assets | - | - | - |
| Actual Return on plan Assets | - | - | - |

| Current and non Current Bifurcation | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Current liability | 65,682 | 239,029 | 420,610 |
| Non Current liability | 1,533,840 | 2,760,929 | 2,908,148 |
| **Total liability** | **1,599,692** | **2,999,958** | **3,328,758** |

| Financial assumptions used to determine the profit & Loss | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Discounting Rate | 7.84 P.A | 7.36 P.A | 7.91 P.A |
| Salary escalation rate | 6.00 P.A | 6.00 P.A | 6.00 P.A |
| Expected rate of return on plan assets | 0.00 P.A | 0.00 P.A | 0.00 P.A |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

| Demographic assumptions used to determine the defined benefits | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Retirement Age | 58 year | 58 year | 58 year |
| Mortality table | | IALM (2008) | |
| Employee Turnover / Attrition Rate :- | | | |
| 18 to 30 year | 4.00% | 4.00% | 4.00% |
| 30 to 45 years | 3.00% | 3.00% | 3.00% |
| Above 45 years | 2.00% | 2.00% | 2.00% |

| Sensitivity Analysis | 31 March, 2018 | | 31 March, 2017 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate 100 basis point | (151,102) | 175,125 | (258,392) | 297,942 |
| Salary Escalation Rate 100 basis point | 176,607 | (154,893) | 299,017 | (263,810) |

**Note-29 Related Party Disclosure**

| Subsidiary, Fellow Subsidiary Companies | Relationship |
|---|---|
| Security Information Systems (India) Ltd. | Wholly owned subsidiary |
| B.L.K. Lifestyle Ltd. | Wholly owned subsidiary |
| BLK. Infrastructure Ltd. | Wholly owned subsidiary |
| Soul Space Projects Ltd. | Subsidiary |
| Soul Space Realty Ltd | Step Down Subsidiary |
| Soul Space Hospitality Ltd | Step Down Subsidiary |
| **Joint Venture** | |
| BLK NCC Consortium | Joint Venture |
| BLK-BILIL Consortium | Joint Venture |
| **Associates** | **Status** |
| Aureus Financial Services Limited | Limited Company |
| B.L.K. Securities Private Limited | Private Limited Company |
| Ahuja Kashyap Malt Pvt. Ltd. | Private Limited Company |
| Bezel Investments & Finance Pvt. Ltd. | Private Limited Company |
| B.L. Kashyap & Sons | Partnership Firm |
| Kasturi Ram Herbal Industries | Partnership Firm |
| Aiyana Trading Pvt. Ltd. | Private Limited Company |
| Chrysalis Trading Pvt. Ltd. | Private Limited Company |
| Chrysalis Realty Projects (P) Ltd | Private Limited Company |
| EON Auto Industries Pvt. Ltd. | Private Limited Company |
| Suryakant Kakade & Soul Space | Partnership Firm |
| B L Kashyap & Sons Software Pvt.Ltd | Private Limited Company |
| Behari Lal Kashyap (HUF) | HUF |
| Becon (I) | Partnership Firm |
| Baltic Motor Private Limited | Private Limited Company |
| **Key Management Personnel** | |
| Mr. Vinod Kashyap | Chairman |
| Mr. Vineet Kashyap | Managing Director |
| Mr. Vikram Kashyap | Joint Managing Director |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Relatives of Key Management Personnel**

| | |
|---|---|
| Mr. Mohit Kashyap | Son of Mr.Vinod Kashyap |
| Ms. Malini Kashyap Goyal | Daughter of Mr.Vinod Kashyap |
| Mr. Saurabh Kashyap | Son of Mr.Vineet Kashyap |
| Ms. Anjoo Kashyap | Wife of Mr. Vinod Kashyap |
| Ms. Aradhana Kashyap | Wife of Mr. Vineet Kashyap |
| Ms. Amrita Kashyap | Wife of Mr. Vikram Kashyap |
| Ms. Nitika Nayar Kashyap | Wife of Mr.Mohit Kashyap |
| Ms. Shruti Choudhari | Daughter of Mr. Vineet Kashyap |
| Ms. Sanjana Kashyap Kapoor | Daughter of Mr. Vikram Kashyap |
| Mr. Sahil Kashyap | Son of Mr. Vikram Kashyap |
| Ms. Mayali Kashyap | Wife of Mr. Saurabh Kashyap |

**3.2.2 Transactions with related parties during the year :**

₹ in Lakhs

| Particulars | Subsidiaries | Joint Venture | Associates | Key Management | Relatives | Total |
|---|---|---|---|---|---|---|
| Job Receipt Booked | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| Purchase of Material | 28.14 | - | - | - | - | 28.14 |
| | (131.54) | - | - | - | - | (131.54) |
| Job Work by | 26.23 | - | - | - | - | 26.23 |
| | - | - | - | - | - | - |
| Inter Corporate Deposit- Given | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| Inter Corporate Deposit-Taken | - | - | 60.00 | - | - | 60.00 |
| | - | - | - | - | - | - |
| Inter Corporate Deposit-Matured | 256.00 | - | 30.00 | - | - | 286.00 |
| | (93.75) | - | - | - | - | (93.75) |
| Interest Income on Inter Corporate-Given | 1,384.58 | - | - | - | - | 1,384.58 |
| | (2,182.94) | - | - | - | - | (2,182.94) |
| Interest Expense on Inter Corporate-Taken | - | - | 26.12 | - | - | 26.12 |
| | - | - | (23.31) | - | - | (23.31) |
| Maintenance Charges | - | - | - | - | - | - |
| | (1.13) | - | - | - | - | (1.13) |
| Remuneration | - | - | - | 90.00 | - | 90.00 |
| | - | - | - | (90.00) | - | (90.00) |
| Rent | - | - | 5.84 | 3.00 | 7.20 | 16.04 |
| | - | - | (5.84) | (12.00) | (5.20) | (23.04) |
| Medical Expenses | - | - | - | 1.50 | - | 1.50 |
| | - | - | - | (2.85) | - | (2.85) |
| Loan Taken | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| Loan Repaid to Director | - | | | | | |
| | - | | | | | |
| Salary and Allowances | - | - | - | - | 67.15 | 67.15 |
| | - | - | - | - | (61.20) | (61.20) |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Balances With Related Parties as at 31.03.2018**

| | | | | | | |
|---|---|---|---|---|---|---|
| Trade receivables, Unbilled revenue, Loan and advances, Other assets (net) | 48,653.64 | 261.61 | - | - | - | 48,915.24 |
| | (47,921.13) | (261.61) | - | - | - | (48,182.74) |
| Trader Payable, Income received in advance, Advances from customers, Other Liabilities | 609.52 | - | 347.52 | 2,415.77 | 9.96 | 3,382.77 |
| | (106.47) | - | (386.02) | (2,437.51) | (9.74) | (2,939.74) |

**Note: Figures in bracket represents amount of previous year values**

Terms and conditions of transactions with related parties - The sales to and purchases from related parties are made on terms equivalent to those that prevails in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to the amounts owned by related parties (31 March 2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Advances taken from clients herein are Gross amount before Adjustment of Trade Receivables. All outstanding balances with related parties are unsecured. Figures shown in bracket represents corresponding amounts of previous year.

**Note-30 Disclosure as per Ind AS 11 on construction contracts**

Amount in ₹

| Particular | 31 March, 2018 | 31 March, 2017 |
|---|---|---|
| Contract revenue recognised during the year | 9,354,512,540 | 8,845,684,223 |
| Aggregate amount of cost incurred and recognised in statement of profit and loss | 40,326,517,528 | 39,818,009,705 |
| Advances received | 1,388,622,549 | 1,324,569,958 |
| Retention receivable | 477,294,222 | 428,289,974 |
| Gross amount due from customer | 2,554,976,568 | 2,812,035,290 |
| Gross amount due to customer | NIL | NIL |

**Note-31 Micro and small enterprises**

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis or the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small mid Medium Enterprises Development Act, 2006 as set out in the following disclosures•

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the standalone Ind AS financial statement as at March 31, 2018 based on the information received and available with the Company. On the basis of such information, credit balance as at March 31, 2018 of such enterprises is INR2,39,18,675 (31 March 2017: INR 1,69,87,747/- ; 1 April 2016: INR 1,56,71,312/-. Auditors have relied upon the information provided by the Company.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Principal amount remaining unpaid to any supplier as at the period end | 23,918,675 | 16,987,747 | 15,671,312 |
| Interest due thereon | 1,794,124 | 2,542,347 | 2,414,576 |
| Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period. | - | - | |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED, 2006 | - | - | |
| Amount of interest accrued and remaining unpaid at the end of the accounting Period The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006 | 13,253,205 | 11,459,081 | 8,916,734 |

**Note-32 Financial instruments – Fair values and risk management**

**Risk management framework**

The business of the Company involves market risk, credit risk and liquidity risk. Among these risks, market risk is given paramount importance so as to minimize its adverse affects on the Company's performance. The Company has policies and process to identify, evaluate and manage risks and to take corrective actions, if required, for their control and mitigation on continuous basis. And regular monitoring of the said policies and process for their compliance is responsibility of the management under the supervision of the Board of Directors and Audit Committee. The policies and process are regularly reviewed to adapt them in tune with the prevailing market conditions and business activities of the Company. The Board of Directors and Audit Committee are responsible for the risk assessment and management through formulation of policies and processes for the same.

**Credit risk**

Credit risk is part of the business of the Company due to extension of credit in its normal course having a potential to cause financial loss to the Company. It mainly arises from the receivables of the Company due to failure of its customer or a counter party to a financial instrument to meet obligations under a contract with the Company. Credit risk management starts with checking the credit worthiness of a prospective customer before entering into a contract with him by taking into account, his individual characteristics, demographics, default risk in his industry. A customer's credit worthiness is also continuously is checked during the period of a contract. However, risk on trade receivables and unbilled work in progress is limited as the customers of the company are either government promoted entities or have strong credit worthiness. In order to make provisions against dues from the customers other than government promoted entities, the Company takes into account available external and internal credit risk factors such as credit rating from credit rating agencies, financial condition, aging of accounts receivables and the Company's historical experience for customers. However, in Company's line of business, delay in meeting financial obligation by a customer is a regular feature especially towards the end of a contract and is as such factored in at the time of initial engagement.

The following table gives details in respect of contract revenues generated from the top customer and top 5 customer for the year ended

| | 31 March, 2018 | 31 March, 2017 |
|---|---|---|
| Revenue from Top Customer | 3,575,474,466 | 5,467,703,338 |
| Revenue from Top 5 Customer | 6,619,502,417 | 7,723,817,089 |

The Movement of the Allowance for lifetime expected credit loss is stated below:^

| | 31 March, 2018 | 31 March, 2017 |
|---|---|---|
| Balance as the beginning of the year | - | - |
| Balance at the end of the year | - | - |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

^ The Company has written off ₹ 20,67,47,928/- towards amounts not recoverable during the year ended 31 March, 2018 (31 March , 2017- Nil)

**Expected credit loss/ lifetime credit loss assessment for customers as at 1 April 2016, 31 March, 2017 and 31 March, 2018**

Trade and other receivables are reviewed at the end of each reporting period to determine expected credit loss other those already incurred, if any. In the past, trade receivables, in normal course, have not shown any trend of credit losses which are higher than in the industry or as observed in the company's history. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at March 31, 2018 relates to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

**Cash and Cash equivalents**

The Company held cash and cash equivalents with credit worthy banks of ₹ 9,16,72,601/- and ₹ 7,12,92,607/- & ₹ 6,84,09,802/- as at 31 March 2018, 31 March 2017 and 1 April, 2016 respectively. The credit worthiness of such banks is evaluated by the management on an ongoing basis and is considered to be good.

**Guarantees**

The Company's policy is to provide financial guarantee only for its subsidiaries liabilities. At 31 march 2018 and 31 March 2017, the Company has issued a guarantee of ₹ 84,00,00,000/- to certain banks in respect of credit facilities granted to subsidiaries.

**Security deposits given to lessors**

The Company has given security deposit to lessors for premises leased by the Company as at 31 March 2018 and 31 March 2017. The company monitors the credit worthiness of such lessors where the amount of security deposit is material.

**Loans, investments in Subsidiaries Companies**

The Company has given unsecured loans to its Subsidiaries as at 31 March, 2018 ₹ 4,46,91,64,991/- and 31 March, 2017 ₹ 4,35,63,07,211/-. The Company does not perceive any credit risk pertaining to loans provided to subsidiaries or the investment in such subsidiaries.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from loans from banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As of 31 March 2018, the Company had working capital (Total current assets - Total current liabilities) of INR 72,78,48,454/- including cash and cash equivalents of INR 9,16,72,601, investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of INR NIL. As of 31 March 2017, the Company had working capital of INR 6,24,51,636 including cash and cash equivalents of INR 7,12,92,607/-, investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months) of INR NIL. As of 1 April 2016, the Company had working capital of INR 1,78,38,55,915/-, including cash and cash equivalents of INR 8,37,85,96,279/- , investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of NIL.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Exposure to liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

Amount in ₹

| Particulars | Carrying amount | 31 March, 2018 | | | | |
|---|---|---|---|---|---|---|
| | | Contractual cash flow | | | | |
| | | Total | 0-12 months | 1-2 year | 2-5 years | More than 5 years |
| **Non -derivatives financial liabilities** | | | | | | |
| Borrowing * | 3,372,515,145 | 3,372,515,145 | 2,977,057,689 | 46,259,968 | | 349197488 |
| Trade Payables | 2,496,793,681 | 2,496,793,681 | 1,943,500,378 | | 553,293,303 | |
| Other financial Liabilities | 1,717,564,578 | 1,717,564,578 | 1,717,564,578 | | | |

Amount in ₹

| Particulars | Carrying amount | 31 March, 2017 | | | | |
|---|---|---|---|---|---|---|
| | | Contractual cash flow | | | | |
| | | Total | 0-12 months | 1-2 year | 2-5 years | More than 5 years |
| **Non -derivatives financial liabilities** | | | | | | |
| Borrowing * | 3,982,580,799 | 3,982,580,799 | 3,426,765,808 | 169,513,772 | 46792740 | 339508479.1 |
| Trade Payables | 2,029,602,091 | 2,029,602,091 | 1,498,582,859 | | 531,019,232 | |
| Other financial Liabilities | 2,399,841,256 | 2,399,841,256 | 2,399,841,256 | | | |

Amount in ₹

| Particulars | Carrying amount | 31 March, 2016 | | | | |
|---|---|---|---|---|---|---|
| | | Contractual cash flow | | | | |
| | | Total | 0-12 months | 1-2 year | 2-5 years | More than 5 years |
| **Non -derivatives financial liabilities** | | | | | | |
| Borrowing * | 5,552,727,172 | 5,552,727,172 | 3,412,840,997 | 1,055,078,010 | 608,803,573 | 476,004,592 |
| Trade Payables | 2,349,981,610 | 2,349,981,610 | 1,912,318,196 | | 437,663,414 | |
| Other financial Liabilities | 789,966,027 | 789,966,027 | 789,966,027 | | | |

* To be paid along with interest in the respective years of repayment

**Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

**Currency Risk**

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. The Company does not use derivative financial instruments for trading or speculative purposes.

**Exposure to currency risk**

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Amount in ₹

| Particular | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Exposure to currency risk | NIL | NIL | NIL |

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions.

For details of the Company's Current Borrowings and Non Current Borrowings, including interest rate profiles, refer to Note 11a & 11b of these Ind AS financial statements.

**Interest rate sensitivity - fixed rate instruments**

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

**Interest rate sensitivity - variable rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Amount in ₹

| Particular | Profit or (Loss) | |
|---|---|---|
| | 100 bp increase | 100 bp decrease |
| As as 31 March 2018 | | |
| | - | - |
| Secured Rupee Loans - From Banks | (15,185,908) | 15,185,908 |
| Secured Rupee Loans - From NBFC's | (981,393) | 981,393 |
| | - | - |
| Working Capital Loans Repayable on Demand from Banks | (29,770,577) | 29,770,577 |
| sensitivity (net) | (45,937,877) | 45,937,877 |

Amount in ₹

| Particular | Profit or (Loss) | |
|---|---|---|
| | 100 bp increase | 100 bp decrease |
| As as 31 March 2017 | | |
| | - | - |
| Secured Rupee Loans - From Banks | (22,156,063) | 22,156,063 |
| Secured Rupee Loans - From NBFC's | (1,651,845) | 1,651,845 |
| | - | - |
| Working Capital Loans Repayable on Demand from Banks | (34,267,658) | 34,267,658 |
| sensitivity (net) | (58,075,567) | 58,075,567 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in ₹

| Particular | Profit or (Loss) | |
|---|---|---|
| | 100 bp increase | 100 bp decrease |
| As as 1 April 2016 | | |
| | - | - |
| Secured Rupee Loans - From Banks | (23,675,859) | 23,675,859 |
| Secured Rupee Loans - From NBFC's | (1,624,510) | 1,624,510 |
| | - | - |
| Working Capital Loans Repayable on Demand from Banks | (34,128,410) | 34,128,410 |
| sensitivity (net) | (59,428,779) | 59,428,779 |

(Note: The impact is indicated on the profit/loss and equity before tax basis)

**A Accounting Classification and fair values**

The following table shows the carrying amounts of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

Amount in ₹

| 31 March 2018 | Carrying Amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| | Amortised Cost | Derivatives designated as hedges | Total | Quoted prices in active market (level I) | Significant observable inputs (level II) | Significant observable inputs (level III) | Total |
| **Investments** | | | | | | | |
| Non Quoted | 139,017,407 | | 139,017,407 | | 139,017,407 | | 139,017,407 |
| Quoted | 140,160 | | 140,160 | 39,110 | | | 39,110 |
| **Total** | **124,907,567** | | **124,907,567** | **39,110** | **139,017,407** | **-** | **139,056,517** |

Amount in ₹

| 31 March 2017 | Carrying Amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| | Amortised Cost | Derivatives designated as hedges | Total | Quoted prices in active market (level I) | Significant observable inputs (level II) | Significant observable inputs (level III) | Total |
| Investments | | | | | | | |
| Non Quoted | 139,017,407 | | 139,017,407 | | 139,017,407 | | 139,017,407 |
| Quoted | 140,160 | | 140,160 | 61,110 | | | 61,110 |
| **Total** | **124,907,567** | | **124,907,567** | **61,110** | **139,017,407** | **-** | **139,078,517** |

Amount in ₹

| 1 April 2016 | Carrying Amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| | Amortised Cost | Derivatives designated as hedges | Total | Quoted prices in active market (level I) | Significant observable inputs (level II) | Significant observable inputs (level III) | Total |
| **Investments** | | | | | | | |
| Non Quoted | 139,017,407 | | 139,017,407 | | 139,017,407 | | 139,017,407 |
| Quoted | 140,160 | | 140,160 | 61,227 | | | 61,227 |
| **Total** | **134,907,567** | | **124,907,567** | **61,227** | **139,017,407** | **-** | **139,078,634** |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**B measurement of fair value**

**Valuation techniques and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used

**Financial instruments measured at fair value:**

| Type | Valuation technique |
|---|---|
| Cross Country interest rate swap(CCIRS) | Market Valuation technique: The company has determined fair value by discounting of future cash flow treating each leg of swap as a bond |
| Premium Liability | Discounted cash flow approach: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate |
| **Retention receivables and payables** | **Discounted cash flow approach:** The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate |

**Note-33 Segmental Reporting**

The company has only one reportable business segment i.e. civil contracts. The company operates a hotel in Mussourie, however, revenue/profit/assets from/of the said hotel business is much lower than 10% of the total revenue/profit/assets of the Company and hence, it is not a "Reportable Segment" as per Para 13 of the Ind AS 108. The company operates in only one geographical segment viz. India

**Note-34 Capital management**

**The Company's objectives when managing capital are to:-**

(i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'net debt' (total borrowings net of cash & cash equivalents) to 'total equity' (as shown in the balance sheet).

