

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GURGAON INFOSPACE LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of GURGAON INFOSPACE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

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Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit



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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its director during the year is in accordance with the provisions of section 197 of the Act.

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- h) 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 explanations given to us
- i) The Company does not have any pending litigations which would impact its financial position.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR O.P.DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN. 001201N



(ABHEY DADU)  
PARTNER  
M.No.093313

PLACE : NEW DELHI  
DATED : 29<sup>TH</sup> MAY, 2019

**GURGAON INFOSPACE LIMITED**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, on the matters specified in paragraphs 3 and 4 of the Order.**

In our opinion, and in so far as we have been able to ascertain from the records produced, Information furnished and the explanations given to us by the Company.

1. a) The Company has maintained proper records of its Fixed Assets, showing full particulars including their quantitative detail and situation.  
  
b) The Management has, during the year, physically verified all the Fixed Assets in respect of which record is kept. No discrepancies were noticed on such verification.  
  
c) According to information and explanation given to us, the title deeds of Immovable Properties are held in the name of the company and the title deeds in respect of sub lease of two Commercial Properties at Noida is pending Registration.
2. The company does not hold any inventory. Therefore the provision of clause (ii) of paragraph 3 of the order is not applicable to the Company.
3. The company has not granted any loans, secured or unsecured during the year to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. The Company has complied with the provision of section 185 and 186 of the Companies Act, 2013 in respect of loan granted and investment made during the year.
5. According to the information and explanations given to us, the Company has not accepted deposit from the public within the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under
6. As far as we are aware, the Central Government has not specified the maintenance of cost records by the company under section 148(1) of the Companies Act, 2013.

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7. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax, Goods Service Tax, cess and other statutory dues wherever applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, ESI, Income Tax, Sales Tax, Service Tax, customs duty, excise duty, value added Tax, Goods Service Tax and cess were in arrears, as at 31.03.2019 for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Goods Services Tax, Value Added Tax and cess which have not been deposited on account of any dispute.

8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loan during the year.
10. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanation given to us, the transaction with Related Parties are in compliance with section 177 and 188 of the Act, and details have been disclosed in Financial Statements etc, as required by the applicable accounting standards.



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14. According to the information and explanation given to us, the Company has not made any Preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanation given to us, the Company has not entered into any non cash transaction with Director or persons connected with him during the year.
16. The Company is not required to be registered U/s 45 IA of Reserve Bank of India Act, 1934.

FOR O.P.DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN. 001201N



PLACE : NEW DELHI  
DATED : 29<sup>TH</sup> MAY,2019

A handwritten signature in blue ink, appearing to read "Abhey Dadu".

(ABHEY DADU)  
PARTNER  
M.No.093313



**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of **GURGAON INFOSPACE LIMITED** ("the Company") as on 31<sup>st</sup>, March 2019 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.



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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.

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**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, 2019 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 O.P.DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN. 001201N



A handwritten signature in blue ink, appearing to read "Abhey Dadu".

(ABHEY DADU)  
PARTNER  
M.No.093313

PLACE : NEW DELHI  
DATED : 29<sup>TH</sup> MAY, 2019

Gurgaon Infospace Limited  
Balance Sheet as at 31 March 2019  
(All amounts in rupees lakhs unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	241.44	255.45
Investment properties	6	15,338.13	13,307.53
<b>Financial assets</b>			
Investments	7	32,737.82	26,249.56
Trade receivables	8	1,141.79	1,068.37
Loans	9	6.84	6.18
Deferred tax assets (net)	10	6,887.37	6,339.33
Other non-current assets	11	1,716.41	1,703.78
		<u>58,069.80</u>	<u>48,930.20</u>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivable	12	284.12	207.66
Cash and cash equivalents	13	36.72	215.34
Loans	14	503.95	697.84
Others financial assets	15	212.55	27.27
Other current assets	16	26.50	1.75
		<u>1,063.84</u>	<u>1,149.86</u>
<b>TOTAL</b>		<u><b>59,133.64</b></u>	<u><b>50,080.06</b></u>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	100.00	100.00
Other equity	18	54,790.62	46,035.13
		<u>54,890.62</u>	<u>46,135.13</u>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	19	2,181.48	1,984.13
Provisions	20	15.84	12.82
Other non-current liabilities	21	1,382.04	1,384.81
		<u>3,579.36</u>	<u>3,381.76</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	22	236.02	249.45
Other current liabilities	23	231.90	209.31
Provisions	24	30.94	25.82
Current tax liabilities	25	164.80	78.59
		<u>663.66</u>	<u>563.17</u>
<b>TOTAL</b>		<u><b>59,133.64</b></u>	<u><b>50,080.06</b></u>