The Company's policy is to keep the ratio below 2.00. The Company's net debt to equity ratios are as follows.

Amount in ₹

| Particular | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Net debts | 4,851,312,611 | 6,075,772,539 | 6,202,386,790 |
| Total equity | 5,170,804,954 | 4,255,855,422 | 4,128,733,049 |
| Net debts to equity ratio | 0.93 | 1.43 | 1.50 |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-35 Reconciliations between IGAAP and Ind AS**

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

**A. Reconciliation of equity**

Amount in ₹

| Particular | As at transition date (1 April 2016) | | | As at 31 March 2017 | | |
|---|---|---|---|---|---|---|
| | Indian GAAP | Adjustment | Ind As | Indian GAAP | Adjustment | Ind As |
| **1 Non Current Assets** | | | | | | |
| (a) Property plant and equipment | 909,180,396 | - | 909,180,396 | 732,048,802 | 74,910,633 | 806,959,435 |
| (b) Capital work in progress | 44,984,736 | - | 44,984,736 | 54,831,696 | - | 54,831,696 |
| (c) Other intangible assets | 1,415,595 | - | 1,415,595 | 5,677,709 | | 5,677,709 |
| (d) Financial assets | | | | | | |
| (i )Investments | 134,907,567 | - | 134,907,567 | 124,907,567 | | 124,907,567 |
| (ii) Loans | 4,277,633,391 | - | 4,277,633,391 | 4,434,769,419 | | 4,434,769,419 |
| (iii) Other financial assets | 17,639,145 | - | 17,639,145 | 3,358,778 | | 3,358,778 |
| (e) deferred tax assets (net) | 748,540,434 | - | 748,540,434 | 711,245,291 | (26,339,877) | 684,905,414 |
| (f) Other non current assets | - | - | | | | |
| (i) Mat Credit | | | - | - | 31,345,943 | 31,345,943 |
| **Total Non Current Assets** | **6,134,301,264** | **-** | **6,134,301,264** | **6,066,839,262** | **79,916,699** | **6,146,755,960** |
| **2 Current Assets** | | | | | | |
| (a) Inventories | 3,671,062,379 | | 3,671,062,379 | 3,378,589,094 | | 3,378,589,094 |
| (b) Financial assets | | | | | | |
| (i ) trade receivable | 4,577,308,563 | | 4,577,308,563 | 4,156,162,604 | | 4,156,162,604 |
| (ii) Cash and cash equivalents | 68,409,802 | | 68,409,802 | 71,292,607 | | 71,292,607 |
| (iii) Cash and cash equivalents | 124,949 | | 124,949 | 125,202 | | 125,202 |
| (iv) Other financial assets | 173,175 | | 173,175 | - | | - |
| (c)Current tax assets (net) | 743,746,996 | | 743,746,996 | 660,015,527 | | 660,015,527 |
| (d) Other current assets | 1,101,626,330 | - | 1,101,626,330 | 987,115,828 | | 987,115,828 |
| **Total Current Assets** | **10,162,452,194** | **-** | **10,162,452,194** | **9,253,300,861** | **-** | **9,253,300,861** |
| **Total Assets** | **16,296,753,458** | **-** | **16,296,753,458** | **15,320,140,122** | **79,916,699** | **15,400,056,821** |

Amount in ₹

| Particular | As at transition date (1 April 2016) | | | As at 31 March 2017 | | |
|---|---|---|---|---|---|---|
| | Indian GAAP | Adjustment | Ind As | Indian GAAP | Adjustment | Ind As |
| **EQUITY and LIABILITIES** | | | | | | |
| **1. Equity** | | | | | | |
| (a) Equity share capital | 205,440,000 | | 205,440,000 | 205,440,000 | | 205,440,000 |
| (b) Other equity | 4,117,141,154 | (193,848,105) | 3,923,293,049 | 4,185,132,515 | (134,717,094) | 4,050,415,422 |
| **Total equity** | **4,322,581,154** | **(193,848,105)** | **4,128,733,049** | **4,390,572,515** | **(134,717,094)** | **4,255,855,422** |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in ₹

| Particular | As at transition date (1 April 2016) | | | As at 31 March 2017 | | |
|---|---|---|---|---|---|---|
| | Indian GAAP | Adjustment | Ind As | Indian GAAP | Adjustment | Ind As |
| **2. Non-current liabilities** | | | | | | |
| (a) Financial liabilities | | | | | | |
| (i) Borrowings | 2,139,886,175 | | 2,139,886,175 | 555,814,991 | | 555,814,991 |
| (ii) Trade Payable | 437,663,414 | | 437,663,414 | 531,019,232 | | 531,019,232 |
| (b) Provisions | 69,364,959 | | 69,364,959 | 7,647,846 | | 7,647,846 |
| (c) Other non-current liabilities | 1,142,509,582 | | 1,142,509,582 | 858,870,106 | | 858,870,106 |
| **Total Non-current liabilities** | **3,789,424,130** | **-** | **3,789,424,130** | **1,953,352,175** | **-** | **1,953,352,175** |
| **3. Current liabilities** | | | | | | |
| (a) Financial liabilities | | | | | | |
| (i) Borrowings | 3,412,840,997 | | 3,412,840,997 | 3,426,765,808 | | 3,426,765,808 |
| (ii) trade payable | 1,912,318,196 | | 1,912,318,196 | 1,498,582,859 | | 1,498,582,859 |
| (iii) Other financial liabilities | 1,474,842,814 | | 1,474,842,814 | 2,992,181,049 | | 2,992,181,049 |
| (b) Other current liabilities | 1,377,048,268 | 193,848,105 | 1,570,896,373 | 985,797,728 | 210,186,315 | 1,195,984,043 |
| (c) Provisions | 7,697,899 | | 7,697,899 | 72,887,987 | 4,447,477 | 77,335,464 |
| **Total current liabilities** | **8,184,748,174** | **193,848,105** | **8,378,596,280** | **8,976,215,431** | **214,633,793** | **9,190,849,224** |
| **Total equity and liabilities** | **16,296,753,458** | **-** | **16,296,753,458** | **15,320,140,122** | **79,916,699** | **15,400,056,821** |

**B. Reconciliation of total comprehensive income for the year ended 31 march 2017***

Amount in ₹

| Particulars | Indian GAAP | adjustments | Ind AS |
|---|---|---|---|
| Revenue from operations | 8,894,954,960 | - | 8,894,954,960 |
| Other income | 221,568,556 | - | 221,568,556 |
| Total income | 9,116,523,516 | - | 9,116,523,516 |
| Cost of materials consumed | 4,389,802,115 | - | 4,389,802,116 |
| Changes in inventories of work-in-progress and Stock-in-Trade | 348,510,235 | - | 348,510,235 |
| Sub Contract Work | 1,285,921,844 | - | 1,285,921,844 |
| Employees' benefits expenses | 1,458,376,720 | 1,198,543 | 1,459,575,263 |
| Finance costs | 756,590,074 | 16,338,210 | 772,928,284 |
| Depreciation and amortization expenses | 178,206,556 | (74,910,633) | 103,295,924 |
| Other expenses | 552,238,777 | 4,447,477 | 556,686,255 |
| Total Expenses | 8,969,646,322 | (52,926,402) | 8,916,719,920 |
| Profit from operations before tax and diminution in value of investment | 146,877,194 | 52,926,402 | 199,803,596 |
| Provision for diminution in the value of investment | 10,000,000 | - | 10,000,000 |
| Profit before tax | 136,877,194 | 52,926,402 | 189,803,596 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in ₹

| Particulars | Indian GAAP | adjustments | Ind AS |
|---|---|---|---|
| Tax Expenses | | | |
| Current Tax | 31,590,689 | - | 31,590,689 |
| Minimum Alternative Tax Credit | - | (31,345,943) | (31,345,943) |
| Deferred tax | 37,295,143 | 25,925,085 | 63,220,228 |
| Profit /(loss) before for the period | 67,991,361 | 58,347,260 | 126,338,621 |
| Other Comprehensive income | | | |
| (i) Items that will not be reclassified to profit or loss Remeasurements of defined benefit liability | - | 1,198,543 | 1,198,543 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | - | (414,792) | (414,792) |
| Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) | 67,991,361 | 59,131,012 | 127,122,373 |

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

**C. Reconciliation of Net Profit as previously reported on account of transition from the Indian IGAAP to Ind AS for the year ended 31st March 2017 :**

| Particulars | Year ended 31 March 2017 Audited |
|---|---|
| Net profit under previous Indian GAAP | 67,991,361 |
| Remeasurement of gain and (losses) on defined benefit obligations (Net) | (414,792) |
| Other gain/(loss) | 54,124,945 |
| Deferred tax liability/(asset) on the above adjustments | (5,420,858) |
| | 127,122,372 |
| Remeasurement of gain and (losses) on defined benefit obligations (Net) | - |
| Net profit as per Ind AS | 127,122,372 |

**D. Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31 March 2017**

Amount in ₹

| Particular | Previous GAAP | Effect of transition to Ind AS | Ind AS |
|---|---|---|---|
| Net Cash flow from operating activities | 658,925,773 | 187,754,604 | 846,680,377 |
| Net Cash flow from Investing activities | 209,998,438 | (157,136,027) | 52,862,411 |
| Net Cash flow from financing activities | (880,321,520) | (30,263,273) | (910,584,793) |
| Net increase in cash and cash equivalents | (11,397,309) | 355,303 | (11,042,006) |
| Cash and cash equivalents in the beginning of the year | | | |
| Cash and cash equivalents in the end of the year | (11,397,309) | 355,303 | (11,042,006) |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**Note-36**

Previous year's figures have been regrouped and / or rearranged wherever necessary

**Note-37**

The comparative financial information as at 31 March 2017 and 1 April 2016 and for the year ended 31 March 2017 included in these standalone Ind AS financial statements are based on the previously audited standalone financial statements for the said periods prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India are audited by previously auditors. These audited standalone financial statements audited under previous GAAP by other auditors are adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

General Information and Significant Accounting Policies 1 & 2

Other Notes on Accounts 22-37

The Notes are an integral part of these financial statements

In terms of our report of even date attached

For **Maheshwari & Sharad**
*Chartered Accountants*
*Firm Regn.no. 015513N*

**Sharad Mohan**
*Partner*
*Membership No.- 082176*
Place : New Delhi
Dated : 19.05.2018

For and on behalf of the Board of Directors

| **Vikram Kashyap** | **Vineet Kashyap** | **Vinod Kashyap** |
|---|---|---|
| *Joint Managing Director* | *Managing Director* | *Chairman* |
| *DIN-00038937* | *DIN-00038897* | *DIN-00038854* |
| | **Pushpak Kumar** | **Manoj Agrawal** |
| | *Company Secretary* | *Chief Financial Officer* |

# Independent Auditors' Report

**To the Members of B.L. Kashyap and Sons Limited**

**Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying consolidated Ind AS financial statements of B.L. Kashyap and Sons Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"),comprising of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

2. 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, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. 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 respectively and for preventing and detecting frauds and other irregularities;the selection and application of appropriate accounting policies; making judgements 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has 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**

3. 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 and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, 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.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, other than the unaudited Ind AS financial statements as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Opinion**

7. 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 of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes inequity for the year ended on that date.

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to the following matters;

(a) Note No. 27 to the financial statements regarding claims against the Company not acknowledged as debts in respect of disputed statutory dues as on 31st March, 2018 and in respect of differential amount of interest sacrificed by bankers pursuant to scheme of Corporate Debt Restructuring as bankers have a right of recompose of sacrifices..

(b) Note No. 27 to the financial statements regarding Corporate Guarantees given.

(c) Note No. 3 & 5 to the financial statements regarding Change in method of charging Depreciation from Written Down Value to Straight Line Method

(d) Note No. 3 & 4 to the financial statements regarding the mutation of land in Pune in company's favour pending litigation,valued at Rs. 71.45 Crores.

(e) Note No. 3 & 4 to the financial statements regarding the Land being part of Capital Work-in-Progress of Rs. 90.0 Crores is subject matter of a litigation.

(f) Land (Project Atlantis) purchased(amount not ascertained) in partnership firm with another partner is a subject matter of court dispute..

(g) Refer Statement of Profit & Loss regarding loss of Rs. 4.71 Crores to relating to a discontinued project by a subsidiary company.

(h) BLK Lifestyle Ltd. and Security Information Systems (India) Ltd have negative net worth and incurred losses / cash losses during the current year and in previous year(s). These conditions indicate the existence of material uncertainty casting doubt about the companies 'ability to continue as going concerns. However the financial statements have been prepared on a 'going concern' basis as in the opinion of the management, their losses are expected to be recouped in the near future.

(i) In case of BLK Lifestyle Ltd., non-impairment of trade receivables aggregating to Rs. 3.96 Crores which are over three years old. The Management is pursuing the parties for recovery and confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

**Other Matters**

8. We did not audit the financial statements of two subsidiaries, two step-down subsidiaries and two firms whose financial statements reflect total assets of Rs. 85.28 Crores and net assets of Rs. (-)10.92 Crores as at 31st March, 2018, total revenue of Rs. 51.00 Crores, net loss Rs. 8.99 Crores and net cash outflows amounting to Rs 14.32 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion on the consolidated Ind AS financial statements and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

9. The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2017 and 31st March, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by predecessor auditor whose report for the year ended 31st March 2017, 31st March 2016 dated 27th May 2016 and 27th May 2017 respectively, expressed an unmodified opinion. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

10. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 maintained by the Holding Company, its subsidiaries included in the Group including relevant records 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 and records of the Holding Company and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in

agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group including relevant records relating to the preparation of the consolidated Ind AS financial statements.

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

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies , none of the directors of the Group companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' 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 consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at 31st March, 2018 on the consolidated financial position of the Group – Refer Note 6(b) to the consolidated Ind AS financial statements.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at 31st March, 2018, in respect of such items as it relates to the Group .

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year ended 31st March, 2018.

For **Maheshwari and Sharad**
Chartered Accountants
Firm Regn No. 015513N

**Sharad Mohan**
Partner
Membership No. 082176

Place: New Delhi
Date:

## ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 10(f) of the Independent Auditors' Report of even date to the members of B.L. Kashyap and Sons Limited on the Consolidated Financial Statements for the year ended 31st March, 2018.

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of B.L. Kashyap and Sons Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, as of that date.

**Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding company, its subsidiary companies are responsible for establishing and maintaining internal financial controls based on 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 the respective 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 Act.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the" Guidance Note") issued by the ICAI and the Standards on Auditing 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 ICAI. 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.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

6. 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**

7. 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**

8. In our opinion, the Holding Company, its subsidiary companies , 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

9. Our aforesaid report under Section 143(3)(i) of the Acton the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies , which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **Maheshwari and Sharad**
Chartered Accountants
Firm Regn No. 015513N

**Sharad Mohan**
Partner
Membership No. 082176

Place: New Delhi
Date:

# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2018

( Amount in ₹)

| Particulars | | Note No. | 31 March, 2018 | 31 March ,2017 | 1 April, 2016 |
|---|---|---|---|---|---|
| **A** | **Assets** | | | | |
| **1** | **Non -current assets** | | | | |
| | (a) Property , plant and equipment | 3 | 840,261,819 | 878,373,429 | 984,261,311 |
| | (b) Capital work in progress | 3 | 967,598,056 | 954,832,219 | 1,562,549,621 |
| | (c) Investment property | 4 | 3,294,413,771 | 3,423,688,513 | 2,941,508,641 |
| | (d) Other intangible assets | 5 | 3,744,623 | 5,775,311 | 5,629,170 |
| | (e) Financial Assets | | | | |
| | (i) Investment | 6 (a) | 8,826,223 | 8,651,554 | 7,937,573 |
| | (ii) Loans | 6 (c) | 501,958,607 | 586,246,802 | 697,011,404 |
| | (iii) Other financial assets | 6 (f) | 117,238,992 | 11,566,093 | 21,005,381 |
| | (f) Deferred tax assets, net | 7 | 1,371,131,695 | 1,387,040,894 | 1,275,849,851 |
| | (g) Other non-current assets | 8 | 153,189,017 | 59,795,683 | 28,449,740 |
| | **Total -Non-Current assets** | A | 7,258,362,803 | 7,315,970,498 | 7,524,202,692 |
| **2** | **Current Assets** | | | | |
| | (a) Inventories | 9 | 3,464,115,328 | 4,411,212,446 | 4,643,300,434 |
| | (b) Financial Assets | | | | |
| | (i) Trade receivables | 6 (b) | 4,696,993,733 | 3,959,222,783 | 4,399,549,168 |
| | (ii) Cash and Cash Equivalents | 6 (d) | 117,309,023 | 95,741,625 | 89,766,644 |
| | (iii) Other bank balances | 6 (e) | 125,202 | 125,202 | 124,949 |
| | (iv) Other financial assets | 6 (f) | - | - | 173,176 |
| | (c) Current tax assets (net) | 10 | 511,130,947 | 710,153,789 | 811,197,505 |
| | (d) Other current assets | 11 | 1,419,245,971 | 1,247,450,085 | 1,354,240,580 |
| | **Total -Current assets** | B | 10,208,920,204 | 10,423,905,929 | 11,298,352,456 |
| | **TOTAL - ASSETS** | (A+B) | 17,467,283,007 | 17,739,876,427 | 18,822,555,148 |
| **B** | **EQUITY AND LAIBILITIES** | | | | |
| **1** | **Equity** | | | | |
| | (a) Equity share capital | 12 (a) | 215,440,000 | 205,440,000 | 205,440,000 |
| | (b) Other equity | 12 (b) | 4,762,856,112 | 4,136,696,024 | 4,079,142,414 |
| | **Total - Equity** | | 4,978,296,112 | 4,342,136,024 | 4,284,582,414 |
| | Minority interest | | 265,419 | 5,092,536 | 6,160,008 |
| **2** | **Laibilities** | | | | |
| | **Non -Current liabilities** | | | | |
| | (a) Financial laibilities | | | | |
| | (i) Loans | 13 (a) | 1,330,232,955 | 1,508,011,375 | 3,219,395,843 |
| | (ii) Trade payables | 13 (c) | 605,223,146 | 577,029,585 | 487,443,130 |
| | (b) Provision | 14 (a) | 9,853,842 | 10,616,082 | 72,224,016 |
| | (c) Other non-current liabilities | 15 (b) | 1,096,013,113 | 1,294,797,141 | 1,479,338,198 |
| | **Total - Non-current liabilities** | | 3,041,323,057 | 3,390,454,183 | 5,258,401,186 |
| | **Current liabilities** | | | | |
| | (a) Financial laibilities | | | | |
| | (i) Loans | 13 (b) | 3,007,597,737 | 3,487,047,767 | 3,476,025,373 |
| | (ii) Trade payables | 13 (c) | 2,014,671,274 | 1,567,658,318 | 1,987,487,925 |
| | (iii) Other financial laibilities | 13 (d) | 2,337,400,352 | 3,331,677,496 | 2,111,647,483 |
| | (b) Provision | 14 (b) | 79,009,529 | 77,446,262 | 7,843,540 |
| | (c) Other current liabilities | 15 (a) | 2,008,719,526 | 1,538,363,842 | 1,690,407,218 |
| | **Total - Current liabilities** | | 9,447,398,419 | 10,002,193,684 | 9,273,411,539 |
| | **TOTAL - EQUITY AND LIABILITIES** | | 17,467,283,007 | 17,739,876,427 | 18,822,555,148 |
| | General Information and Significant Accounting Policies | 1 & 2 | | | |
| | Other Notes on Accounts | 26-42 | | | |

The Notes are an integral part of these financial statements

In terms of our report of even date attached

For **Maheshwari & Sharad**
*Chartered Accountants*
*Firm Regn.no. 015513N*

**Sharad Mohan**
*Partner*
*Membership No.- 082176*

Place : New Delhi
Dated : 19.05.2018

For and on behalf of the Board of Directors

**Vikram Kashyap**
*Joint Managing Director*
*DIN-00038937*

**Vineet Kashyap**
*Managing Director*
*DIN-00038897*

**Vinod Kashyap**
*Chairman*
*DIN-00038854*

**Pushpak Kumar**
*Company Secretary*

**Manoj Agrawal**
*Chief Financial Officer*

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

( Amount in ₹)

| Particulars | | Note No. | 31 March, 2018 | 31 March ,2017 |
|---|---|---|---|---|
| I | **Revenue from operations** | 16 | 10,127,933,953 | 9,253,684,475 |
| II | Other income | 17 | 305,239,396 | 13,078,995 |
| III. | **Total Income** | | 10,433,173,349 | 9,266,763,470 |
| IV | Expenses: | | | |
| | Cost of materials consumed | 18 | 3,986,881,968 | 4,489,652,846 |
| | Project direct expenses | 19 | 13,011,704 | 80,579,229 |
| | Changes in inventories of work-in-progress and Stock-in-Trade | 20 | 861,756,247 | 343,080,789 |
| | Excise duty | | 5,919,718 | 17,337,047 |
| | Sub contract work | | 2,006,422,076 | 1,294,294,373 |
| | Other manufacturing expenses | 21 | 5,892,967 | 10,076,905 |
| | Employees' benefits expenses | 22 | 1,580,126,046 | 1,495,250,226 |
| | Finance costs | 23 | 771,634,880 | 827,216,126 |
| | Depreciation and amortization expenses | 3-5 | 119,073,600 | 129,848,791 |
| | Other expenses | 24 | 768,005,954 | 631,125,954 |
| | **Total expenses** | | 10,118,725,158 | 9,318,462,286 |
| V | **Profit from operations before tax and diminution in value of investment** | | 314,448,190 | (51,698,816) |
| VI | Provision for diminution in the value of investment | | | 10,000,000 |
| VII | **Profit/(loss) before tax** | | 314,448,190 | (61,698,816) |
| VIII | **Tax expense:** | 25 | | |
| | (1) Current tax | | 146,997,817 | 31,590,689 |
| | (2) Minimum alternate tax credit | | (93,393,334) | (31,345,943) |
| | (3) Deferred tax Liability (Asset) | | 7,581,560 | (111,639,854) |
| IX | **Profit / (Loss) for the period from continuing operations** | | 253,262,147 | 49,696,292 |
| X | Profit/ (loss) from discontinued operations | | (47,176,144) | - |
| XI | Tax expense of discontinued operations | | | |
| XII | Profit/(loss) from Discontinued operations (after tax) | | (47,176,144) | - |
| XIII | Profit /(loss) for the period | | 206,086,003 | 49,696,292 |
| XIV | Other Comprehensive income | | | |
| | (a) Items that will not be reclassified to profit or loss | | | |
| | i) re-measurements of redefined befefit plans | | 13,142,740 | 1,330,657 |
| | ii)Income taxes related to items that will not be reclassified to profit or loss | | (4,520,772) | (448,811) |
| | **Total other Comprehensive Income** | | 8,621,968 | 881,846 |
| XV | **Total comprehensive income** | | 214,707,971 | 50,578,138 |
| XVI | Earnings per equity share (for continuing operation) | 31 | | |
| | (1) Basic | | 1.20 | 0.24 |
| | (2) Diluted | | 1.12 | 0.22 |
| XVII | Earnings per equity share (for discontinued operation) | | | |
| | (1) Basic | | (0.22) | - |
| | (2) Diluted | | (0.21) | - |
| XVIII | Earnings per equity share (for discontinued operation and continuing operation ) | | | |
| | (1) Basic | | 0.97 | 0.24 |
| | (2) Diluted | | 0.91 | 0.22 |
| | Face value of each Equity Share | | 1 | 1 |
| | General Information and Significant Accounting Policies | 1 & 2 | | |
| | Other Notes on Accounts | 26-42 | | |

The Notes are an integral part of these financial statements

In terms of our report of even date attached

For **Maheshwari & Sharad**
*Chartered Accountants*
*Firm Regn.no. 015513N*

**Sharad Mohan**
*Partner*
*Membership No.- 082176*

Place : New Delhi
Dated : 19.05.2018

For and on behalf of the Board of Directors

**Vikram Kashyap**
*Joint Managing Director*
*DIN-00038937*

**Vineet Kashyap**
*Managing Director*
*DIN-00038897*

**Vinod Kashyap**
*Chairman*
*DIN-00038854*

**Pushpak Kumar**
*Company Secretary*

**Manoj Agrawal**
*Chief Financial Officer*

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

Amount in ₹

| | PARTICULARS | 31 March 2018 | | | 31 March 2017 | | |
|---|---|---|---|---|---|---|---|
| A | **Cash Flow From Operating Activities** | | | | | | |
| | Net Profit before tax | | 280,414,786 | | | (54,460,159) | |
| | Adjustment for : | | | | | | |
| | - Depreciation | 119,073,600 | | | 129,848,882 | | |
| | - Interest Expenses | 771,634,880 | | | 827,216,126 | | |
| | - Bad Debts | 234,901,531 | | | - | | |
| | - Goodwill write off | - | | | 4,092,000 | | |
| | - Loss/(Profit) on Fixed Assets / Investments sold | (54,739,351) | | | 4,351,352 | | |
| | - Interest Received | 161,319,316 | | | 13,868,385 | | |
| | | | 1,232,189,976 | | | 979,376,744 | |
| | Operating Profit Before Working | | | | | | |
| | **Capital Changes** | | 1,512,604,762 | | | 924,916,585 | |
| | Adjustment for : | | | | | | |
| | - Decrease/(Increase) in Trade And Other Receivables | (972,672,480) | | | 440,326,385 | | |
| | - Decrease/(Increase) in Inventories | 947,097,117 | | | 226,507,704 | | |
| | - Decrease/(Increase) in Other Assets | (66,341,047) | | | 175,774,286 | | |
| | Less: Decrease/(Increase) in CWIP | - | | | 617,556,723 | | |
| | less: Decrease/(Increase) in Investments | 155,938,698 | | | (504,450,671) | | |
| | - Increase/(Decrease) in Short Term Provisions | 1,563,267 | | | 69,602,722 | | |
| | - Increase/(Decrease) in Non- Current Provisions | (762,240) | | | (61,607,934) | | |
| | - Decrease/(Increase) in Other Financial assets | (105,672,899) | | | 9,612,464 | | |
| | - Increase/(Decrease) in other current liability | 470,355,684 | | | (152,043,377) | | |
| | - Increase/(Decrease) in current liability | (1,193,061,172) | | | 1,035,488,956 | | |
| | - Increase/(Decrease) in Trade And Other Payables | 475,206,518 | (288,348,554) | | (330,243,152) | 1,526,524,107 | |
| | Cash Generated From Operations | | 1,224,256,208 | | | 2,451,440,693 | |
| | - Income Tax paid | | 49,797,616 | | | 244,746 | |
| | **Net Cash From Operating Activities** | | | 1,174,458,592 | | | 2,451,195,947 |
| B | **Cash Flow From Investing Activities** | | | | | | |
| | - Proceeds from Sale of Fixed Assets | | 23,976,557 | | | 17,162,657 | |
| | - Proceeds from Sale of Investments | | - | | | - | |
| | - Loans to related parties | | 2 | | | 1,742,819 | |
| | - Interest Received | | (161,319,316) | | | (13,868,385) | |
| | - Dividend Received | | - | | | - | |
| | - Purchase of Fixed Assets | | (87,598,302) | | | (31,701,387) | |
| | **Net Cash (Used In)/From Investing Activities** | | | (224,941,058) | | | (26,664,296) |

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

Amount in ₹

| | PARTICULARS | 31 March 2018 | | | 31 March 2017 | | |
|---|---|---|---|---|---|---|---|
| C | **Cash Flow From Financing Activities** | | | | | | |
| | - Proceeds from Borrowings | | (93,690,227) | | | (1,605,082,685) | |
| | - proceed from Equity shares | | 10,000,000 | | | - | |
| | - proceed from share Warrant | | 2,500,000 | | | - | |
| | - proceed from share Premium | | 404,125,000 | | | - | |
| | -Changes in unpaid dividend paid account | | - | | | (253) | |
| | - Interest and Finance Charges Paid | | (771,634,880) | | | (827,216,126) | |
| | Net Cash (Used In)/From Financing Activities | | | (448,700,107) | | | (2,432,299,064) |
| | Net Increase In Cash And Equivalents | | | 500,817,427 | | | (7,767,413) |
| | Cash And Cash Equivalents (Opening Balance) | | | (3,391,008,142) | | | (3,383,240,729) |
| | Cash And Cash Equivalents (Closing Balance) | | | (2,890,190,715) | | | (3,391,008,142) |
| | **Notes :** | | | | | | |
| | Cash and cash equivalents include :- | | | | | | |
| | Cash,Cheque in hand and bank balance (as per note 5 (b) & 11(b) to the financial statements | | | (2,890,190,714) | | | (3,391,008,142) |
| | **Total** | | | (2,890,190,714) | | | (3,391,008,142) |

| | | |
|---|---|---|
| General Information and Significant Accounting Policies | 1 & 2 | |
| Notes on Accounts | 26-42 | |
| The Notes are an integral part of these financial statements | | |

In terms of our report of even date attached

For **Maheshwari & Sharad**
*Chartered Accountants*
*Firm Regn.no. 015513N*

**Sharad Mohan**
*Partner*
*Membership No.- 082176*

Place : New Delhi
Dated : 19.05.2018

For and on behalf of the Board of Directors

**Vikram Kashyap**
*Joint Managing Director*
*DIN-00038937*

**Pushpak Kumar**
*Company Secretary*

**Vineet Kashyap**
*Managing Director*
*DIN-00038897*

**Vinod Kashyap**
*Chairman*
*DIN-00038854*

**Manoj Agrawal**
*Chief Financial Officer*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE)

**For the year Ended 31 March 2018**

**A Equity Sahre Capital**

**As on 31.03.2017**

| Particulars | (Amount in ₹) |
|---|---|
| **Balance As on 1 April 2016** | 205,440,000 |
| Additional Equity Share Issued during 2016-17 | - |
| **Balance As on 31 March 2017** | **205,440,000** |

**As on 31.03.2018**

| Particulars | (Amount in ₹) |
|---|---|
| **Balance As on 1 April 2017** | 205,440,000 |
| Additional Equity Share Issued during 2017-18 | 10,000,000 |
| **Balance As on 31 March 2018** | **215,440,000** |

**B Other Equity**

**As on 31.03.2017**

| Particulars | Share warrant | Securities Premium Account | General Reserves | Capital Reserve | Surplus | Equity Attributable to owners of the company | Non Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance As on 1 April 2016** | **-** | **1,903,424,250** | **897,961,245** | **6,800,000** | **1,270,956,919** | **4,079,142,414** | **6,160,008** | **4,085,302,422** |
| **Total Comprehensive Income for the year ended 31 March 2017** | | | | | | | | |
| Profit for the year | - | - | - | - | 51,645,610 | 51,645,610 | - | 51,645,610 |
| Current year transfer | - | - | - | 5,908,000 | 5,908,000 | - | 5,908,000 | |
| Other Comprehensive income (Net of Taxes) | - | - | | | | | | |
| **Total Comprehensive Income** | **-** | **-** | **-** | **5,908,000** | **51,645,610** | **57,553,610** | **-** | **57,553,610** |
| Tranctions with the owners in their capacity as owners | | | | | | | | |
| Net gain/(loss) on transaction with non controlling interest | - | - | - | - | - | - | -1067472 | (1,067,472) |
| Issue of Share Capital | | | | | | | | |
| Balance As on 31 March 2017 | - | 1,903,424,250 | 897,961,245 | 12,708,000 | 1,322,602,529 | 4,136,696,024 | 5,092,536 | 4,141,788,560 |
| **As on 31.03.2018** | | | | | | | | |
| **Balance As on 1 April 2017** | **-** | **1,903,424,250** | **897,961,245** | **12,708,000** | **1,322,602,529** | **4,136,696,024** | **5,092,536** | **4,141,788,560** |
| **Total Comprehensive Income for the year ended 31 March 2017** | | | | | | | | |
| Profit for the year | - | - | - | - | 219,535,088 | 219,535,088 | - | 219,535,088 |
| Other Comprehensive income (Net of Taxes) | | | | | | | | |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **219,535,088** | **219,535,088** | **-** | **219,535,088** |
| **Tranctions with the owners in their capacity as owners** | | | | | | | | |
| Net gain/(loss) on transaction with non controlling interest | - | - | - | - | - | - | -4827117 | (4,827,117) |
| Issue of Share Warrant | 2,500,000 | - | - | - | - | 2,500,000 | - | 2,500,000 |
| Issue of Share Capital | - | 404,125,000 | - | - | - | 404,125,000 | - | 404,125,000 |
| **Balance As on 31 March 2018** | **2,500,000** | **2,307,549,250** | **897,961,245** | **12,708,000** | **1,542,137,617** | **4,762,856,112** | **265,419** | **4,763,121,531** |

General Information and Significant Accounting Policies 1 & 2
Notes on Accounts 26-42

In terms of our report of even date attached

For **Maheshwari & Sharad**
*Chartered Accountants*
*Firm Regn.no. 015513N*

**Sharad Mohan**
*Partner*
*Membership No.- 082176*

Place : New Delhi
Dated : 19.05.2018

For and on behalf of the Board of Directors

**Vikram Kashyap**
*Joint Managing Director*
*DIN-00038937*

**Vineet Kashyap**
*Managing Director*
*DIN-00038897*

**Vinod Kashyap**
*Chairman*
*DIN-00038854*

**Pushpak Kumar**
*Company Secretary*

**Manoj Agrawal**
*Chief Financial Officer*

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 1 General Information**

B.L. Kashyap And Sons Ltd {L74899DL1989PLC036148} (BLK) is a public limited company domiciled in India and with registered office at 409, 4th Floor, DLF Tower-A, Jasola, New Delhi-110025 , incorporated under the provisions of the Companies Act, 1956. Its Equity Share are listed on Bombay Stock Exchange and National Stock Exchange of India Limited. Founded in 1978 as a partnership firm, BLK owes its success to Shri B L Kashyap, a veteran construction professional. Incorporated as a limited company on 08.05.1989. Today, BLK is one of India's most respected construction and infrastructure development company with a pan India presence. Our service portfolio extends across the construction of factories manufacturing facilities, IT campuses, commercial & residential complexes, malls and hotels.

| Name of Subsidiary | Controlling Stake |
|---|---|
| B L K Lifestyle Limited | 100% |
| Soul Space Projects Limited (Consolidate) | 97.91% |
| Security Information Systems (India) Limited | 100% |
| BLK Infrastructure Limited | 100% |

**Basis of Preparation**

**(a) Statement of compliance**

These consolidated Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Acts amended from time to time. The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act. As these are the Group's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First Time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the group is provided in Note 39.

These consolidated Ind AS financial statements were approved and authorized for issue by the Company's Board of Directors on 19th May 2018.

Details of the Group's Accounting Policies are included in Note 2.

**(b) Functional and presentation currency**

These consolidated Ind AS financial statements are presented in Indian Rupees (INR), which is the group's functional currency. All the financial information have been presented in Indian Rupess (INR) all amounts have been rounded-off to the nearest Rupees, unless otherwise stated.

**(c) Basis of Measurement**

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for the following:

- defined benefit plans - plan assets measured at fair value

**(d) Use of estimates and judgments**

The preparation of the consolidated Ind AS financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected thereby.

The areas involving critical estimates and judgments are:

(i) Estimation of Contract Cost for Revenue recognition (Refer Note -34)

(ii) Estimation of useful life of property, Plant and Equipment and Intangible (refer point 2.12 & 2.14)

(iii) Estimation of provision for defect liability period and liquidated damages, if any (refer note 30 )

(iv) Estimation of defined benefit obligation (refer note 32)

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(v) Estimation of recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used (refer note -7)

(vi) Impairment of financial assets (refer note -26)

**(e) Principles of consolidation and equity accounting**

**(i) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases. when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

**Consolidation procedure:**

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

**Non-controlling interests (NCI)**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

**(ii) Joint arrangements**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

**Joint ventures**

The Group's interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet. Details of the joint operation are set out in note 24.

**(iii) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date

and the Group's share of other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities until the date on which significant influence or joint control ceases.The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. The share of non-controlling interest is restricted to the extent of contractual obligation of the Group. When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an joint venture or financial asset.

**(iv) Transactions eliminated on consolidation**

Inter-group balances and transactions, and any unrealised income and expenses arising fron inter-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the Investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(f) Measurement of fair values**

The group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The group's has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuation meet the requirements of Ind AS including the level in the fair value hierarchy in which such valuations could be classified.

When measuring the fair value of an asset or a liability, the group uses observable market data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follow:

Level 1: quoted prices ( unadjusted ) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Input for the assets or liability that are not based on observable market data ( unobservable inputs)

When measuring the fair value of an asset or a liability, the group uses observable market data as far as possible. If the inputs used to measure the fair value of an assets or a liability fall into different level of the fair value hierarchy. then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**Note 2 Significant Accounting Policies**

**2.1 Current and Non -Current Classification**

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

**2.2 Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realiation in cash or cash equivalents.

Based on the nature of operations, the time between the acquisition of assets for processing and their realisation in cash &

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cash equivalents, the group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

**2.3 Foreign Currency Transactions**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI, are recognised in other comprehensive income.

**2.4 Revenue recognition**

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

**2.4.1 Construction Revenue**

Revenue from contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision becomes known by management.

When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined based on technical and other assessment of cost to be incurred. Liquidated damages/penalties are accounted as per the contract terms whenever there is a delayed delivery attributable to the group.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The profits on contracts are recognised only when outcome of the contract is reasonably certain.

Revenue excludes Integrated Goods & Services Tax, Central/State Goods & Services Tax, Sales Tax/Value Added Tax and Service Tax charged to customer.

Revenue from contracts awarded to a Jointly Controlled Entity but executed by the group under the arrangement with the Joint Venture Partner (being in substance in the nature of Jointly Controlled Operations, in terms of Ind AS Accounting Standard-28 is recognised on the same basis as similar contracts independently executed by the group.

**2.4.2 Dividend**

Income from Dividend is recognised when the right to payment is established.

**2.4.3 Interest Income and expenses**

Interest income or expense is accounted based on effective interest rate. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

- In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised

cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**2.4.4 Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

**2.5 Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

**2.5.1 Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is a convincing evidence that the group will pay normal tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the group.

Current tax assets and liabilities are offset only if, the group:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**2.5.2 Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

-temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

-temporary differences related to investment in subsidiaries, associates and joint arrangements to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable and

-taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**2.6 Impairment of non financial assets**

The carrying amounts of the group's non-financial assets, investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**2.7 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**2.8 Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost , less provision for impairment.

**2.9 Inventories**

Construction materials, materials and spares, tools and stores, are stated at the lower of cost and net realisable value. Cost of construction materials and materials comprises cost of purchases cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of FIFO (first in first out). Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

**2.10 Financial instruments**

**2.10.1 Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument. Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the Management. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**2.10.2 Classification and subsequent measurement**

**A) Financial Assets**

**Classification**

The group shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. 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 group commits to purchase or sell the asset.