The accompanying notes are an integral part of these financial statements.


This is the balance sheet referred to in our report of even date.

For O.P. DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN.001201N

  
ABHEY DADU  
PARTNER  
M.No. 093313



For and on behalf of the Board of Directors

  
SARLA GUPTA  
Whole Time Director  
DIN: 00069053

  
MAYUR GUPTA  
Director  
DIN: 00131376

PALCE: NEW DELHI  
DATED: 29th MAY, 2019



**Gurgaon Infospace Limited**

**Statement of profit and loss for the year ended 31 March 2019**

*(All amounts in rupees lakhs unless otherwise stated)*

	Note	Year ended 31 March 2019	Year ended 31 March 2018
<b>Income</b>			
Revenue from operations	26	9,378.48	8,702.01
Other income	27	2,512.55	1,639.28
<b>Total Income</b>		<b>11,891.03</b>	<b>10,341.29</b>
<b>Expenses</b>			
Employee benefits expense	28	133.83	134.91
Finance costs	29	314.25	183.38
Depreciation and amortisation expense	5 & 6	108.86	85.34
Other expenses	30	421.80	529.66
<b>Total expenses</b>		<b>978.74</b>	<b>933.29</b>
<b>Profit before tax</b>		<b>10,912.29</b>	<b>9,408.00</b>
<b>Tax expense</b>			
Current tax	31	2,330.00	1,938.00
Deferred tax		(465.29)	(1,538.08)
Previous year income tax		19.61	6.85
		<b>1,884.32</b>	<b>406.77</b>
<b>Profit after tax</b>		<b>9,027.97</b>	<b>9,001.23</b>
<b>Other comprehensive income/(loss)</b>			
A) Items that will not be reclassified to profit and loss			
(a) Remeasurement of defined benefit obligation		0.07	2.41
Income tax on above		(0.02)	(0.83)
(b) Net (loss)/gain on fair value of FVOCI equity instruments		(355.30)	(41.83)
Income tax on above		82.77	9.65
<b>Total comprehensive income for the year</b>		<b>8,755.49</b>	<b>8,970.63</b>
<b>Earnings per equity share (in Rs.)</b>			
Equity shares of par value Rs.100/- each	32		
Basic		9,027.97	9,001.23
Diluted		9,027.97	9,001.23

**The accompanying notes are an integral part of these financial statements.**

This is the statement of profit & loss referred to in our report of even date.

For O.P. DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN.001201N

ABHEY DADU  
PARTNER  
M.No. 093313



PACE: NEW DELHI  
DATED: 29th MAY, 2019

For and on behalf of the Board of Directors

*Sarla Gupta*

SARLA GUPTA  
Whole Time Director  
DIN: 00069053

*Mayur Gupta*

MAYUR GUPTA  
Director  
DIN: 00131376

**Gurgaon Infospace Limited**  
**Statement of changes in equity for the year ended 31 March 2019**  
*(All amounts in rupees lakhs unless otherwise stated)*

A Equity share capital		Balance at 31 March 2018	Change in equity share capital during the year	Balance at 31 March 2019
Particulars				
Equity share capital		100.00	-	100.00
B Other Equity		Retained earnings	FVOCI equity instruments	Total
Particulars				
Balance as at 1 April 2017		36,923.09	141.41	37,064.50
Profit for the year		9,001.23	-	9,001.23
Other comprehensive income/(loss)		1.58	(32.18)	(30.60)
<b>Balance as at 31 March 2018</b>		<b>45,925.90</b>	<b>109.23</b>	<b>46,035.13</b>
Balance as at 1 April 2018		45,925.90	109.23	46,035.13
Profit for the year		9,027.97	-	9,027.97
Other comprehensive income/(loss)		0.05	(272.53)	(272.48)
<b>Balance as at 31 March 2019</b>		<b>54,953.92</b>	<b>(163.30)</b>	<b>54,790.62</b>

The accompanying notes are an integral part of these financial statements.

This is the statement of changes in equity referred in our report of even date.

For O.P. DADU & CO.  
 CHARTERED ACCOUNTANTS  
 FRN.001201IN

*(Signature)*

ABHEY DADU  
 PARTNER  
 M.No. 093313

PALCE: NEW DELHI  
 DATED: 29th MAY, 2019

For and on behalf of the Board of Directors

*(Signature)*

SARLA GUPTA  
 Whole Time Director  
 DIN: 00069053

*(Signature)*

MAYUR GUPTA  
 Director  
 DIN: 00131376



Gurgaon Infospace Limited  
Cash flow statement for the year ended 31 March 2019  
(All amounts in rupees lakhs unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>A. Cash flows from operating activities</b>		
Profit before tax	10,912.29	9,408.00
<b>Adjustment for:</b>		
Depreciation & amortisation expenses	108.86	85.34
Finance costs	314.25	183.38
(Profit)/ Loss on Sale of Mutual fund/Shares (net)	(54.61)	68.10
Gain on fair valuation of investments measured at FVTPL	(780.44)	(263.40)
Interest income	(847.97)	(865.24)
Dividend received	(96.30)	(67.31)
Trade receivable and other balance written off	2.32	1.08
<b>Operating profit before working capital changes</b>	<b>9,558.40</b>	<b>8,549.95</b>
<b>Movements in working capital:</b>		
Decrease/(Increase) in trade receivables	(152.19)	101.77
Decrease/(Increase) in loans	193.82	(67.69)
Decrease/(Increase) in other financial assets	(185.28)	(1.01)
Decrease/(Increase) in other assets	(37.38)	1.18
(Decrease)/Increase in other liabilities	19.82	(121.95)
(Decrease)/Increase in other financial liabilities	(130.34)	(117.40)
(Decrease)/Increase in Provision	8.21	12.04
<b>Cash generated from operations</b>	<b>9,275.06</b>	<b>8,356.89</b>
Income tax refunded/(paid) (net)	(2,263.41)	(1,830.76)
<b>Net cash generated from operating activities</b>	<b>7,011.65</b>	<b>6,526.13</b>
	A	
<b>B. Cash flows from investing activities</b>		
(Purchase)/Sale of property, plant and equipment	(36.70)	(2.02)
(Purchase)/Sale of investment property	(2,088.75)	-
(Purchase)/ Sale of investment	(6,008.50)	(7,605.24)
Interest received	847.38	864.70
Dividend received	96.30	67.31
<b>Net cash generated from investing activities</b>	<b>(7,190.27)</b>	<b>(6,675.25)</b>
	B	
<b>C Cash flows from financing activities:</b>		
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>
	C	
<b>D Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(178.62)</b>	<b>(149.12)</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>215.34</b>	<b>364.46</b>
<b>Cash and cash equivalents at the end of the year (D+E) {refer note 13}</b>	<b>36.72</b>	<b>215.34</b>

The accompanying notes are an integral part of these financial statements.

This is the Cash Flow Statement referred to in our report of even date.

For O.P. DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN.001201N

  
ABHEY DADU  
PARTNER  
M.No. 093313



PACE: NEW DELHI  
DATED: 29th MAY, 2019

For and on behalf of the Board of Directors

  
SARLA GUPTA  
Whole Time Director  
DIN: 00069053

  
MAYUR GUPTA  
Director  
DIN: 00131376



**1. Corporate information and statement of compliance with Indian Accounting Standards (Ind AS)**

Gurgaon Infospace Limited (“the Company”) a public limited company domiciled in India and having its registered office at A-23, New Office Complex, Defence Colony, New Delhi-110024., was incorporated under the provisions of Companies Act, 1956. The Company’s business is of SEZ Developer.