**Debt instruments at amortised cost**

1. A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
   a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   b) Contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
2. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.
3. Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the group's balance sheet) when:

1. The rights to receive cash flows from the asset have expired, or
2. The group has transferred its rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.
3. When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.
4. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

**Impairment of financial assets**

In accordance with Ind-AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

1. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

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2. Trade receivables.

The group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the group 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.

**B) Financial Liabilities**

**Classification**

The group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, 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.

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

**Gains or losses on liabilities held for trading are recognised in the profit or loss.**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The group has not designated any financial liability as at fair value through profit and loss.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognized.

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.

This category generally applies to interest-bearing loans and borrowings.

**Derecognition**

The group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The

difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**2.11 Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**2.12 Property, Plant and Equipment**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

**Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Transition to Ind AS**

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

- Building 60 years (BLK), Building 30 years (Lifestyle)
- Machinery 9 to 15 years (BLK), Machinery 15 years (Lifestyle Ltd and SSPL)
- Computers 3 years (SSPL)
- Vehicle 8 to 10 years (BLK), Vehicle 8 years (Lifestyle)
- Equipment 3 to 5 years
- Furniture, fittings 10 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are similar or higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**Reclassification to investment property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment

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property at its carrying amount on the date of reclassification.

**2.13 Investment Property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised

Based on technical evaluation and consequent advice, the management believes a period of 25-40 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the group depreciates investment properties using the straight-line method over their estimated useful lives.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

**Transition to Ind AS**

On transition to Ind AS, the group has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

**2.14 Intangible assets**

**Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**Amortisation methods and periods**

The group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer software 6 years

**Transition to Ind AS**

On transition to Ind AS, the group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets.

**2.15 Trade and other payable**

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid unless and otherwise agreed. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and

other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, please refer to note 13c.

**2.16 Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity 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 profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**2.17 Borrowing Costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**2.18 Provisions**

Provisions for legal claims, service warranties are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**2.19 Employee benefits**

**(i) Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services

up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long term employee benefits**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on independent actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post employment benefits**

The group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity and

(b) defined contribution plans such as provident fund and superannuation fund

**Pension and gratuity obligations**

The liability recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

**(iv) Bonus plan**

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**2.20 Contributed equity**

**Equity shares are classified as equity**

Incremently cost directly attributable to the issue of new shares or options are show in equity as a deduction net of tax, from the proceeds

**2.21 Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**2.22 Earning per share**

**(i) Basic Earning per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**(ii) Diluted Earning per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**2.23 Statement of cash flows**

The group's statements of cash flows are prepared using the Indirect method, whereby profit for the period is adjusted for the effect of transaction of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or finacing cash flows. The cash flows from operating, investing and fianacing activities of the group are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts and cash credit facility that form an integral part of the group's cash management.

**2.24 Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the IND AS financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 3 Property, Plant ,Equipment and Capital work in Progress**

Amount in ₹

| Particulars | Land & Building | Plant & Machinery | Office Equipments | Vehicles | Furniture & Fixtures | Total Tangible Assets | Capital Work In Progress | Total |
|---|---|---|---|---|---|---|---|---|
| **Year ended 31st March 2016** | | | | | | | | |
| Cost or deemed cost (Gross carrying amount) | | | | | | | | |
| **Deemed cost as at 1st April 2016** | 107,376,993 | 2,623,517,815 | 72,697,799 | 97,610,719 | 19,644,839 | 2,920,848,164 | 1,562,541,983 | 4,483,390,147 |
| Additions | - | 9,030,039 | 896,479 | 6,268,840 | 83,569 | 16,278,928 | 106,797,777 | 123,076,705 |
| Disposals | - | 99,349,610 | 11,500,371 | 4,086,051 | 1,313,868 | 116,249,900 | 714,507,540 | 830,757,440 |
| **Balance as at 31st March 2017 (Gross carrying amount)** | 107,376,993 | 2,533,198,244 | 62,093,908 | 99,793,508 | 18,414,539 | 2,820,877,192 | 954,832,219 | 3,775,709,411 |
| Accumulated depreciation | 57,590,191 | 1,704,493,396 | 69,256,431 | 87,526,846 | 17,719,990 | 1,936,586,853 | - | 1,936,586,853 |
| on Disposals | - | 83,722,293 | 11,458,864 | 3,849,051 | 1,285,878 | 100,316,086 | - | 100,316,086 |
| Amotisation for the year | 4,947,367 | 96,755,549 | 1,238,496 | 2,694,193 | 597,391 | 106,232,996 | - | 106,232,996 |
| **Balance as at 31st March 2017 (Accumulated depreciation)** | 62,537,558 | 1,717,526,653 | 59,036,062 | 86,371,987 | 17,031,503 | 1,942,503,763 | - | 1,942,503,763 |
| **Net carrying amount** | 44,839,435 | 815,671,591 | 3,057,846 | 13,421,521 | 1,383,037 | 878,373,429 | 954,832,219 | 1,833,205,649 |
| Deemed cost as at 1st April 2017 | 107,376,993 | 2,533,198,244 | 62,093,908 | 99,793,508 | 18,414,539 | 2,820,877,192 | 954,832,219 | 3,775,709,411 |
| Additions | - | 54,359,018 | 2,010,072 | 18,074,677 | 318,698 | 74,762,465 | 12,765,837 | 87,528,302 |
| Disposals | - | 95,402,808 | 8,743,117 | 15,144,999 | 1,494,546 | 120,785,469 | - | 120,785,469 |
| **Balance as at 31st March 2018 (Gross carrying amount)** | 107,376,993 | 2,492,154,455 | 55,360,862 | 102,723,186 | 17,238,692 | 2,774,854,188 | 967,598,056 | 3,742,452,244 |
| Accumulated depreciation | 62,537,558 | 1,717,526,653 | 59,036,062 | 86,371,987 | 17,031,503 | 1,942,503,762 | - | 1,942,503,762 |
| on Disposals | - | 79,293,497 | 8,717,937 | 14,910,465 | 1,450,217 | 104,372,116 | - | 104,372,116 |
| Amotisation for the year | 791,346 | 90,855,123 | 1,206,357 | 3,348,667 | 259,231 | 96,460,723 | - | 96,460,723 |
| **Balance as at 31st March 2018 (Accumulated depreciation)** | 63,328,904 | 1,729,088,279 | 51,524,482 | 74,810,189 | 15,840,517 | 1,934,592,370 | - | 1,934,592,370 |
| **Net carrying amount** | 44,048,089 | 763,066,176 | 3,836,380 | 27,912,998 | 1,398,175 | 840,261,819 | 967,598,056 | 1,807,859,874 |

**Non-current Assets**

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 4 Investment Properties**

Amount in ₹

| Particulars | 100% Share in Wagholi Land -Pune | (1) Freehold Land | 50% Undivided Share in Arena - Bangalore | 50% Share in Spirit - Bangalore | 50% Undivided Share in Paradigm - Bangalore | 75% Undevided share in (Spirit)- Amritsar | (2) Commercial Building | (1 + 2 ) Total Investment Properties |
|---|---|---|---|---|---|---|---|---|
| **Year ended 31st March 2017** | | | | | | | | |
| **Cost or deemed cost (Gross carrying amount)** | | | | | | | | |
| Deemed cost as at 1st April 2016 | | - | 1,187,397,358 | 997,524,192 | 339,433,773 | 481,926,291 | 3,006,281,614 | 3,006,281,614 |
| Additions | 714,507,540 | 714,507,540 | - | - | - | - | - | 714,507,540 |
| Disposals | - | - | - | - | 210,056,869 | - | 210,056,869 | 210,056,869 |
| **Balance as at 31st March,2017 (Gross carrying cost)** | 714,507,540 | 714,507,540 | 1,187,397,358 | 997,524,192 | 129,376,904 | 481,926,291 | 2,796,224,745 | 3,510,732,286 |
| Accumulated depreciation | - | - | 28,307,239 | 23,641,687 | 8,044,580 | 4,779,468 | 64,772,973 | 64,772,973 |
| Depreciation for the year | - | - | 9,435,746 | 7,880,562 | 2,564,756 | 2,389,734 | 22,270,799 | 22,270,799 |
| **Balance as at 31st March 2017 (Accumulated Depreciation)** | - | - | 37,742,985 | 31,522,249 | 10,609,337 | 7,169,201 | 87,043,772 | 87,043,772 |
| **Net carrying amount** | 714,507,540 | 714,507,540 | 1,149,654,374 | 966,001,943 | 118,767,567 | 474,757,089 | 2,709,180,973 | 3,423,688,513 |
| Year ended 31st March 2018 | | | | | | | | |
| Cost or deemed cost (Gross carrying amount) | - | | | | | | | |
| Deemed cost as at 1st April 2017 | 714,507,540 | 714,507,540 | 1,187,397,358 | 997,524,192 | 129,376,904 | 481,926,291 | 2,796,224,745 | 3,510,732,286 |
| Additions | - | - | - | - | - | 9,198,867 | 9,198,867 | 9,198,867 |
| Disposals | - | - | - | - | 129,376,904 | - | 129,376,904 | 129,376,904 |
| **Balance as at 31st March,2018 (Gross carrying cost)** | 714,507,540 | 714,507,540 | 1,187,397,358 | 997,524,192 | - | 491,125,158 | 2,676,046,708 | 3,390,554,249 |
| On Disposals | - | - | - | - | 11,415,483 | - | 11,415,483 | 11,415,483 |
| Accumulated depreciation | - | - | 37,742,985 | 31,522,249 | 10,609,337 | 7,169,201 | 87,043,772 | 87,043,772 |
| Depreciation for the year | - | - | 9,435,746 | 7,880,562 | 806,146 | 2,389,734 | 20,512,189 | 20,512,189 |
| **Balance as at 31st March 2018 (Accumulated Depreciation)** | - | - | 47,178,731 | 39,402,811 | - | 9,558,935 | 96,140,477 | 96,140,477 |
| **Net carrying amount** | 714,507,540 | 714,507,540 | 1,140,218,627 | 958,121,381 | - | 481,566,223 | 2,579,906,231 | 3,294,413,771 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Non-current Assets**

**Note 5 Other intangible assets**

Amount in ₹

| Particulars | Computer Softwares | Trademark | Goodwill | Total Intangible Assets |
|---|---|---|---|---|
| **Year ended 31st March 2016** | | | | |
| **Cost or deemed cost (Gross carrying amount)** | | | | |
| Deemed cost as at 1st April 2016 | 25,085,235 | 10,000 | 4,092,000 | 29,187,235 |
| Additions | 5,583,138 | - | - | 5,583,138 |
| Disposals | - | - | 4,092,000 | 4,092,000 |
| Balance as at 31st March 2017 (Gross carrying amount) | 30,668,373 | 10,000 | - | 30,678,373 |
| Accumulated depreciation | 23,558,065 | - | - | 23,558,065 |
| on Disposals | - | - | - | - |
| Amotisation for the year | 1,344,997 | - | - | 1,344,997 |
| Balance as at 31st March 2017 (Accumulated depreciation) | 24,903,062 | - | - | 24,903,062 |
| Net carrying amount | 5,765,311 | 10,000 | - | 5,775,311 |
| Deemed cost as at 1st April 2017 | 30,668,373 | 10,000 | - | 30,678,373 |
| Additions | 70,000 | - | - | 70,000 |
| Disposals | - | - | - | - |
| Balance as at 31st March 2018 (Gross carrying amount) | 30,738,373 | 10,000 | - | 30,748,373 |
| Accumulated depreciation | 24,903,062 | - | - | 24,903,062 |
| on Disposals | - | - | - | - |
| Amotisation for the year | 2,100,687 | - | - | 2,100,687 |
| Balance as at 31st March 2018 (Accumulated depreciation) | 27,003,749 | - | - | 27,003,749 |
| Net carrying amount | 3,734,624 | 10,000 | - | 3,744,624 |

The future economic benefits embodied in the all items of the depciable assets owned by the Company as per note no 3, which are expected to be consumed from year to year over their respective balance lives, shall be same from year to year. Therefore, the method of charging depreciation has been changed from WDV to SLM to reflect the true consumption pattern of the depreciable assets resulting in change in the amount of depreciation charged from ₹ 15,25,90,402.00 (₹ 18,59,33,576.00) to ₹ 9,85,61,410.00 (₹ 10,75,77,992.00.00). Consequently, the caring value of deprecaiable assets also been changed from ₹ 167,22,85,817.00 (₹ 176,06,25,375.00) crores to ₹ 181,16,04,497.00 (₹ 183,89,80,959.00)

Consequently, the charge of depreciation is lower by ₹ 5,40,28,992.00 (₹ 783,55,584.00) and profit before tax is higher by the above amount in respective financial years.

**Note 6 A NON CURRENT INVESTMENTS -AT COST***

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Other Investments (Refer A below) | | | |
| (a) Investment in Equity instruments-quoted | 140,160 | 140,160 | 140,160 |
| (b) Investment in Equity instruments-unquoted | 95,735 | 95,735 | 95,735 |
| (c) Investments in Government or Trust securities-unquoted | 92,672 | 92,672 | 92,672 |
| (d) Investments in partnership firm (Soul Space Projects Limited) | 1,020,000 | 1,020,000 | 1,020,000 |
| (e) Investment in partnership firm-'-Kasturiram Herbal Inudstries (BLK Lifestyle Limited) | 7,477,656 | 7,302,987 | 6,589,006 |
| **Total** | **8,826,223** | **8,651,554** | **7,937,573** |

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| (i) | Aggregate amount of quoted investments (Market value) | 39,110 | 61,110 | 61,227 |
| (ii) | Aggregate amount of unquoted investments at cost | 188,407 | 188,407 | 188,407 |

* In accordance with section 186 of the Act read with companies( Meeting of Board and its Power) Rules ,2014 the details of investments made by the Company as at the reporting dates are stated above . There have been no addition or deletions during the years ended 31 March 2017 and 31 March 2018

## A. Details of Other Investments

Amount in ₹

| Sr. No. | Name of the Body Corporate | Relation | No. of Shares / Units | Quoted / Unquoted | | Partly Paid / Fully paid | Extent of Holding (%) | Amount (₹) | Whether stated at Cost Yes / No | | Amount (₹) | | | Whether stated at Cost Yes / No |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2018 | 2017 | 2016 | | | 2018 | 2017 | 2016 | 2018 | 2017 | 2016 | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (12) | (13) | (14) | (15) | (16) |
| (a) | **Investment in Equity Instruments at cost** | | | | | | | | | | | | | |
| | GR Cables Ltd | Others | 1,300 | 1,300 | 1,300 | Quoted | Fully Paid | | | | 13,000 | 13,000 | 13,000 | Yes |
| | Northland Sugar Ltd | Others | 4,800 | 4,800 | 4,800 | Quoted | Fully Paid | | | | 48,000 | 48,000 | 48,000 | Yes |
| | Somdatt Finance Corporation Ltd | Others | 2,000 | 2,000 | 2,000 | Quoted | Fully Paid | | | | 20,000 | 20,000 | 20,000 | Yes |
| | Crew B.O.S Products Ltd | Others | 1,000 | 1,000 | 1,000 | Quoted | Fully Paid | | | | 59,160 | 59,160 | 59,160 | Yes |
| | **Total** | | | | | | | | | | **140,160** | **140,160** | **140,160** | |
| | GI Power Corporation Ltd | Others | 4,000 | 4,000 | 4,000 | Un-Quoted | Fully Paid | | | | 42,549 | 42,549 | 42,549 | Yes |
| | GTZ Securities Ltd | Others | 5,000 | 5,000 | 5,000 | Un-Quoted | Fully Paid | | | | 53,186 | 53,186 | 53,186 | Yes |
| | **Total** | | | | | | | | | | 95,735 | 95,735 | 95,735 | |
| (b) | **Investments in Government or Trust securities** | | | | | | | | | | | | | |
| | Kisan Vikas Patra | Others | | | | | | | | | 7,282 | 7,282 | 7,282 | Yes |
| | 6 Year Nsc VIII issue | Others | | | | | | | | | 72,390 | 72,390 | 72,390 | Yes |
| | NSC (Soul Space Projects Ltd) | Others | | | | | | | | | 13,000 | 13,000 | 13,000 | |
| | **Total** | | | | | | | | | | 92,672 | 92,672 | 92,672 | |
| (c) | **Investments in partnership firm** | | | | | | | | | | | | | |
| | Suryakant Kakade & Soul Space | | | | | | | 51% | 51% | 51% | 1,020,000 | 1,020,000 | 1,020,000 | |
| | **Total** | | | | | | | | | | 1,020,000 | 1,020,000 | 1,020,000 | |
| | **Total** | | | | | | | | | | 1,208,407 | 1,208,407 | 1,208,407 | |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 6B Trade receivables**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Current** | | | |
| Trade receivable - Unsecured, considered good | 4,696,993,733 | 3,959,222,783 | 4,399,549,168 |
| **Total** | **4,696,993,733** | **3,959,222,783** | **4,399,549,168** |

For terms and conditions of receivables owing from related parties, refer note 36 of consolidated Ind AS financial statements.

For receivables secured against borrowings, refer note 13(a),13(b) & 36 of consolidated Ind AS financial statements.

The Company exposure to credit and currency risks, and loss allowances related to receivables are disclosed in note 36 of consolidated Ind AS financial statements.

Debtors amounting to ₹ 1,18,27,65,631/- (As On 31.03.2017 ₹ 2,38,88,12,044/- and As On 01.04.2016 ₹2,41,38,31,590/-) are outstanding for more than one year.

Sundry Debtors as at 31 March, 2018 include debtors aggregating to ₹ 35,93,10,871 (31 March 2017 ₹ 39,97,20,296/- and 1 April 2016 ₹ 17,29,57,697/-). These represent amounts of work done and retention which have been disputed by the Clients. However, the matters has been referred to arbitration. The management is reasonably confident of establishing its claims for the said amount supported by proper evidences and consequently no change have been made to the values and classification of these amounts in the financial statements.

Sundry Debtors as at 31 March, 2018 include ₹ Nil (31 March 2017 ₹ 3,87,87,898/- and 1 April 2016 ₹ 16,30,40,701/-) it represents amount recoverable under a contract foreclosed by the client(s).

**Note 6C Loans**

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| **a.** | **Security deposits (Unsecured considered good)** | 501,958,607 | 504,522,969 | 588,028,293 |
| | | 501,958,607 | 504,522,969 | 588,028,293 |
| **b.** | **Loans and advances to related parties - Subsidiaries** | | | |
| | Unsecured, considered good | 0 | 2 | 1,742,821 |
| | | 0 | 2 | 1,742,821 |
| **c.** | **Other loans and advances** | | | |
| | Inter Corporate Deposits | | | |
| | Unsecured, considered good | - | 81,723,831 | 107,240,290 |
| | | | 81,723,831 | 107,240,290 |
| | **Total** | **501,958,607** | **586,246,802** | **697,011,404** |
| | Non Current | 501,958,607 | 586,246,802 | 697,011,404 |

Long Term Loans and Advances given to companies which are recoverable on demand have been classified as Long Term Loans and Advances as the management is of the view that there is no likelihood of asking for their repayment, atleast within next 12 months.