The financial statements of the Company have been prepared to comply in all material respects with accounting principles generally accepted in India, including Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 (the “Act”) and other relevant provisions of the Act.

**2. Basis of preparation and significant accounting policies**

**a. Basis of preparation**

The financial statements have been prepared on accrual and going concern basis under historical cost convention except for certain financial instruments and plan assets, which is measured at fair values. The accounting policies are applied consistently to all the periods presented in the financial statements.

The significant accounting policies and measurement bases have been summarised below.

**Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and as per terms of agreements wherever applicable. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**b. Revenue recognition**

Revenue is recognised to the extent it is probable that future economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable net of related rebates. The following specific recognition criteria must also be met before revenue is recognised:

**Interest income**

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

**Dividend**

Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**Rental Income/ Income from SEZ operation**

Rental Income recognised on straight lining basis over the term of lease except for contingent rental income which is recognised when it arises and where schedule increase in rent compensates the lessor for expected inflationary costs.

**Unbilled receivable**

Unbilled receivables represent:

- Balance on account of straight lining of rental income over the rent-free period.



**c. Income taxes**

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

**d. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits 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.

**e. Financial instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:





### Non-derivative financial assets

#### Subsequent measurement

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Fair value through profit or loss** – Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.
- iii. **Fair value through OCI**- A financial assets measured at FVOCI if both of the following conditions are met:
- The Company business model objectives for managing the financial assets is achieved both by collecting contractual cash flows and selling the financial assets, and
  - The contractual terms of the financial assets given raise in specified dates to cash flows that are solely payments.

Further, the Company through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

#### 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 for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.





**Trade receivables:** In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

**Other financial assets:** In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

#### De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### Non-derivative financial liabilities

##### Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

##### De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### f. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.



**g. Property, plant and equipment ('PPE')**

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and definition of asset is met. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

**h. Investment properties**

Recognition and initial measurement

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives (as set-out below) prescribed in Schedule II to the Act:





Assets category	Useful life (in years)
Buildings and related equipment	60

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

#### De-recognition of Investment properties

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

#### i. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For this purpose, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

#### j. Operating leases

##### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease, unless the increase in rent is to compensate the lessor for the effects of inflation.

##### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### k. Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.





Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

#### **l. Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

##### **Defined benefit plans**

###### **Gratuity**

The Company operates one defined benefit plan for its employees, viz. gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gain and loss for the defined benefit plan is recognized in full in the period in which they occur in other comprehensive income.

###### **Other long term benefits**

Accumulated leave expected to be carried forward beyond twelve months, is treated as long term employee benefit. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit.

Liability under continuity linked key resource and deferred salary schemes is provided for on actuarial valuation basis, which is done as per the projected unit credit method at the end of each financial period.

##### **Defined contribution plans**

###### **Short-term employee benefits**

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### **m. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.



For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**n. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment and geographical segment

**3. Recent accounting pronouncement**

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 19, 'Employee benefits', Ind AS 23, 'Borrowing costs and also Ind AS 116 'Leases'. These amendments rules are applicable to the Company from 1 April 2019.

**Ind AS 116- Leases:**

On 30 March 2019, MCA has notified Ind AS 116, Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of this new standard on its financial statements.





**Appendix C to Ind AS 12, Uncertainty over income tax treatment:**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Company is evaluating the impact of this amendment on its financial statements.

**Amendments to Ind AS 19, Plan amendment, curtailment or settlement:**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 01 April 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company does not expect any impact on its financial statements of such amendment.





**Amendments to Ind 23 Borrowing costs:**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company is evaluating the impact of this amendment on its financial statements.

**4. Significant accounting judgements, estimates and assumptions**

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant judgements:

**(i) Evaluation of indicators for impairment of non-financial assets**

The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors, which could result in deterioration of recoverable amount of the assets.

**(ii) Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of Availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

Sources of estimation uncertainty:

**(i) Provisions**

At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from management's estimates.