**Note 6D Cash and cash equivalents**

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| a. | Balances with banks | 71,865,378 | 69,680,768 | 46,278,515 |
| b. | Bank deposits | - | - | 157,618 |
| c. | Cash on hand | 45,443,645 | 16,060,857 | 43,330,511 |
| d. | Cheques, drafts on hand | - | 10,000,000 | - |
| | **Total** | **117,309,023** | **95,741,625** | **89,766,644** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 6E Other bank balances**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Bank balances other than note 6d | 125,202 | 125,202 | 124,949 |
| **Total** | **125,202** | **125,202** | **124,949** |

**Note 6F Other financial assets**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Non-current** | | | |
| Bank deposits with more than 12 months maturity | 76,662,005 | 11,566,093 | 21,005,381 |
| **This include Earmarked Balances ₹ 73,10,224/- (₹ 92,01,338 on 31 March 2017 and ₹ 1,63,52,002 on 1 April 2016)** | | | |
| Margin Money | 40,576,987 | | - |
| **Total Non-Current** | **117,238,992** | **11,566,093** | **21,005,381** |
| **Current** | | | |
| Interest Accrued On FDR ( Current ) | 0 | 0 | 173,176 |
| **Total Current** | **0** | **0** | **173,176** |

**Note 7 Deferred tax assets**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Depreciation and amortisation of Property, plant & equipment. And other intangible assets | 40,520,317 | 49,713,814 | 70,239,573 |
| Defined benefit obligations | 50,277,132 | 53,784,695 | 45,221,033 |
| Unabsorbed of Business Losses and Depreciation | 613,625,562 | 724,037,758 | 798,280,703 |
| Long Term Capital Loss | 31,558,093 | 24,973,152 | 3,188,204 |
| Provisions-43B | 113,825,986 | 57,917,229 | - |
| Property, plant and equipment Investment property and other intangible assets | 521,324,605 | 476,614,246 | 358,920,338 |
| **Total** | **1,371,131,695** | **1,387,040,894** | **1,275,849,851** |

**Note 8 Other non current assets**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Advance for land | 700,000 | 700,000 | 700,000 |
| Minimum Alternet Tax Credit | 152,489,017 | 59,095,683 | 27,749,740 |
| **Total** | **153,189,017** | **59,795,683** | **28,449,740** |

**Note 9 Inventories**

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| a. | Raw Materials and components (Valued at lower of cost and net realisable value) | 453,426,630 | 551,389,065 | 502,552,696 |
| b. | Work-in-progress (Valued at cost) | 2,872,022,111 | 3,706,512,096 | 4,016,070,988 |
| c. | Finished Goods (Valued at lower of Cost and Net Realisable Value) | 5,441,139 | 19,273,218 | 19,733,254 |
| d. | Stock-in-trade (Valued at lower of cost and net realisable value) | 133,225,449 | 134,038,067 | 104,943,497 |
| | **Total** | **3,464,115,328** | **4,411,212,446** | **4,643,300,434** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 10 Other current assets (net)**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Advance Tax / TDS | 308,084,211 | 488,930,928 | 581,027,211 |
| Income Tax Recoverable | 203,046,737 | 221,222,861 | 230,170,293 |
| **Total** | **511,130,947** | **710,153,789** | **811,197,505** |

**Note 11 Other current assets**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Value Added Tax Recoverable | 331,751,681 | 350,976,412 | 315,823,243 |
| Service Tax Recoverable | 2,343,596 | 77,174,269 | 128,129,772 |
| GST Receivable | 147,060,362 | - | - |
| Others | 938,090,331 | 819,299,403 | 910,287,565 |
| **Total** | **1,419,245,971** | **1,247,450,085** | **1,354,240,580** |

**Note 12a-Share Capital**

| Share Capital | 31 March, 2018 | | 31 March, 2017 | | 1 April, 2016 | |
|---|---|---|---|---|---|---|
| | Number | ₹ | Number | ₹ | Number | ₹ |
| **Authorised** | | | | | | |
| Equity Shares of ₹ 1/- each | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 |
| **Issued** | | | | | | |
| Equity Shares of ₹ 1/- each | 215,440,000 | 215,440,000 | 205,440,000 | 205,440,000 | 205,440,000 | 205,440,000 |
| **Subscribed & Paid up** | | | | | | |
| Equity Shares of ₹ 1/- each | 215,440,000 | 215,440,000 | 205,440,000 | 205,440,000 | 205,440,000 | 205,440,000 |
| **Total** | **215,440,000** | **215,440,000** | **205,440,000** | **205,440,000** | **205,440,000** | **205,440,000** |

The group has only one class of equity shares having par value of INR 1/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the group, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

**a. Reconciliation of shares outstanding at the beginning and at the end of reporting period**

| Particulars | Equity Shares | | Preference Shares | |
|---|---|---|---|---|
| | Number | ₹ | Number | ₹ |
| Shares outstanding at the beginning of the year | 205,440,000 | 205,440,000 | - | - |
| Shares Issued during the year | 10,000,000 | 10,000,000 | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 215,440,000 | 215,440,000 | - | - |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**b. Details of Shareholders holding more than 5% shares in company**

| Name of Shareholder | 31 March, 2018 | | 31 March, 2017 | | 1 April, 2016 | |
|---|---|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Vinod Kashyap | 40,684,078 | 18.88 | 40,684,078 | 19.80 | 40,684,078 | 19.80 |
| Vineet Kashyap | 48,932,330 | 22.71 | 48,932,330 | 23.82 | 48,932,330 | 23.82 |
| Vikram Kashyap | 48,616,750 | 22.57 | 48,616,750 | 23.66 | 48,616,750 | 23.66 |

**Note 12 (b)-Reserves and Surplus**

Amount in ₹

| | Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|---|
| a. | Securities Premium Account | | | |
| | Opening Balance | 1,903,424,250 | 1,903,424,250 | 1,903,424,250 |
| | Add : Securities premium credited on Share issue and Share Warrant | 404,125,000 | - | - |
| | Closing Balance | 2,307,549,250 | 1,903,424,250 | 1,903,424,250 |
| b. | General Reserves | | | |
| | Opening Balance | 897,961,245 | 897,961,245 | 897,961,245 |
| | (+) Current Year Transfer | | | |
| | Closing Balance | 897,961,245 | 897,961,245 | 897,961,245 |
| c. | Surplus | | | |
| | Opening balance | 1,322,602,529 | 1,270,956,919 | 964,454,898 |
| | (+) Net Profit/(Net Loss) For the current year | 214,707,971 | 50,578,138 | 312,223,779 |
| | (+) transfer to minority interest | 4,827,117 | 1,067,472 | (5,721,758) |
| | Closing Balance | 1,542,137,617 | 1,322,602,529 | 1,270,956,919 |
| d. | Share Warrants | | | |
| | Opening Balance | - | | |
| | a) addition during the year | 2,500,000 | - | - |
| | Closing Balance | 2,500,000 | - | - |
| e. | Capital Reserves | - | - | - |
| | Opening Balance | 12,708,000 | 6,800,000 | 2,550,000 |
| | (+) Current Year Transfer | - | 5,908,000 | 4,250,000 |
| | Closing Balance | 12,708,000 | 12,708,000 | 6,800,000 |
| | **Total** | **4,762,856,112** | **4,136,696,024** | **4,079,142,414** |

**Nature and purpose of Reserves**

**(i) Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act

**(ii) General reserve**

General reserve is created out of surplus of profit and loss

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 13 (a)-Non Current Borrowing**

**Financial Liabilities**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Secured** | | | |
| **(a) Term loans** | | | |
| - From Banks | 753,323,911 | 918,179,164 | 2,746,723,755 |
| - From Other Parties | 6,678,828 | 80,140,549 | - |
| **Total Secured** | **760,002,739** | **998,319,713** | **2,746,723,755** |
| **Unsecured** | | | |
| **(a) Term loans** | | | |
| - From related parties | 354,072,791 | 335,172,842 | 326,481,218 |
| - From Others | 216,157,425 | 174,518,819 | 146,190,869 |
| | 570,230,216 | 509,691,661 | 472,672,087 |
| **Total Unsecured** | **1,330,232,955** | **1,508,011,375** | **3,219,395,843** |

**A. CORPORATE DEBT RESTRUCTURING (CDR)**

Subsequent to the approval of Restructuring package by Corporate Debt Restructuring (CDR) Empowered Group after duly recommended by Independent Evaluation Committee (IEC) on 31.12.2014 the company has complied with all the critical conditions. The participative CDR Lenders were State Bank of India, Canara Bank, ICICI Bank, Oriental Bank of Commerce, Indusind Bank, Syndicate Bank and the Non CDR Members were Yes Bank Ltd, SREI Equipment Finance Ltd, Standard Chartered Bank Ltd and HDFC Bank In terms of LOA ( Letter of Approval) and MRA ( Master Restructuring Agreement) dated 31.12.2014, the company's debts have been restructured with longer repayment schedule stretching up to FY 2019-20 with lower interest rates linked to Base Rates of respective Banks. However the CDR lenders would have a right of recompense for their sacrifices at the time of Company's exit from CDR. The total amount of recompense works out to ₹ 69.50 Cr during the full tenure of the CDR, of which the sacrifice amount for the period upto 31 March 2018 is ₹ 42.55 Crores (31 March 2017 is ₹ 33.61 Crores and 1 April 2016 ₹ 23.93 Crores) However as per RBI directives dated 12.02.2018 in respect of Resolution of stressed assets all the restructuring schemes such as CDR, SDR, S4A etc. stands withdrawn.

**B. POSITION OF SECURITIES AND GUARANTEES GIVEN TO SECURE THE DEBTS**

Amount in ₹

| Name of Bank/Financial Institution | 31 March, 2018 | 31 March, 2017 | Detail of Security | Repayment Terms |
|---|---|---|---|---|
| **Secured** | | | | |
| **From Banks** | | | | |
| Syndicate Bank | 1,040,399,998 | 1,040,399,999 | Refer note A(a) to (d) | Refer Note A(l) |
| Syndicate Bank-(FITL) | 220,000,000 | 219,999,999 | Refer note A(a) to (d) | Refer Note A(l) |
| State Bank of India | 70,976,268 | 158,940,873 | Refer note A(a) to (d) | Refer Note A(l) |
| State Bank of India-(FITL) | - | 61,568,316 | Refer note A(a) to (d) | Refer Note A(l) |
| Canara Bank -(FITL) | - | 30,300,000 | Refer note A(a) to (d) & (f) | Refer Note A(l) |
| Canara Bank | 28,715,000 | 42,989,143 | Refer note A(a) to (d) & f | Refer Note A(l) |
| ICICI Bank | 42,756,920 | 143,961,716 | Refer note A(a) to (d) | Refer Note A(l) |
| ICICI Bank -(FITL) | - | 15,933,852 | Refer note A(a) to (d) | Refer Note A(l) |
| IndusInd Bank | 56,768,000 | 182,641,018 | Refer note A(a) to (d) | Refer Note A(l) |
| IndusInd Bank -(FITL) | - | 43,861,449 | Refer note A(a) to (d) | Refer Note A(l) |
| Oriental Bank of Commerce | 44,002,334 | 100,396,000 | Refer note A(a) to (d) | Refer Note A(l) |
| Oriental Bank of Commerce - (FITL) | - | 36,197,729 | Refer note A(a) to (d) | Refer Note A(l) |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

| Name of Bank/Financial Institution | 31 March, 2018 | 31 March, 2017 | Detail of Security | Repayment Terms |
|---|---|---|---|---|
| Yes Bank | 14,972,237 | 34,116,233 | Refer note A(a) to (d) | Refer Note A(l) |
| Standard Chartered Bank | - | 104,300,000 | Refer note A(a) to (d) | Refer Note A(l) |
| ICICI Bank Ltd (SSPL) | 302,580,000 | 322,992,000 | Refer note A (g) | |
| Indusind Bank Limited (SSPL) | 450,000,000 | 616,528,341 | Refer note A (h) | |
| HDFC (SSPL) | - | 35,059,583 | Refer note A (i) | |
| Indusind Bank Limited (BLK Lifestyle) | - | 305,309 | Refer note A (k) | |
| **Total** | **2,271,170,757** | **3,190,491,560** | | |
| **From Other Parties** | | | | |
| SREI Equipment Finance Pvt. Ltd. (BLK) | 98,139,278 | 165,184,531 | Refer note A(e) | |
| SREI Equipment Finance Pvt. Ltd. (SSPL) | 102,761,334 | 95,668,032 | Refer note A (j) | |
| **Total** | **200,900,612** | **260,852,563** | | |
| **Unsecured** | | | | |
| **From Related Parties** | | | | |
| Mr Vikram Kashyap | 11,000,000 | 11,000,000 | | |
| Mr Vinod Kashyap | 95,979,041 | 95,979,041 | | |
| Mr Vineet Kashyap | 126,850,000 | 126,850,000 | | |
| Aureus Financial Services Ltd. (SSPL) (previously known as BLK Financial Sevices Ltd | 72,795,513 | 72,824,376 | | |
| Chrysalis Realty Projects Pvt. Ltd. (BLK) | 3,000,000 | - | | |
| Chrysalis Realty Projects Pvt. Ltd. (SSPL) | 17,023,814 | - | | |
| Chrysalis Trading Pvt. Ltd. (SSPL) | 39,423 | 39,423 | | |
| M/s Aiyana Trading Private Limited | 25,200,000 | 25,200,000 | | |
| Mr Vikram Kashyap (BLK Lifestyle Ltd) | 1,435,000 | 2,530,000 | | |
| Mr Vinod Kashyap (BLK Lifestyle Ltd) | 750,000 | 750,000 | | |
| **Total** | **354,072,791** | **335,172,840** | | |
| **From others- Inter Corporate Deposit** | | | | |
| RBS Contracts Pvt. Ltd. (SSPL) (formerly known as BLK-RBS Projects Pvt. Ltd) | 51,138,213 | 30,488,314 | | |
| Tehkhand Associates Ltd (BLK) | 12,200,000 | 13,900,000 | | |
| Tehkhand Associates Ltd (SSPL) | 17,482,963 | 9,926,038 | | |
| Tehkhand Associates Ltd (BLK Lifestyle) | 110,959 | 110,959 | | |
| Worlds Window Impex (I)Pvt.Ltd | 54,660,266 | 48,543,753 | | |
| Dharitri Maa Urja Private Limited (SSPL) | 60,256,843 | 53,514,073 | | |
| Dharitri Maa Urja Private Limited (BLK) | 20,308,181 | 18,035,685 | | |
| **Total** | **216,157,425** | **174,518,822** | | |
| **Grand Total** | **3,042,301,585** | **3,961,035,785** | | |

**Note A.**

a) First Pari Passu Charge on the entire fixed assets of the company in terms of CDR Package.

b) First Pari Passu Charge on the entire Current Assets of the company in terms of CDR Package.

c) Pledge of Un-encumbered share holding of B. L. Kashyap and Sons Limited in favour of lenders by the Whole Time Directors.

d) Unconditional and Irrevocable Personal Guarantee of Mr. Vinod Kashyap, Mr. Vineet Kashyap and Mr. Vikram Kashyap.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

e) Srei Equipment Finance Ltd - Loan secured against creation/modification of equitable mortgage by way of deposit of title deed of third party property and Personal Guarantee of Mr. Vineet Kashyap, Whole Time Director.

f) Canara Bank Credit Facility is secured by way of Equitable mortgage of third party property of Ahuja Kashyap Malts Private Limited.

g) (i) ICICI Bank has first Charge on the Land,Building and Structure of Arena Mall, Bangalore on the company's share given in Joint Development/ Joint Venture agreements (Both Present & Future).

(ii) Pledge of 30% shares of the Company held by holding Company , B.L. Kashyap & Sons Ltd.

h) (i) Indusind Bank has first Charge on the Land,Building and Structure of Soul Space Spirit Mall, Bangalore on the company's share given in Joint Development/ Joint Venture agreements (Both Present & Future)

(ii) Pledge of 15% shares of the Company held by holding Company , B.L. Kashyap & Sons Ltd

i) Loan from HDFC, secured against land and building, corporate guarantee from holding Company (B.L.Kashyap And Sons Limited)

j) Loan from Srei Equipments Limted is secured against creation/modification of equitable mortgage by way of deposit of title deed of third party property and personal guarantee of Mr. Vineet Kashyap whole time directors

k) Secured against hypothecation of Stock, Work in progress, Book Debts From Indusind Bank and on personal guarantee of Directors

**l) Repayment Terms**

Term Loan (Restructured) Under CDR - 2% of Loan amount in quarterly installments in Financial Year 2016-17, 50% of The loan amount in quarterly installments in Financial Year 2017-18, 44% of Loan amount in in quarterly installment in Financial Year 2018-19 and 4% of the loan amount in quarterly installment in Financial Year 2019-20

Corporate Loans under CDR repayable in 14 quarterly structured installments beginning form 30.06.2016 to 31.09.2019.

Working Capital Term Loans under CDR repayable in 14 quarterly structured installments beginning form 30.06.2016 to 30.9.2019.

Funded Interest Term Loan (FITL) - 91.39% of Loan amount in March 2017 and 8.61% of Loan Amount on Sept 2017

Loan from SREI is to be paid in 14 Quarterly installments and interest @11.50% to be paid Monthly

The above breakup of total loans of ₹ 3,04,23,01,585/- in aggregate, out of which, an amount of ₹ 1,33,02,32,955/- is shown under Non -Current loans as per Note 11a and the balance of ₹ 1,71,20,68,630/- is shown as part of the current maturities of Long Term Debt under Other Current Financial Liabilities as per Note 13d in terms of requirements of Schedule III to the Companies Act, 2013

Delay in payments of Secured Term Loans from Banks

**(A) B.L.Kashyap And Sons Limited**

| Name of the Bank | Delayed Principal Amount in ₹ | Delay in No. of Days | Delayed Interest Amount in ₹ | Delay in No. of Days |
|---|---|---|---|---|
| ICICI Bank - Corporate Loan | 1,967,080 | 1 | 110,216 | 1 |
| ICICI BANK - WCTL | 29,280,000 | 1 | 223,776 | 1 |
| State Bank of India(TL-WCTL) | 15,514,768 | 32 | 136,318 | 32 |
| Indusind Bank - Corporate Loan | 3,080,000 | 1 | 184,907 | 1 |
| Indusind Bank - WCTL | 35,824,000 | 32 | 330,382 | 32 |
| Oriental Bank of Commerce - Corporate Loan | 4,560,000 | 1 | 269,367 | 1 |
| State Bank of India- Corporate Loan | 7,700,000 | 32 | 450,768 | 32 |
| Oriental Bank OF Commerce - WCTL | 12,994,334 | 32 | 115,848 | 32 |
| State Bank of India(TL-WCTL-BG) | 4,000,000 | 32 | 34,933 | 32 |
| Syndicate Bank - FITL | 220,000,000 | 365 | 52,360,067 | 424 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

| Name of the Bank | Delayed Principal Amount in ₹ | Delay in No. of Days | Delayed Interest Amount in ₹ | Delay in No. of Days |
|---|---|---|---|---|
| Syndicate Bank - TL | 1,040,399,998 | 639 | 66,116,766 | 762 |
| CANARA BANK -CORPORATE LOAN | 4,680,000 | 1 | 140,912 | 1 |
| Yes Bank - Corporate Loan | 2,202,240 | 1 | 394,219 | 60 |

**(A) Soul Space Projects Limited**

| Name of the Bank | Delayed Principal Amount in ₹ | Delay in No. of Days | Delayed Interest Amount in ₹ | Delay in No. of Days |
|---|---|---|---|---|
| ICICI Bank Ltd | 6,126,000 | 59 | 10,759,488 | 59 |
| Indusind Bank Ltd - Loan - I | - | - | 2,017,841 | 1 |
| Indusind Bank Ltd - Loan -II | - | - | 2,306,104 | 32 |

**Note 13(b) Financial liabilities - Loans**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Current | 495,452,939 | 439,415,989 | 477,461,554 |
| **Secured** | | | |
| Loans Repayable on demand | 3,007,499,737 | 3,486,749,767 | 3,473,007,373 |
| From Banks | | | |
| | 3,007,499,737 | 3,486,749,767 | 3,473,007,373 |
| **Unsecured** | | | |
| **Loans Repayable on demand** | | | |
| From Directors | 98,000 | 298,000 | 3,018,000 |
| | 98,000 | 298,000 | 3,018,000 |
| **Total** | **3,007,597,737** | **3,487,047,767** | **3,476,025,373** |

**1. Secured Loans**

**a. Working Capital Facility From Banks (BLK)**

(Secured by way of first pari passu charge on Current Assets of the company and second pari passu charge on Fixed Assets of the Company except those specifically charged to Financial Institutions/banks/others for term Loans of machinery & vehicles and Personal Guarantees of whole time Directors).

**b. Working Capital Facility From Banks (BLK Lifestyle)**

i) The loan from Indusind Bank Limited of ₹ 3,00,00,000 is repayable on demand, subject to review at annual intervals or as may be decided by bank.

ii) Primary Security - Secured by way of first charge on Current Assets of the company

iii) Collateral security:-

1) Exclusive first charge on entire movable fixed assets of the Company (present and furture) excluding land and building.

2) Lien on Fixed deposit of ₹ 8.22 Lacs

3) Nagative lien on factory Building at Baddi

iv) Personal Guarantee of Directors & Corporate Guarantee of B.L.Kashyap & Sons Ltd (Holding Company)

v) The Company has defaulted in payment of interest of ₹ 4,42,049 to Indusind Bank Limited by 60 day against overdraft.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**2. Delay in Payments of Interest on working capital Loans**

**a. B.L. Kashyap And Sons Limited**

| Name of the Bank | Delayed Interest Amount in ₹ | Delay in No. of Days |
|---|---|---|
| Yes Bank (WCDL) | 7,156,962 | 60 |
| Canara Bank | 7,485,162 | 9 |
| State Bank of India | 9,192,226 | 1 |
| ICICI Bank | 3,505,570 | 32 |
| Oriental Bank of Commerce | 5,321,594 | 32 |
| Indusind Bank (BLK) | 6,643,995 | 32 |

**b. B.L.K.Lifestyle Limited**

The Company has defaulted in payment of interest of ₹ 4,42,049 to Indusind Bank Limited by 60 day against overdraft.

**Note 13 (c) Financial Liabilities - Trade Payable** Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Sundry creditors ( Non Current) | 605,223,146 | 577,029,585 | 487,443,130 |
| Sundry creditors ( Current) | 2,014,671,274 | 1,567,658,318 | 1,987,487,925 |
| **Total** | **2,619,894,421** | **2,144,687,902** | **2,474,931,055** |

The Sundry Creditors Trade (Long Term) payable are those Sundry Creditors which are outstanding for a period of more than one year and hence fall outside the operating cycle of the company.

**Note 13 (d) Other Financial Liabilities** Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Current** | | | |
| Current maturities of long-term debt * | 1,712,068,630 | 2,453,024,411 | 1,307,593,487 |
| Interest accrued and due on borrowings | 147,094,511 | 235,356,910 | 72,834,237 |
| Interest accrued but not due on borrowings | - | - | 3,805 |
| Unclaimed dividends | 104,630 | 125,202 | 153,803 |
| Other payables | | | |
| - Others | 478,132,581 | 643,170,975 | 731,062,151 |
| **Total** | **2,337,400,352** | **3,331,677,496** | **2,111,647,483** |

* Refer note 13 (a) A & B

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 14 (a) Provisions** Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Non -Current** | | | |
| Gratuity (unfunded) | 8,213,390 | 7,778,053 | 69,111,842 |
| Leave Encashment (unfunded) | 1,640,452 | 2,838,029 | 3,112,174 |
| Non -Current Total | 9,853,842 | 10,616,082 | 72,224,016 |
| **Note 14 (b) Provisions** | | | |
| **Current** | | | |
| Leave Encashment (unfunded) | 72,001 | 241,695 | 429,038 |
| Gratuity (unfunded) | 69,935,790 | 72,757,090 | 7,414,502 |
| Other Provision (defect liability period) | 9,001,738 | 4,447,477 | - |
| **Current Total** | **79,009,529** | **77,446,262** | **7,843,540** |
| **Total** | **88,863,371** | **88,062,344** | **80,067,556** |

**Note 15 Other Liabilities** Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Current** | | | |
| Other payables | | | |
| - Statutory Dues | 302,442,820 | 387,642,398 | 559,988,733 |
| - Mobilisation Advance | 598,621,279 | 465,789,831 | 579,291,780 |
| - Interest payable on govt due | 225,488,612 | 210,186,315 | 193,848,105 |
| - Others | 882,166,814 | 474,745,296 | 357,278,600 |
| **Total current** | **2,008,719,525** | **1,538,363,842** | **1,690,407,218** |

**Note 15 (b) Other Liabilities** Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Non Current** | | | |
| Mobilisation Advance from Customers | 790,091,249 | 858,870,106 | 1,142,509,582 |
| Security Deposit received from Lessees | 305,921,864 | 435,927,035 | 336,828,616 |
| **Total non current** | **1,096,013,113** | **1,294,797,141** | **1,479,338,198** |

**Note 16 Revenue from operations** Amount in ₹

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Construction job work - net | 9,366,688,233 | 8,853,525,344 |
| Sale of plotted land and flat | 523,498,155 | 31,120,930 |
| Other operating revenues | 237,747,565 | 369,038,201 |
| **Total** | **10,127,933,953** | **9,253,684,475** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 17 Other Income**

Amount in ₹

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Interest income | 161,319,316 | 13,868,385 |
| Share of profit from partnership firm | 174,669 | 713,981 |
| Other non-operating income (net of expenses directly attributable to such income) | 143,745,411 | (1,583,774) |
| Excess provision of employee's benefit written back | - | 80,403 |
| **Total** | **305,239,396** | **13,078,995** |

**Note 18 Cost of materials consumed**

Amount in ₹

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Opening Stock-Materials** | 551,389,065 | 502,552,696 |
| **Add: Purchases** | | |
| Basic materials | 777,247,691 | 647,811,462 |
| Cement and cement products | 748,816,739 | 963,205,077 |
| Doors and windows | 123,561,512 | 44,667,072 |
| Flooring, cladding and paving | 127,038,693 | 61,403,577 |
| Reinforcement steel | 957,348,632 | 1,358,908,731 |
| Structural steel | 103,819,553 | 270,390,608 |
| Other materials | 1,008,505,295 | 1,086,640,653 |
| Aluminium | - | 1,251,965 |
| UPVC | 42,581,417 | 42,344,913 |
| Steel | - | 4,665,954 |
| Wood | - | 233,574 |
| Board | - | 1,703,362 |
| Others | - | 55,262,267 |
| **Less: Closing Stock-Materials** | 453,426,630 | 551,389,065 |
| **Consumption of materials** | 3,986,881,968 | 4,489,652,846 |
| **Total** | **3,986,881,968** | **4,489,652,846** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 19 Project direct expenses**

Amount in ₹

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Opening Balance | 320,243,666 | 326,566,993 |
| Purchases | 297,155 | 1,829,364 |
| Elevators & Escalators | - | 1,600,008 |
| Freight & Octroi | - | 12,931,664 |
| Development Expenses | 28,251,891 | 59,331,722 |
| Brokerage & Commission | 650,306 | 10,322,500 |
| Electricity and Water Expenses | 21,570 | 13,701 |
| Security Charges | 124,350 | 137,400 |
| Repair & Maintenance | 10,460 | 51,186 |
| Advertisements | 173,921 | 507,809 |
| **Total** | **349,773,319** | **413,292,346** |
| Less: Transferred to Work in Progress | 115,133,550 | 140,575,465 |
| Transferred to Investment | - | 10,056,451 |
| Transferred to Stock-in Trade | 41,959,864 | - |
| Transferred to Capital Work in Progress | 179,668,202 | 182,081,202 |
| Balance Transferred to Profit & Loss Account | 13,011,704 | 80,579,229 |
| **Total** | **13,011,704** | **80,579,229** |

**Note 20 Changes in inventories of work-in-progress and stock in trade**

Amount in ₹

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Work-In-Progress** | | |
| Opening | 2,881,943,407 | 3,190,721,529 |
| Closing | 2,591,921,843 | 2,881,943,407 |
| Changes | 290,021,564 | 308,778,122 |
| **Stock In trade** | | |
| Opening | 655,496,468 | 124,676,751 |
| Closing | 83,761,785 | 90,374,083 |
| Changes | 571,734,683 | 34,302,668 |
| **Total** | **861,756,247** | **343,080,789** |

**Note 21 Other manufacturing expenses**

Amount in ₹

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Wages including welfare expenses | 1,272,060 | 2,413,949 |
| Purchase consumables | 606,517 | 595,168 |
| Power & fuel | 2,041,921 | 2,544,311 |
| Repair & maintenance- machine | 234,879 | 338,660 |
| Other expenses | 1,737,590 | 4,184,817 |
| **Total** | **5,892,967** | **10,076,905** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note-22 Employees benefit expenses**

Amount in ₹

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Salaries & Wages - staff** | | |
| **Opening balance** | 24,556,175 | 22,171,881 |
| Salaries & Wages | 1,425,433,536 | 1,362,418,489 |
| Contribution to provident fund | 78,555,271 | 70,408,954 |
| Contribution to ESI | 29,960,458 | 18,011,676 |
| Staff welfare | 11,546,570 | 14,689,399 |
| Gratuity | 16,352,386 | 12,881,642 |
| Leave encashment | (1,367,271) | (209,654) |
| Bonus | 7,390,712 | 6,595,549 |
| Medical expenses | 4,124,097 | 3,093,956 |
| **Salaries & Wages - Directors** | - | |
| Remuneration | 9,000,000 | 9,000,000 |
| Sitting fees | 797,000 | 460,000 |
| Medical expenses | 149,980 | 284,511 |
| **Total** | **1,606,498,914** | **1,519,806,402** |
| Less: Transferred to Work in Progress | 11,011,902 | 12,227,640 |
| Transferred to Stock-in Trade | 3,032,431 | - |
| Transferred to Capital Work in Progress | 12,328,535 | 12,328,535 |
| **Total** | **1,580,126,046** | **1,495,250,226** |

**Note-23 Finance costs**

Amount in ₹

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Opening balance** | 724,283,301 | 981,183,143 |
| Interest expense | 707,225,068 | 825,654,338 |
| Other borrowing costs | 69,889,419 | 83,902,373 |
| **Total** | **1,501,397,787** | **1,890,739,854** |
| Less: Transferred to Work in Progress | 33,595,071 | 38,023,187 |
| Transferred to Investment | - | 339,240,428 |
| Transferred to Stock-in Trade | 9,907,722 | - |
| Transferred to Capital Work in Progress | 686,260,115 | 686,260,115 |
| **Total** | **771,634,880** | **827,216,126** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note-24 Other expenses**

Amount in ₹

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Opening balance | 35,647,876 | 32,125,710 |
| Power and fuel | 178,674,001 | 182,453,987 |
| Bad debts written off | 234,901,531 | - |
| Hire charges | 155,604,784 | 146,889,587 |
| Legal and professional expenses | 54,641,270 | 51,367,482 |
| Auditors remuneration | 1,304,500 | 1,512,287 |
| Other expenses | 152,009,534 | 277,635,438 |
| **Total** | **812,783,496** | **691,984,491** |
| Less: Transferred to Work in Progress | 14,996,686 | 13,904,204 |
| Transfer to Investment | - | 25,210,661 |
| Transferred to Stock-in Trade | 8,037,184 | - |
| Transferred to Capital Work in Progress | 21,743,672 | 21,743,672 |
| **Total** | **768,005,954** | **631,125,954** |

**Note-24.1 Detail of payment to Auditors**

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| a) Statutory audit fee | 1,216,300 | 1,015,287 |
| b) Tax audit fee | - | 270,000 |
| c) other certification charges | 100,000 | 150,000 |
| d) other charges | - | 100,000 |
| e) Income tax Matters | - | 1,000,000 |
| **Total** | **1,316,300** | **2,535,287** |
| Less: Transferred to Work in Progress | 11,800 | 23,000 |
| **Total** | **1,304,500** | **2,512,287** |

**Note-25 (a) Income Tax Expenses**

Amount in ₹

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Current Tax** | | |
| Current tax on profits for the year | 146,997,817 | 31,590,689 |
| Total Current tax expenses | 146,997,817 | 31,590,689 |
| Deferred tax | | |
| Decrease / (increase) in deferred tax assets | 7,581,560 | (111,639,854) |
| (Decrease) / increase in deferred tax liabilities | | |
| **Total deferred tax expense/ (benefits)** | **7,581,560** | **(111,639,854)** |
| **Total Income tax Expenses** | **154,579,377** | **(80,049,165)** |
| Income tax espense attributable to : | | |
| Profit from continuing operations | 154,579,377 | (80,049,165) |
| Profit from discontinuing operations | | |
| **Total Income tax Expenses** | **154,579,377** | **(80,049,165)** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 25 (b) Amount recognised as other comprehensive income** Amount in ₹

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Remeasurements of defined benefit liability (assets) before tax | 13,142,740 | 1,330,657 |
| Tax benefit on above | (4,520,772) | (448,811) |
| Other conmprehensive income net of taxes | 8,621,968 | 881,846 |

**Note 26 Impairment of assets**

The management is of the opinion that as on the balance sheet date, there are no indications of a material impairment loss on Property, Plant and Equipment, hence the need to provide for impairment loss does not arise.

**Note 27 Contingent liability in respect of** Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| A. Bank Guarantees | 1,097,898,009 | 1,024,154,450 | 1,181,375,798 |
| B. Corporate Guarantees given on behalf of subsidiaries | 840,000,000 | 1,420,000,000 | 1,420,000,000 |
| C. Corporate Guarantees given in favour of Clients | 261,658,405 | 332,261,985 | 355,212,172 |
| D. Claims against the group not acknowledged as debts | | | |
| Income Tax TDS | 24,780,493 | 23,753,963 | 27,257,963 |
| Service Tax | 150,751,430 | 141,901,873 | 140,633,244 |
| Excise Duty | 350,000 | 350,000 | 350,000 |
| VAT | 37,246,208 | 39,685,000 | 33,528,000 |
| **Total** | **2,412,684,545** | **2,982,107,271** | **3,158,357,177** |

The group has not provided for penal and overdue interest on the Outstanding Loans as on 31st March 2018. Pending Settlement The aggregate of such panel and overdue interest of ₹ 1,60,63,304/-

- Differential amount of Interest sacrificed by Bankers pursuant to scheme of Corporate Debt Restructuring (Refer Note 11a) amount ₹ 42.55 Cr as Bankers have a right of recompose of sacrifices.

- Additional tax liability, if any pending assessments is indeterminate.

- Against the contingent liablity of BLK Lifestyle Ltd of ₹ 56,16,318/- , ₹ 9,00,179 has been deposited upto 31.03.2018.

- In respect of Assessment of Tax Deducted At Sources under section 201 of Income Tax Act for Assessment year 2012-13, demand of ₹ 2,37,53,963/- has been created by Income Tax Department (TDS) department and from which ₹ 24,90,005/- paid against demand. The Company has not made provision for the demand of Tax raised and has filed appeal before the ITAT, New Delhi. The appeals are still pending for hearing and its disposal ((Soul Space Projects Limited).

**Note 28 Capital and other commitments** Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Capital Commitments | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) | 58,681,395 | 41,881,261 | - |

**Note 29**

In the management opinion, the assets other than Property, Plant and Equipment's and Non-Current Investments have a realisable value, in the ordinary course of business, approximately of the amount at which they are stated in these consolidated Ind AS financial statements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 30 The disclosure in respect of Provisions is as under :**

Amount in ₹

| Particulars | Defect Liability period | Onerous contract |
|---|---|---|
| Balance as at 1 April 2016 | - | - |
| Additions during the year | 4,447,477 | - |
| Utilisation during the year | - | - |
| Reversal (withdrawn as no longer required) | - | - |
| **As at 31 March 2017** | **4,447,477** | **-** |
| Additions during the year | 4,554,261 | - |
| Utilisation during the year | - | - |
| Reversal (withdrawn as no longer required) | - | - |
| **As at 31 March 2018** | **9,001,738** | **-** |
| Non current | - | - |
| Current | 9,001,738 | - |

Provision for defect liability period - The group has made provision for defect liability period based on the defect liability period mentioned in contracts. The provision is based on the estimates made from historical data associated with similar project. The group expects to incur the related expenditure over the defect liability period

Provision for onerous contracts - The group has a contract where total contract cost exceeds the total contract revenue. In such situation as per Ind AS 11 the group has to provide for these losses. The provision is based on the estimate made by the management

**Note 31 Earning Per Share**

Amount in ₹

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| i) Net Profit after tax as per consolidated Statement of profit and loss attributable to equity shareholders | 206,086,003 | 49,696,292 |
| (ii) Weighted average number of equity shares used as denominator for calculating EPS (Re- stated pursuant to share issue) | 211,838,356 | 205,440,000 |
| (iii) Basic earning per share | 0.97 | 0.24 |
| (iv) Diluted earning per share | 0.91 | 0.22 |
| (v) Face value of equity share | 1.00 | 1.00 |

**Note 32 Retirement Benefits**

**a. Defined Contribution Plan**

The group makes contribution towards provident fund and superannuation fund which are defined contribution retirement plans for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner. Under the schemes, the group is required to contribute a specified percentage of payroll cost to the retirement contribution schemes to fund benefits.

The group recognised ₹7,85,55,271 (31 March 2017: ₹ 7,04,08,954) for Provident Fund contributions in the Statement of Profit & Loss. The contribution payable to these plans by the group are at rates specified in the rules.