**(ii) Fair valuation of financial instruments**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.



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Notes to the financial statements as at 31 March 2019  
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5 Property, Plant and Equipment

Particulars	Machinery	Furniture	Office equipment	Computers	Vehicles	Total
<b>Gross carrying value</b>						
As at 1 April 2017	65.55	279.77	2.01	0.22	-	347.55
Additions	-	-	1.57	0.44	-	2.01
Disposals/adjustments	-	-	-	-	-	-
<b>Total As at 31 March 2018</b>	<b>65.55</b>	<b>279.77</b>	<b>3.58</b>	<b>0.66</b>	<b>-</b>	<b>349.56</b>
Additions	-	-	1.18	0.49	35.03	36.70
Disposals/adjustments	-	-	-	-	-	-
<b>Total As at 31 March 2019</b>	<b>65.55</b>	<b>279.77</b>	<b>4.76</b>	<b>1.15</b>	<b>35.03</b>	<b>386.26</b>
<b>Accumulated depreciation</b>						
As at 1 April 2017	5.21	41.03	0.59	0.07	-	46.90
Depreciation charge during the year	5.21	41.03	0.80	0.17	-	47.21
<b>Total As at 31 March 2018</b>	<b>10.42</b>	<b>82.06</b>	<b>1.39</b>	<b>0.24</b>	<b>-</b>	<b>94.11</b>
Depreciation charge during the year	5.21	41.03	0.85	0.33	3.29	50.71
<b>Total As at 31 March 2019</b>	<b>15.63</b>	<b>123.09</b>	<b>2.24</b>	<b>0.57</b>	<b>3.29</b>	<b>144.82</b>
<b>Net carrying value</b>						
As at 31 March, 2019	49.92	156.68	2.52	0.58	31.74	241.44
As at 31 March, 2018	55.13	197.71	2.19	0.42	-	255.45

- (i) The Company does not have any contractual commitments for the acquisition of property, plant and equipment.  
(ii) The Company has not capitalised any borrowing cost during the year ended 31 March 2019.



## 6 Investment Properties

Particulars	Freehold Land	Building*	Total
<b>Gross carrying value</b>			
As at 1 April 2017	11,100.16	2,283.63	13,383.79
Additions	-	-	-
Deletion	-	-	-
<b>Total As at 31 March 2018</b>	<b>11,100.16</b>	<b>2,283.63</b>	<b>13,383.79</b>
Additions	863.75	1,225.00	2,088.75
Deletion	-	-	-
<b>Total As at 31 March 2019</b>	<b>11,963.91</b>	<b>3,508.63</b>	<b>15,472.54</b>
<b>Accumulated depreciation</b>			
As at 1 April 2017	-	38.13	38.13
Depreciation charge during the year	-	38.13	38.13
<b>Total As at 31 March 2018</b>	<b>-</b>	<b>76.26</b>	<b>76.26</b>
For the year	-	-	-
Depreciation charge during the year	-	58.15	58.15
	-	-	-
<b>Total As at 31 March 2019</b>	<b>-</b>	<b>134.41</b>	<b>134.41</b>
<b>Net carrying value</b>			
As at 31 March 2019	<b>11,963.91</b>	<b>3,374.22</b>	<b>15,338.13</b>
As at 31 March 2018	<b>11,100.16</b>	<b>2,207.37</b>	<b>13,307.53</b>

\*Building includes commercial property at Noida amounting of Rs. 3030.63 lakhs (31 March 2018: 1979.94 lakhs), registration is pending.

- (i) The Company has not capitalised any borrowing cost during the year ended 31 March 2019.
- (ii) Depreciation has been charged off and presented in 'depreciation and amortisation expense' in statement of profit and loss.
- (iii) Leasing arrangements:-  
Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly.  
Refer note 35 for details on future minimum lease rentals.

(iv) Fair value

Particulars	31 March 2019	31 March 2018
Fair value	15,955.56	13,690.37

#### Fair value hierarchy and valuation technique

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuations for its investment properties and fair value measurement has been categorized as Level 3. Fair values of the properties are arrived using average of fair values calculated basis market rate approach to arrive at fair value.





Gurgaon Infospace Limited  
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Particulars	As at 31 March 2019	As at 31 March 2018
<b>7 Investment</b>		
<b>Investment in equity instruments</b>		
<b>In others (Quoted) (at fair value through other comprehensive income)</b>		
IDFC Bank limited 2,00,000 (31 March 2018: 2,00,000) equity shares of Rs.10/- each	111.00	94.70
HPCL Limited 3,25,500 Incl. Bonus 82,500 (31 March 2018: 2,47,500) equity shares of Rs.10/- each	923.93	851.77
Rossell India Limited 2,98,150 (31 March 2018: 2,98,150) equity shares of Rs.2/- each	200.65	272.66
Berger Paints Limited 60,253 (31 March 2018: 1,00,000) equity shares of Rs.1/- each	195.07	256.45
Lakshmi Vilas Bank Ltd. 1,80,518 (31 March 2018: 1,80,518) equity shares of Rs.10/- each	128.17	177.18
Harrisons Malayalam Ltd. 72,834 (31 March 2018: 50,000) equity shares of Rs.10/- each	51.53	36.78
Asian Paints Ltd. Nil (31 March 2018: 10,000) equity shares of Rs.1/- each	-	112.04
Petronet LNG Ltd. 25,000 (31 March 2018: 1,90,000) equity shares of Rs.10/- each	62.89	439.47
Housing & Urban Development Corporation Ltd. 3,00,000 (31 March 2018: 3,00,000) equity shares of Rs.10/- each	134.70	199.05
Oil and Natural Gas Corporation Ltd. Nil (31 March 2018: 15,000) equity shares of Rs.5/- each	-	26.67
Reliance Industries Ltd. Nil (31 March 2018: 5,000) equity shares of Rs.10/- each	-	44.14
ABG Shipyard Ltd. 50,000 (31 March 2018: 50,000) equity shares of Rs.10/- each	0.90	3.80
Rural Electrification Corporation Ltd. 45,500 (31 March 2018: 45,500) equity shares of Rs.10/- each	69.57	56.90
L & T Finance Holding Ltd. 4,11,304 (31 March 2018: 3,10,000) equity shares of Rs.10/- each	627.44	486.85
Steel Authority India Ltd. Nil (31 March 2018: 13,000) equity shares of Rs.10/- each	-	9.13
NBCC (India) Ltd. 1,70,000 Inc. Bonus 85,000 (31 March 2018: 85,000) equity shares of Rs.1/- each	112.71	161.80
Himachal Futuristic Communication Ltd. 4,10,000 (31 March 2018: 1,60,000) equity shares of Rs.1/- each	92.46	41.44
GAIL (India) Ltd. Nil (31 March 2018: 2,000) equity shares of Rs.10/- each	-	6.57
Indian Oil Corporation Ltd. 4,25,445 Inc. Bonus 2,12,500 (31 March 2018: 4,25,445) equity shares of Rs.10/- each	692.84	750.06
State Bank of India- Nil (31 March 2018: 20,000) equity shares of Rs.1/- each	-	50.02
HDFC Life Insurance Co. Ltd. 6,000 (31 March 2018: 6,000) equity shares of Rs.10/- each	22.71	27.21
DLF Ltd. 130,000 (31 March 2018: 1,00,000) equity shares of Rs.2/- each	263.19	201.55