**b. Defined Benefit Plan**

The scheme provides for lump sum payment to vested employees at retirement, upon death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

The following table sets out the funded status of the gratuity plan and the amount recognised in the group's consolidated Ind AS financial statements as at 31 March 2018

**Disclosure** Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Change in benefit obligations:** | | | |
| Projected benefit obligation at the beginning of the year | 80,535,143 | 76,526,344 | 77,547,884 |
| Interest cost on DBO | 6,313,956 | 5,632,340 | 6,134,038 |
| Net Current Service Cost | 7,531,877 | 7,249,302 | 7,731,983 |
| Annual Plan Participants Contributions | - | | |
| Past Service Cost | 2,506,553 | | |
| Actuarial (Gain) / Loss | (13,142,740) | (1,330,657) | (7,547,030) |
| Change in foreign Currency Rates | - | - | |
| Acquisition/ Business Combination/ Divestiture | - | - | |
| Loss/ (Gain ) on curtailments/ settlements | - | - | |
| Benefits Paid | (5,595,609) | (7,542,186) | (7,340,531) |
| **Projected benefit obligation at the end of the year** | **78,149,180** | **80,535,143** | **76,526,344** |
| **Change in plan assets** | | | |
| Fair value of plan assets at the beginning of the year | - | - | - |
| Expected return on plan assets | - | - | - |
| Employer's contribution | - | - | - |
| Actual Plan Participants Contributions | - | - | - |
| Actual Tax Paid | - | - | - |
| Actual Administration Expenses Paid | - | - | - |
| Change in foreign currency rates | - | - | |
| Benefit paid | - | - | - |
| Acquisition/ Business Combination/ Divestiture | - | - | |
| Assets Extinguished on Curtailments/ Settlements | - | - | |
| Actuarial gain / (loss) | - | - | - |
| **Fair value of plan assets at the end of the year** | - | - | - |
| **Net gratuity cost for the year ended** | | | |
| Service Cost | 7,531,877 | 7,249,302 | 7,731,983 |
| Interest of defined benefit obligation | 6,313,956 | 5,632,340 | 6,134,038 |
| Expected return on plan assets | - | - | - |
| Past Service Cost | 2,506,553 | | |
| Remeasurements | - | - | (7,547,030) |
| **Net gratuity cost** | 16,352,386 | 12,881,642 | 6,318,991 |
| **Actual return on plan assets** | | | |
| **Analysis of Amounts Recognised in Remeasurements of the net Defined Benefits Liability / (assets during the period** | | | |
| **Amount recognised in OCI (Gain )/loss Beginning of the period** | (1,330,657) | - | - |
| **Remeasurment due to :** | | | |
| Effect of Change in Financial Assumptions | (3,649,420) | 4,119,425 | - |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Effect of Change in Demographic Assumptions | - | - | - |
| Effect of Experience Adjustment | (9,493,320) | (5,450,082) | - |
| Return on Plan Assets ( Excluding Interest) | - | - | - |
| Change in Assets Ceiling | - | - | - |
| **Total Re-measurement Recognised in OCI (Gain)/ Loss** | **(13,142,740)** | **(1,330,657)** | **-** |
| **Amount recognised in OCI (Gain )/loss end of the period** | **(14,473,397)** | **(1,330,657)** | |
| **Total defined benefits Cost / ( Income) included in profit and loss and Other comprehensive income** | | | |
| Amount recognised in profit / Loss End of the period | 16,352,386 | 12,881,642 | 6,318,991 |
| Amount recognised in OCI end of the period | (13,142,740) | (1,330,657) | - |
| **Total Net defined benefits Cost/ (income) recognised as the period -End** | **3,209,646** | **11,550,985** | **6,318,991** |
| **Reconciliation of Balance Sheet Amount** | | | |
| Balance sheet (assets/ liability, Beginning of the period | 80,535,143 | 76,526,344 | 77,547,884 |
| True up | - | - | - |
| Total charge / (credit) recognised in Profit and Loss | 16,352,386 | 12,881,642 | 6,318,991 |
| Total remeasurement recognised on OC (income)/Loss | (13,142,740) | (1,330,657) | - |
| Acquisition / Business Combination / Divestiture | - | - | |
| Employer Contribution | - | - | |
| Benefits Paid | (5,595,609) | (7,542,186) | (7,340,531) |
| **Amount recognised in consolidated balance sheet** | **78,149,180** | **80,535,143** | **76,526,344** |
| **Actual Return on plan Assets** | | | |
| Expected return on plan assets | - | - | - |
| Remeasurement on plan assets | - | - | - |
| Actual Return on plan Assets | - | - | - |
| **Current and non Current Bifurcation** | | | |
| Non Current liability | 8,213,390 | 7,778,053 | 69,111,842 |
| Current liability | 69,935,790 | 72,757,090 | 7,414,502 |
| **Total liability** | **78,149,180** | **80,535,143** | **76,526,344** |
| **Financial Assumptions used to determine the profit and loss charge** | | | |
| Discount rate | 7.84 P.A | 7.36 P.A | 7.91 P.A |
| Salary escalation rate | 6.00 P.A | 6.00 P.A | 6.00 P.A |
| Expected rate of return on plan assets | 0.00 P.A | 0.00 P.A | 0.00 P.A |
| **Demographic assumptions used to determine the defined benefits** | | | |
| Retirement Age | 58 year | 58 year | 58 year |
| Mortality table | | IALM (2008) | |
| **Employee Turnover / Attrition Tate :-** | | | |
| 18 to 30 year | 4.00% | 4.00% | 4.00% |
| 30 to 45 years | 3.00% | 3.00% | 3.00% |
| Above 45 years | 2.00% | 2.00% | 2.00% |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Amount in ₹

| Particulars | 31 March, 2018 | | 31 March, 2017 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate 100 basis point | (6,855,929) | 7,898,480 | (7,259,846) | 8,383,752 |
| Salary Escalation Rate 100 basis point | 7,965,070 | (7,028,503) | 8,414,053 | (7,411,587) |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**Expected cash Outflow for the following years**

Expected total benefits payments

Amount in ₹

| Particulars | 31 March, 2018 | 31 March, 2017 |
|---|---|---|
| year 1 | 5,192,392 | 5,086,564 |
| year 2 | 4,107,347 | 5,181,973 |
| year 3 | 4,363,703 | 5,844,284 |
| year 4 | 8,513,990 | 4,801,104 |
| year 5 | 12,682,056 | 9,169,984 |
| Next 5 years | 93,296,410 | 78,511,902 |

The following table sets out the funded status of the Leave encashment plan and the amount recognised in the group's Ind AS financial statements as at 31 March 2018

**Disclosure**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Change in benefit obligations:** | | | |
| Projected benefit obligation at the beginning of the year | 3,079,724 | 3,541,212 | 3,244,989 |
| Interest Cost on DBO | 241,450 | 260,634 | 256,679 |
| Net Current Service Cost | 258,371 | 332,062 | 553,358 |
| Annual Plan Participants Contributions | - | - | - |
| Benefits Paid | - | (171,431) | - |
| Past Service Cost | - | - | - |
| Change in foreign Currency Rates | - | - | - |
| Acquisition/ Business Combination/ Divestiture | - | - | - |
| Loss/ (Gain ) on curtailments/ settlements | - | - | - |
| Actuarial (Gain) / Loss on obligation | (1,867,092) | (882,753) | (513,814) |
| **Projected benefit obligation at the end of the year** | **1,712,453** | **3,079,724** | **3,541,212** |
| **Change in Fair Value of plan assets** | | | |
| Fair value of plan assets at the beginning of the year | - | - | - |
| Expected return on plan assets | - | - | - |
| Employer's contribution | - | - | - |
| Actual Plan Participants Contributions | - | - | - |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Actual Tax Paid | - | - | - |
| Actual Administration Expenses Paid | - | - | - |
| Changes in Foreign Currency Exchange Rates | - | - | - |
| Benefit paid | - | - | - |
| Acquisition/ Business Combination/ Divestiture | - | - | - |
| Assets Extinguished on Curtailments/ Settlements | - | - | - |
| Actuarial (gain)/ Loss on Assets | - | - | - |
| **Fair value of plan assets at the end of the year** | **-** | **-** | **-** |
| **Amount recognised in Statement of Profit & Loss at Period - End** | | | |
| Service Cost | 258,371 | 332,062 | 553,358 |
| Interest of defined benefit obligation | 241,450 | 260,634 | 256,679 |
| Expected return on plan assets | - | - | - |
| Remeasurements | (1,867,092) | (882,753) | (513,814) |
| Administration Expenses | - | - | - |
| (Gain )/loss due to settlements/ curtailments/ Termination / Divestitures | - | - | - |
| **Total Expense/ ( income ) included in " Employee Benefit Expense"** | **(1,367,271)** | **(290,057)** | **296,223** |
| **Analysis of Amounts Recognised in Remeasurements of the net Defined Benefits Liability / (assets during the period** | | | |
| **Particulars** | **31 March, 2018** | **31 March , 2017** | **1 April , 2016** |
| **Remeasurements due to :** | | | |
| Effect of Change in Financial Assumptions | (86,538) | 151,923 | - |
| Effect of Change in Demographic Assumptions | - | - | - |
| Effect of Experience Adjustment | (1,780,554) | (1,034,676) | - |
| Return on Plan Assets ( Excluding Interest) | - | - | - |
| Change in Assets Ceiling | - | - | - |
| | **(1,867,092)** | **(882,753)** | **-** |
| **Reconciliation of Balance Sheet Amount** | | | |
| Balance sheet (assets/ liability, Beginning of the period | 3,079,724 | 3,541,212 | 3,244,989 |
| Total charge / (credit) recognized in Profit and Loss | (1,367,271) | (290,057) | 296,223 |
| Benefit payouts | | (171,431) | - |
| **Balance sheet (assets/ liability, End of the period** | **1,712,453** | **3,079,724** | **3,541,212** |
| **Actual Return on plan Assets** | | | |
| Expected return on plan assets | - | - | - |
| Remeasurement on plan assets | - | - | - |
| **Actual Return on plan Assets** | **-** | **-** | **-** |
| **Current and non Current Bifurcation** | | | |
| Current liability | 72,001 | 241,695 | 429,038 |
| Non Current liability | 1,640,452 | 2,838,029 | 3,112,174 |
| **Total liability** | **1,712,453** | **3,079,724** | **3,541,212** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

| Particulars | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| **Financial assumptions used to determine the profit & Loss** | | | |
| Discounting Rate | 7.84 P.A | 7.36 P.A | 7.91 P.A |
| Salary escalation rate | 6.00 P.A | 6.00 P.A | 6.00 P.A |
| Expected rate of return on plan assets | 0.00 P.A | 0.00 P.A | 0.00 P.A |
| **Demographic assumptions used to determine the defined benefits** | | | |
| Retirement Age | 58 year | 58 year | 58 year |
| Mortality table | IALM (2008) | | |
| **Employee Turnover / Attrition Rate :-** | | | |
| 18 to 30 year | 4.00% | 4.00% | 4.00% |
| 30 to 45 years | 3.00% | 3.00% | 3.00% |
| Above 45 years | 2.00% | 2.00% | 2.00% |

Amount in ₹

| Sensitivity Analysis | 31 March, 2018 | | 31 March, 2017 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate 100 basis point | (157,746) | 182,539 | (267,736) | 309,193 |
| Salary Escalation Rate 100 basis point | 184,103 | (161,688) | 310,315 | (265,325) |

**Note 33 Related Party Disclosure**

**Associates**

Aureus Financial Services Limited formerly known as B.L.K. Financial Services Ltd

B.L.K. Securities Private Limited

Ahuja Kashyap Malt Pvt. Ltd.

Bezel Investments & Finance Pvt. Ltd.

B.L. Kashyap & Sons

Kasturi Ram Herbal Industries

Aiyana Trading Pvt. Ltd.

Chrysalis Trading Pvt. Ltd.

Chrysalis Realty Projects (P) Ltd

EON Auto Industries Pvt. Ltd.

Suryakant Kakade & Soul Space

B L Kashyap & Sons Software Pvt.Ltd

Behari Lal Kashyap (HUF)

Becon (I)

Baltic Motor Private Limited

**Relative of Key Management Personnel**

Mr. Vinod Kashyap

Mr. Vineet Kashyap

Mr. Vikram Kashyap

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Relatives of Key Management Personnel**

Mr. Mohit Kashyap
Ms. Malini Kashyap Goyal
Mr. Saurabh Kashyap
Ms. Anjoo Kashyap
Ms. Aradhana Kashyap
Ms. Amrita Kashyap
Ms. Nitika Nayar Kashyap
Ms. Shruti Choudhari
Ms. Sanjana Kashyap Kapoor
Mr. Sahil Kashyap
Ms. Mayali Kashyap

**Transactions with related parties during the year :** ₹ in Lakhs

| Particulars | Associates | Key Management | Relatives | Total |
|---|---|---|---|---|
| Purchase of Material | 14.47 | - | - | 14.47 |
| | (142.53) | - | - | (142.53) |
| Inter Corporate Deposit-Taken | 498.50 | | | 498.50 |
| | | | | - |
| Inter Corporate Deposit-Matured | 348.55 | | | 348.55 |
| | - | | | - |
| Interest Expense on Inter Corporate-Taken | 76.12 | | | 76.12 |
| | (87.52) | | | (87.52) |
| Advance given against projects | 9.07 | | | 9.07 |
| | (12.31) | | | (12.31) |
| Profit received from partnership firm | 1.75 | | | 1.75 |
| | (7.14) | | | (7.14) |
| Sale of Flat | | 137.93 | | 137.93 |
| | | - | | - |
| Remuneration | | 90.00 | | 90.00 |
| | | (90.00) | | (90.00) |
| Rent | 8.24 | 10.86 | 7.20 | 26.30 |
| | (15.56) | (17.60) | (5.20) | (38.36) |
| Medical Expenses | | 1.50 | | 1.50 |
| | | (2.85) | | (2.85) |
| Loan Taken | | 609.31 | | 609.31 |
| | | (251.95) | | (251.95) |
| Loan Repaid to Director | | 622.26 | | 622.26 |
| | | (255.75) | | (255.75) |
| Salary and Allowances | | | 67.15 | 67.15 |
| | | | (61.20) | (61.20) |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Balances With Related Parties as at 31.03.2018**

| | | | | |
|---|---|---|---|---|
| Trade receivables, Unbilled revenue, Loan and advances, Other assets (net) | 1,075.07 | - | - | 1,075.07 |
| | (10.66) | - | - | (10.66) |
| Trade Payable, Income received in advance, Advances from customers, Other Liabilities | 1,342.71 | 2,439.95 | 9.96 | 3,792.62 |
| | (1,228.35) | (2,473.29) | (9.74) | (3,711.38) |

**Note: Figures in bracket represents amount of previous year values**

Terms and conditions of transactions with related parties - The sales to and purchases from related parties are made on terms equivalent to those that prevails in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For year ended 31 March 2018, the group has not recorded any impairment of receivables relating to the amounts owned by related parties (31 March 2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. ^Advances taken from clients herein are Gross amount before Adjustment of Trade Receivables. All outstanding balances with related parties are unsecured. Figures shown in bracket represents corresponding amounts of previous year.

**Note 34 Disclosure as per Ind AS 11 on construction contracts**

Amount in ₹

| Particulars | 31 March, 2018 | 31 March, 2017 |
|---|---|---|
| Contract revenue recognised during the year | 9,354,512,540 | 8,845,684,223 |
| Aggregate amount of cost incurred and recognised in statement of profit and loss | 40,326,517,528 | 39,818,009,705 |
| Advances received | 1,388,622,549 | 1,324,569,958 |
| Retention receivable | 477,294,222 | 428,289,974 |
| Gross amount due from customer | 2,554,976,568 | 2,812,035,290 |
| Gross amount due to customer | NIL | NIL |

**Note 35 Micro and small enterprises**

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis or the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and mid Medium Enterprises Development Act, 2006 as set out in the following disclosures.

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the consolidated Ind AS financial statement as at March 31, 2018 based on the information received and available with the group. On the basis of such information, credit balance as at March 31, 2018 of such enterprises is INR 3,32,75,307 (31 March 2017: INR 2,21,89,760/- ; 1 April 2016: INR 1,71,81,195/-. Auditors have relied upon the information provided by the group.

Amount in ₹

| Particular | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Principal amount remaining unpaid to any supplier as at the period end | 33,275,307 | 22,189,760 | 17,181,195 |
| Interest due thereon | 3,140,992 | 3,275,890 | 2,617,304 |
| Amount of interest paid by the group in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period. | | - | - |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED, 2006 | | - | - |
| Amount of interest accrued and remaining unpaid at the end of the accounting Period The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006 | 17,744,075 | 14,603,083 | 11,327,193 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Note 36 Financial instruments – Fair values and risk management**

**Risk management framework**

The business of the group involves market risk, credit risk and liquidity risk. Among these risks, market risk is given paramount importance so as to minimize its adverse affects on the group's performance. The group has policies and process to identify, evaluate and manage risks and to take corrective actions, if required, for their control and mitigation on continuous basis. And regular monitoring of the said policies and process for their compliance is responsibility of the management under the supervision of the Board of Directors and Audit Committee. The policies and process are regularly reviewed to adapt them in tune with the prevailing market conditions and business activities of the group. The Board of Directors and Audit Committee are responsible for the risk assessment and management through formulation of policies and processes for the same.

**Credit risk**

Credit risk is part of the business of the group due to extension of credit in its normal course having a potential to cause financial loss to the group. It mainly arises from the receivables of the group due to failure of its customer or a counter party to a financial instrument to meet obligations under a contract with the group. Credit risk management starts with checking the credit worthiness of a prospective customer before entering into a contract with him by taking into account, his individual characteristics, demographics, default risk in his industry. A customer's credit worthiness is also continuously is checked during the period of a contract. However, risk on trade receivables and unbilled work in progress is limited as the customers of the group are either government promoted entities or have strong credit worthiness. In order to make provisions against dues from the customers other than government promoted entities, the group takes into account available external and internal credit risk factors such as credit rating from credit rating agencies, financial condition, aging of accounts receivables and the group's historical experience for customers. However, in group's line of business, delay in meeting financial obligation by a customer is a regular feature especially towards the end of a contract and is as such factored in at the time of initial engagement.

The following table gives details in respect of contract revenues generated from the top customer and top 5 customer for the year ended

Amount in ₹

| Particulars | 31 March, 2018 | 31 March, 2017 |
|---|---|---|
| Revenue from Top Customer | 3,575,474,466 | 5,467,703,338 |
| Revenue from Top 5 Customer | 6,621,625,715 | 7,723,817,089 |

The Movement of the Allowance for lifetime expected credit loss is stated below:^

Amount in ₹

| Particulars | 31 March, 2018 | 31 March, 2017 |
|---|---|---|
| Balance as the beginning of the year | - | - |
| Balance at the end of the year | - | - |

^ The group has written off ₹ 20,67,47,928/- towards amounts not recoverable during the year ended 31 March 2018 (31 March 2017- Nil)

Expected credit loss/ lifetime credit loss assessment for customers as at 1 April 2016, 31 March 2017 and 31 March 2018

Trade and other receivables are reviewed at the end of each reporting period to determine expected credit loss other those already incurred, if any. In the past, trade receivables, in normal course, have not shown any trend of credit losses which are higher than in the industry or as observed in the group's history. Given that the macro economic indicators affecting customers of the group have not undergone any substantial change, the group expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at March 31, 2018 relates to several customers that have defaulted on their payments to the group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

**Cash and Cash equivalents**

The group held cash and cash equivalents with credit worthy banks of ₹ 11,73,09,023/- and ₹ 9,57,41,625/- & ₹ 8,97,66,644/- as at 31 March 2018, 31 March 2017 and 1 April 2016 respectively. The credit worthiness of such banks is evaluated by the management on an ongoing basis and is considered to be good.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Guarantees**

The group's policy is to provide financial guarantee only for its subsidiaries liabilities. The group has issued a guarantee of ₹ 84,00,00,000/- ( ₹ 142,00,00,000/-) to certain banks in respect of credit facilities granted to subsidiaries.

**Security deposits given to lessors**

The group has given security deposit to lessors for premises leased by the group as at 31 March 2018 and 31 March 2017.The group monitors the credit worthiness of such lessors where the amount of security deposit is material.

**Liquidity risk**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the group's reputation.

The group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the group has access to funds from loans from banks. The group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As of 31 March 2018, the group had working capital (Total current assets - Total current liabilities) of INR 76,15,21,785/- including cash and cash equivalents of INR 11,73,09,023/- investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of INR NIL. As of 31 March 2017, the group had working capital of INR 42,17,12,245/- including cash and cash equivalents of INR 9,57,41,625/-, investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months) of INR NIL. As of 1 April 2016, the group had working capital of INR 202,49,40,917/-, including cash and cash equivalents of INR 8,97,66,644/- , investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of NIL.

**Exposure to liquidity risk**

The table below analyses the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

Amount in ₹

| Particulars | Carrying amount | 31 March 2018 | | | | |
|---|---|---|---|---|---|---|
| | | Contractual cash flow | | | | |
| | | Total | 0-12 months | 1-2 year | 2-5 years | More than 5 years |
| **Non -derivatives financial liabilities** | | | | | | |
| Borrowing * | 4,337,830,692 | 4,337,830,692 | 3,007,597,738 | 46,259,968 | 934,775,498 | 349,197,488 |
| Trade Payables | 2,619,894,421 | 2,619,894,421 | 2,014,671,274 | | 605,223,146 | |
| Other financial Liabilities | 1,859,163,141 | 1,859,163,141 | 1,859,163,141 | | | |

Amount in ₹

| Particulars | Carrying amount | 31 March 2017 | | | | |
|---|---|---|---|---|---|---|
| | | Contractual cash flow | | | | |
| | | Total | 0-12 months | 1-2 year | 2-5 years | More than 5 years |
| **Non -derivatives financial liabilities** | | | | | | |
| Borrowing * | 4,995,059,141 | 4,995,059,141 | 3,487,047,766 | 169,513,772 | 998,989,124 | 339,508,479 |
| Trade Payables | 2,144,687,902 | 2,144,687,902 | 1,567,658,318 | | 577,029,585 | |
| Other financial Liabilities | 2,688,381,320 | 2,688,381,320 | 2,688,381,320 | | | |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Amount in ₹

| Particulars | Carrying amount | 31 March 2016 | | | | |
|---|---|---|---|---|---|---|
| | | Contractual cash flow | | | | |
| | | Total | 0-12 months | 1-2 year | 2-5 years | More than 5 years |
| **Non -derivatives financial liabilities** | | | | | | |
| Borrowing * | 6,695,421,216 | 6,695,421,216 | 3,476,025,373 | 1,055,078,010 | 1,688,313,241 | 476,004,592 |
| Trade Payables | 2,474,931,055 | 2,474,931,055 | 1,987,487,925 | | 487,443,130 | |
| Other financial Liabilities | 1,380,427,724 | 1,380,427,724 | 1,380,427,724 | | | |

*** To be paid along with interest in the respective years of repayment**

**Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

**Currency Risk**

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

The group, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. The group does not use derivative financial instruments for trading or speculative purposes.

**Exposure to currency risk**

The summary quantitative data about the group's exposure to currency risk as reported to the management of the group is as follows:

Amount in ₹

| Particular | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Exposure to currency risk | NIL | NIL | NIL |

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions.

For details of the group's Current Borrowings and Non Current Borrowings, including interest rate profiles, refer to Note 13a & 13b of these Ind AS financial statements.

**Interest rate sensitivity - fixed rate instruments**

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Interest rate sensitivity - variable rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Amount in ₹

| Particular | Profit or (Loss) | |
|---|---|---|
| | 100 bp increase | 100 bp decrease |
| As 31 March 2018 | | |
| Secured Rupee Loans - From Banks | (22,711,708) | 22,711,708 |
| Secured Rupee Loans - From Others | (21,850) | 21,850 |
| Secured Rupee Loans - From NBFC's | (2,009,006) | 2,009,006 |
| Working Capital Loans Repayable on Demand from Banks | (30,074,997) | 30,074,997 |
| sensitivity (net) | (54,817,561) | 54,817,561 |

Amount in ₹

| Particular | Profit or (Loss) | |
|---|---|---|
| | 100 bp increase | 100 bp decrease |
| As 31 March 2017 | | |
| Secured Rupee Loans - From Banks | (31,912,531) | 31,912,531 |
| Secured Rupee Loans - From Others | (32,800) | 32,800 |
| Secured Rupee Loans - From NBFC's | (2,597,856) | 2,597,856 |
| Working Capital Loans Repayable on Demand from Banks | (34,867,498) | 34,867,498 |
| sensitivity (net) | (69,410,685) | 69,410,685 |

Amount in ₹

| Particular | Profit or (Loss) | |
|---|---|---|
| | 100 bp increase | 100 bp decrease |
| As 1 April 2016 | | |
| Secured Rupee Loans - From Banks | (36,313,432) | 36,313,432 |
| Secured Rupee Loans - From Others | (10,100) | 10,100 |
| Secured Rupee Loans - From NBFC's | (4,229,741) | 4,229,741 |
| Working Capital Loans Repayable on Demand from Banks | (34,730,074) | 34,730,074 |
| sensitivity (net) | (75,283,347) | 75,283,347 |

(Note: The impact is indicated on the profit/loss and equity before tax basis)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

## A Accounting Classification and fair values

The following table shows the carrying amounts of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

Amount in ₹

| 31 March 2018 | Carrying Amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| | Amortised Cost | Derivatives designated as hedges | Total | Quoted prices in active market (level I) | Significant observable inputs (level II) | Significant observable inputs (level III) | Total |
| **Investments** | | | | | | | |
| Non Quoted | 8,686,063 | | 8,686,063 | | 8,686,063 | | 8,686,063 |
| Quoted | 140,160 | | 140,160 | 39,110 | | | 39,110 |
| **Total** | **8,826,223** | | **8,826,223** | **39,110** | **8,686,063** | **-** | **8,725,173** |

Amount in ₹

| 31 March 2017 | Carrying Amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| | Amortised Cost | Derivatives designated as hedges | Total | Quoted prices in active market (level I) | Significant observable inputs (level II) | Significant observable inputs (level III) | Total |
| **Investments** | | | | | | | |
| Non Quoted | 8,511,394 | | 8,511,394 | | 8,511,394 | | 8,511,394 |
| Quoted | 140,160 | | 140,160 | 61,110 | | | 61,110 |
| **Total** | **8,651,554** | - | **8,651,554** | **61,110** | **8,511,394** | **-** | **8,572,504** |

Amount in ₹

| 1 April 2016 | Carrying Amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| | Amortised Cost | Derivatives designated as hedges | Total | Quoted prices in active market (level I) | Significant observable inputs (level II) | Significant observable inputs (level III) | Total |
| **Investments** | | | | | | | |
| Non Quoted | 7,797,413 | | 7,797,413 | | 7,797,413 | | 7,797,413 |
| Quoted | 140,160 | | 140,160 | 61,227 | | | 61,227 |
| **Total** | 7,937,573 | - | 7,937,573 | 61,227 | 7,797,413 | - | 7,858,640 |

## B Measurement of fair value

**Valuation techniques and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used

**Financial instruments measured at fair value:**

| Type | Valuation technique |
|---|---|
| Cross Country interest rate swap(CCIRS) | Market Valuation technique:<br>The group has determined fair value by discounting of future cash flow treating each leg of swap as a bond |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

| | |
|---|---|
| Premium Liability | Discounted cash flow approach:<br>The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate |
| Retention receivables and payables | Discounted cash flow approach:<br>The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate |

**Note 37 Segmental Reporting**

The group has only one reportable business segment i.e. civil contracts. The group operates a hotel in Mussourie, however, revenue/profit/assets from/of the said hotel business is much lower than 10% of the total revenue/profit/assets of the group and hence, it is not a "Reportable Segment" as per Para 13 of the Ind AS 108. The group operates in only one geographical segment viz. India

**Note 38 Capital management**

The group's objectives when managing capital are to:-

(i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) maintain an optimal capital structure to reduce the cost of capital.

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The group monitors capital using a ratio of 'net debt' (total borrowings net of cash & cash equivalents) to 'total equity' (as shown in the balance sheet).

The group's policy is to keep the ratio below 2.00. The group's net debt to equity ratios are as follows. Amount in ₹

| Particular | 31 March, 2018 | 31 March , 2017 | 1 April , 2016 |
|---|---|---|---|
| Net debts | 5,932,590,300 | 7,352,341,927 | 7,913,248,059 |
| Total equity | 4,978,296,112 | 4,342,136,024 | 4,284,582,414 |
| Net debts to equity ratio | 1.19 | 1.69 | 1.85 |

**Note 39 Reconciliations between IGAAP and Ind AS**

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

**A. Reconciliation of equity**

Amount in ₹

| Particular | As at transition date ( 1 April 2016) | | | As at 31 March 2017 | | |
|---|---|---|---|---|---|---|
| | Indian GAAP | Adjustment | Ind As | Indian GAAP | Adjustment | Ind As |
| **1 Non Current Assets** | | | | | | |
| (a) Property plant and equipment | 984,261,311 | - | 984,261,311 | 800,034,920 | 78,338,509 | 878,373,429 |
| (b) Capital work in progress | 1,562,549,621 | - | 1,562,549,621 | 954,832,219 | - | 954,832,219 |
| (c) Investment in property | 3,006,281,614 | (64,772,973) | 2,941,508,641 | 3,510,732,285 | (87,043,772) | 3,423,688,513 |
| (d) Other intangible assets | 5,629,170 | - | 5,629,170 | 9,850,237 | (4,074,927) | 5,775,311 |
| (e) Financial assets | - | | | - | | - |
| (i )Investments | 7,937,573 | - | 7,937,573 | 8,651,554 | | 8,651,554 |
| (ii) Loans | 697,011,404 | - | 697,011,404 | 586,246,802 | | 586,246,802 |
| (iii) Other financial assets | 21,005,381 | - | 21,005,381 | 11,566,093 | | 11,566,093 |
| (f) deferred tax assets (net) | 744,736,589 | 531,113,262 | 1,275,849,851 | 739,540,630 | 647,500,264 | 1,387,040,894 |
| (g) Other non current assets | 700,000 | 27,749,740 | 28,449,740 | 700,000 | 59,095,683 | 59,795,683 |
| **Total Non Current Assets** | 7,030,112,663 | 494,090,029 | 7,524,202,692 | 6,622,154,740 | 693,815,758 | 7,315,970,498 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Amount in ₹

| Particular | As at transition date ( 1 April 2016) | | | As at 31 March 2017 | | |
|---|---|---|---|---|---|---|
| | Indian GAAP | Adjustment | Ind As | Indian GAAP | Adjustment | Ind As |
| **2 Current Assets** | | | | | | |
| (a) Inventories | 4,643,300,434 | | 4,643,300,434 | 4,411,212,446 | | 4,411,212,446 |
| (b) Financial assets | - | | - | | | |
| (i ) trade receivable | 4,399,549,168 | | 4,399,549,168 | 3,959,222,783 | | 3,959,222,783 |
| (ii) Cash and cash equivalents | 89,766,644 | | 89,766,644 | 95,741,625 | | 95,741,625 |
| (iii) Other bank balances | 124,949 | | 124,949 | 125,202 | | 125,202 |
| (iv) Other financial assets | 173,176 | | 173,176 | 0 | | 0 |
| (c)Current tax assets (net) | 817,464,534 | (6,267,029) | 811,197,505 | 710,153,789 | | 710,153,789 |
| (d) Other current assets | 1,354,240,580 | - | 1,354,240,580 | 1,247,450,084 | | 1,247,450,084 |
| **Total Current Assets** | **11,304,619,485** | **(6,267,029)** | **11,298,352,456** | **10,423,905,928** | **-** | **10,423,905,928** |
| **Total Assets** | **18,334,732,148** | **487,823,000** | **18,822,555,148** | **17,046,060,668** | **693,815,758** | **17,739,876,426** |

Amount in ₹

| Particular | As at transition date (1 April 2016) | | | As at 31 March 2017 | | |
|---|---|---|---|---|---|---|
| | Indian GAAP | Adjustment | Ind As | Indian GAAP | Adjustment | Ind As |
| **EQUITY and LIABILITIES** | | | | | | |
| **1. Equity** | | | | | | |
| (a) Equity share capital | 205,440,000 | | 205,440,000 | 205,440,000 | | 205,440,000 |
| (b) Other equity | 3,785,060,499 | 294,081,915 | 4,079,142,414 | 3,662,606,595 | 474,089,429 | 4,136,696,024 |
| **Total equity** | 3,990,500,499 | 294,081,915 | 4,284,582,414 | 3,868,046,595 | 474,089,429 | 4,342,136,024 |
| Non-Controlling interest | - | 6,160,008 | 6,160,008 | - | 5,092,536 | 5,092,536 |
| **2. Non-current liabilities** | | | | | | |
| **(a) Financial liabilities** | | | | | | |
| (i) Borrowings | 3,219,395,843 | | 3,219,395,843 | 1,508,011,375 | | 1,508,011,375 |
| (ii) Trade Payable | 487,443,130 | | 487,443,130 | 577,029,585 | | 577,029,585 |
| (b) Provisions | 72,275,518 | (51,502) | 72,224,016 | 10,665,994 | (49,912) | 10,616,082 |
| (c) Other non-current liabilities | 1,479,338,198 | | 1,479,338,198 | 1,294,797,141 | | 1,294,797,141 |
| **Total Non-current liabilities** | 5,258,452,688 | (51,502) | 5,258,401,186 | 3,390,504,095 | (49,912) | 3,390,454,183 |
| **3.Current liabilities** | | | | | | |
| **(a) Financial liabilities** | | | | | | |
| (i) Borrowings | 3,476,025,373 | | 3,476,025,373 | 3,487,047,767 | | 3,487,047,767 |
| (ii) trade payable | 1,987,487,925 | | 1,987,487,925 | 1,567,658,318 | | 1,567,658,318 |
| (iii) Other financial liabilities | 2,111,647,483 | | 2,111,647,483 | 3,331,677,496 | | 3,331,677,496 |
| (c) Provisions | 14,059,067 | (6,215,527) | 7,843,540 | 72,948,873 | 4,497,389 | 77,446,262 |
| (b) Other current liabilities | 1,496,559,113 | 193,848,105 | 1,690,407,218 | 1,328,177,526 | 210,186,315 | 1,538,363,842 |
| **Total current liabilities** | **9,085,778,961** | **187,632,578** | **9,273,411,539** | **9,787,509,979** | **214,683,705** | **10,002,193,684** |
| **Total equity and liabilities** | **18,334,732,148** | **487,823,000** | **18,822,555,148** | **17,046,060,668** | **693,815,758** | **17,739,876,426** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**B. Reconciliation of total comprehensive income for the year ended 31 march 2017***

Amount in ₹

| Particulars | Indian GAAP | adjustments | Ind AS |
|---|---|---|---|
| Revenue from operations | 9,076,112,832 | 177,571,643 | 9,253,684,475 |
| Other income | 179,112,869 | (166,033,874) | 13,078,995 |
| Total income | 9,255,225,701 | 11,537,769 | 9,266,763,470 |
| Cost of materials consumed | 4,489,652,846 | - | 4,489,652,846 |
| Project direct expenses | 80,579,229 | 80,579,229 | |
| Changes in inventories of work-in-progress and Stock-in-Trade | 343,080,789 | - | 343,080,789 |
| Excise duty | - | 17,337,047 | 17,337,047 |
| Sub Contract Work | 1,294,294,373 | - | 1,294,294,373 |
| Other manufacturing expenses | 10,076,905 | 10,076,905 | |
| Employees' benefits expenses | 1,493,919,569 | 1,330,657 | 1,495,250,226 |
| Finance costs | 799,367,648 | 27,848,477 | 827,216,126 |
| Depreciation and amortization expenses | 185,933,575 | (56,084,784) | 129,848,791 |
| Other expenses | 643,988,022 | (12,862,069) | 631,125,954 |
| Total Expenses | 9,340,892,957 | (22,430,671) | 9,318,462,286 |
| Profit from operations before tax and diminution in value of investment | (85,667,256) | 33,968,440 | (51,698,816) |
| Provision for diminution in the value of investment | 10,000,000 | - | 10,000,000 |
| Profit before tax | (95,667,256) | 33,968,440 | (61,698,816) |
| Tax Expenses | | | |
| Current Tax | 31,590,689 | - | 31,590,689 |
| Minimum Alternative Tax Credit | - | (31,345,943) | (31,345,943) |
| Deferred tax | 5,208,687 | (116,848,541) | (111,639,854) |
| Profit /(loss) for the period | (132,466,632) | 182,162,924 | 49,696,292 |
| **Other Comprehensive income** | | | |
| (i) Items that will not be reclassified to profit or loss Remeasurements of defined benefit liability | - | 1,330,657 | 1,330,657 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | - | (448,811) | (448,811) |
| **Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)** | **(132,466,632)** | **183,044,770** | **50,578,138** |

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

**C. Reconciliation of Net Profit as previously reported on account of transition from the Indian IGAAP to Ind AS for the year ended 31st March 2017 :**

| Particulars | Year ended 31 March 2017 Audited |
|---|---|
| Net profit under previous Indian GAAP | (132,466,632) |
| Remeasurement of gain and (losses) on defined benefit obligations (Net) | (448,811) |
| Other gain/(loss) | 35,299,097 |
| Deferred tax liability/(asset) on the above adjustments | 148,194,484 |
| Net profit as per Ind AS | 50,578,138 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**D Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31 March 2017** Amount in ₹

| Particular | Previous GAAP | Effect of transition to Ind AS | Ind AS |
|---|---|---|---|
| Net Cash flow from operating activities | 2,470,790,008 | (19,594,061) | 2,451,195,947 |
| Net Cash flow from Investing activities | 102,136,846 | (128,801,142) | (26,664,296) |
| Net Cash flow from financing activities | (2,576,390,908) | 144,091,844 | (2,432,299,064) |
| Net increase in cash and cash equivalents | (3,464,054) | (4,303,358) | (7,767,413) |
| Cash and cash equivalents in the beginning of the year | 110,896,974 | (3,494,137,702) | (3,383,240,729) |
| Cash and cash equivalents in the end of the year | 107,432,919 | (3,498,441,061) | (3,391,008,142) |

**Note 40**

Additional information, as required under schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/ Associates/Joint Venture

| Name of the Entity | Net Assets, i.e., total assets minus total liability | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ | As % of consolidated profit or loss | Amount in ₹ | As % of consolidated other comprehensive income | Amount in ₹ | As % of consolidated total comprehensive income | Amount in ₹ |
| **Parent** | | | | | | | | |
| B.L. Kashyap And Sons Limited | 97.32% | 4,845,295,309 | 173.19% | 356,913,509 | 97.31% | 8,390,052 | 170.14% | 365,303,561 |
| **Indian subsidiary** | | | | | | | | |
| B.L. Lifestyle Limited | -3.24% | (161,351,927) | -21.09% | (43,473,828) | 2.49% | 214,678 | -20.15% | (43,259,150) |
| Soul Space Projects Limited (Consolidated) | 6.52% | 324,760,544 | -49.45% | (101,901,866) | 0.20% | 17,238 | -47.45% | (101,884,628) |
| Security Information Systems (India) Limited | -0.49% | (24,155,629) | -1.86% | (3,832,875) | 0.00% | - | -1.79% | (3,832,875) |
| BLK Infrastructure Limited | -0.13% | (6,252,184) | -0.79% | (1,618,937) | 0.00% | - | -0.75% | (1,618,937) |
| Non controlling interest in subsidiary | 0.01% | 265,419 | - | 0.00% | - | 0.00% | - | |

**Note 41**

Previous year's figures have been regrouped and / or rearranged wherever necessary

**Note 42**

The comparative financial information as at 31 March 2017 and 1 April 2016 and for the year ended 31 March 2017 included in these consolidated Ind AS financial statements are based on the previously audited consolidated financial statements for the said periods prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India are audited by previously auditors. These audited consolidated financial statements audited under previous GAAP by other auditors are adjusted for the differences in the accounting principles adopted by the group on transition to Ind AS, which have been audited by us.

General Information and Significant Accounting Policies 1 & 2

Other Notes on Accounts 26-42

The Notes are an integral part of these financial statements

In terms of our report of even date attached

For **Maheshwari & Sharad**
*Chartered Accountants*
*Firm Regn.no. 015513N*

**Sharad Mohan**
*Partner*
*Membership No.- 082176*

Place : New Delhi
Dated : 19.05.2018

For and on behalf of the Board of Directors

**Vikram Kashyap**
*Joint Managing Director*
*DIN-00038937*

**Vineet Kashyap**
*Managing Director*
*DIN-00038897*

**Vinod Kashyap**
*Chairman*
*DIN-00038854*

**Pushpak Kumar**
*Company Secretary*

**Manoj Agrawal**
*Chief Financial Officer*

**ROUTE MAP TO THE AGM VENUE**



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WE BUILD YOUR WORLD

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