	As at 31 March 2019	As at 31 March 2018
Hindalco Industries Limited 25,000 (31 March 2018: Nil) equity shares of Rs.1/- each	51.37	-
Indraprastha Gas Limited 74,500 (31 March 2018: Nil) equity shares of Rs.2/- each	227.56	-
Fortis Healthcare Limited 4,25,000 (31 March 2018: Nil) equity shares of Rs.10/- each	576.94	-
The Bombay Dyeing & Mfg. Company Limited 64,000 (31 March 2018: Nil) equity shares of Rs.2/- each	86.37	-
Shriram Pistons & Rings Limited 41,540 (31 March 2018: Nil) equity shares of Rs.10/- each	427.03	-
Ballarpur Industries Limited 9,35,000 (31 March 2018: Nil) equity shares of Rs.2/- each	27.58	-
<b>Investment in preference shares</b>		
<b>In Related Party (Unquoted) (at fair value through profit &amp; loss)</b>		
IST Softech Pvt. Ltd. 4,50,000 (31 March 2018: 4,50,000) 9% Non-Cumulative, Non Convertible Preference shares of face value of Rs. 100 each, redeemable at par	459.05	459.63
<b>Investment in Mutual funds (at fair value through profit &amp; loss)</b>		
SBI PLF-Dir Plan Growth 1,92,834.316 (31 March 2018: 2,02,647.877) units	5,647.29	5,520.93
SBI Blue Chip Fund- Dir Plan Growth 10,75,184.011 (31 March 2018: 3,13,501.759) units	446.07	122.30
SBI Debt Fund Series-C-10 (1150 days) 50,00,000 (31 March 2018: 50,00,000) units	543.15	505.92
SBI Debt Fund Series-C-7 (1190 days) 10,00,000 (31 March 2018: 10,00,000) units	1,088.37	1,016.39
SBI Debt Fund Series-C-8 (1175 days) 10,00,000 (31 March 2018: 10,00,000) units	1,089.01	1,014.91
SBI Debt Fund Series-C-9 (1150 days) 1,500,000 (31 March 2018: 1,500,000) units	162.97	151.86
SBI PLF-Dir Plan Growth (New Plan) 2,28,816.356 (31 March 2018: 70,596.936) units	6,701.05	1,923.34
SBI Magnum Ultra Short duration Fund Regular 723.774 (31 March 2018: Nil) units	30.00	-
HDFC liquid fund-Growth 6974.095 (31 March 2018: 32.79) units	256.53	1.12
<b>Investments in Government or trust securities (Quoted) (at amortised cost)</b>		
8,255 (31 March 2018: 8,255) 7.51%, HUDCO 15 Years Tax-free Bond of Rs.1000/- each	83.82	83.82
12,491 (31 March 2018: 12,491) 7.28 %, NTPC 15 Years Tax-free Bond of Rs.1000/- each	129.34	129.34
<b>Investment in debentures-Quoted (at amortised cost)</b>		
1,00,000 (31 March 2018: 1,00,000) 9.90% Secured, Redeemable, Non- Convertible Debenture of Rs.1,000/-each of IFCL Ltd.	1,032.82	1,032.82



	As at 31 March 2019	As at 31 March 2018
<b>Investment in tax free bonds-Unquoted (at amortised cost)</b>		
100 (31 March 2018: 100) 7 %, HUDCO 10 Years Tax-free Bond of Rs.10,00,000 each	1,033.57	1,033.57
205 (31 March 2018: 205) 7.07 %, HUDCO 10 Years Tax-free Bond of Rs.10,00,000 each	2,107.76	2,106.96
530 (31 March 2018: 530) 7.28 %, NHAI 15 Years Tax-free Bond of Rs.10,00,000 each	5,653.91	5,653.91
100 (31 March 2018: 100) 8.48 %, NHAI 12 Years Tax-free Bond of Rs.10,00,000 each	1,186.50	1,186.50
	<u>32,737.82</u>	<u>26,249.56</u>
<b>Aggregate value of unquoted investments</b>	26,405.23	20,697.34
<b>Aggregate value of quoted investments</b>	6,332.59	5,552.22
<b>Market value of quoted investments</b>	6,318.40	5,583.99
<b>Aggregate amount of impairment in the value of investments</b>	-	-
<b>8 Trade receivables (Non-Current)</b>		
Unsecured Considered good unless otherwise stated		
Unbilled receivables	1,141.79	1,068.37
	<u>1,141.79</u>	<u>1,068.37</u>
<b>9 Loans (Non- Current)</b>		
(Unsecured, considered good unless otherwise stated)		
Security Deposit		
-Maintenance & other deposits	6.84	6.18
	<u>6.84</u>	<u>6.18</u>
<b>10 Deferred tax assets/ (liabilities) (net)</b>		
<b>Tax effect of items constituting deferred tax liabilities</b>		
Timing Difference between book Depreciation and Depreciation as per Income Tax Act, 1961	(37.68)	(41.53)
Financial liabilities measured at amortised cost	(100.91)	(114.49)
Unbilled receivable (rent straight lining)	(332.49)	(369.74)
Fair valuation of investments	(223.18)	(132.96)
<b>Deferred tax liabilities</b>	<u>(694.26)</u>	<u>(658.72)</u>
<b>Tax effect of items constituting deferred tax assets</b>		
Employee benefit & provision	13.66	13.43
Financial assets measured at amortised cost	0.67	0.53
<b>Deferred tax assets</b>	<u>14.33</u>	<u>13.96</u>
<b>MAT Credit</b>	7,567.30	6,984.09
	<u>6,887.37</u>	<u>6,339.33</u>

(i) Movement in deferred tax assets/(liabilities) for year ended 31 March 2019:

	As at 1 April 2018	Recognised in statement profit or loss	Recognised through other comprehensive income	As at 31 March 2019
<b>Tax effect of items constituting deferred tax liabilities</b>				
Timing Difference between book Depreciation and Depreciation as per Income Tax Act, 1961	(41.53)	3.85	-	(37.68)
Financial liabilities measured at amortised cost	(114.49)	13.58	-	(100.91)
Unbilled receivable (rent straight lining)	(369.74)	37.25	-	(332.49)
Fair valuation of investments	(132.96)	(172.99)	82.77	(223.18)
<b>Deferred tax liabilities</b>	<u>(658.72)</u>	<u>(118.31)</u>	<u>82.77</u>	<u>(694.26)</u>
<b>Tax effect of items constituting deferred tax assets</b>				
Employee benefit & Provision	13.43	0.25	(0.02)	13.66
Financial assets measured at amortised cost	0.53	0.14	-	0.67
Unused tax credit	6,984.09	583.21	-	7,567.30
<b>Deferred tax assets</b>	<u>6,998.05</u>	<u>583.60</u>	<u>(0.02)</u>	<u>7,581.63</u>
<b>Net deferred tax assets</b>	6,339.33	465.29	82.75	6,887.37





## (ii) Movement in deferred tax assets/(liabilities) for year ended 31 March 2018:

	As at 1 April 2017	Recognised in statement profit or loss	Recognised through other comprehensive income	As at 31 March 2018
<b>Tax effect of items constituting deferred tax liabilities</b>				
Timing Difference between book Depreciation and Depreciation as per Income Tax Act, 1961	(42.24)	0.72	-	(41.53)
Financial liabilities measured at amortised cost	(104.38)	(10.11)	-	(114.49)
Unbilled receivable (rent straight lining)	(379.63)	9.89	-	(369.74)
Fair valuation of investments	(81.84)	(60.77)	9.65	(132.96)
<b>Deferred tax liabilities</b>	<b>(608.09)</b>	<b>(60.27)</b>	<b>9.65</b>	<b>(658.72)</b>
<b>Tax effect of items constituting deferred tax assets</b>				
Employee benefit & Provision	10.13	4.13	(0.83)	13.43
Financial assets measured at amortised cost	0.31	0.22	-	0.53
Unused tax credit	5,390.09	1,594.00	-	6,984.09
<b>Deferred tax assets</b>	<b>5,400.53</b>	<b>1,598.35</b>	<b>(0.83)</b>	<b>6,998.05</b>
<b>Net deferred tax assets</b>	<b>4,792.44</b>	<b>1,538.08</b>	<b>8.82</b>	<b>6,339.33</b>
<b>11 Other non current asset</b>				
Advance for capital goods			1,585.46	1,585.46
Prepaid expenses			30.95	18.32
Other advances against contract			100.00	100.00
			<b>1,716.41</b>	<b>1,703.78</b>
<b>12 Trade receivables (Current)</b>				
Unsecured, considered good			284.12	207.66
			<b>284.12</b>	<b>207.66</b>
<b>13 Cash and Cash equivalents</b>				
Cash on hand			6.63	0.30
Balance with banks				
- With scheduled banks in current accounts			29.76	65.02
Foreign Exchange in Hand			0.33	-
Fixed Deposit with Bank			-	150.02
			<b>36.72</b>	<b>215.34</b>
<b>14 Loans (Current)</b>				
Intercorporate deposits			363.98	363.98
Loan				
Related Party			-	-
Others			503.95	697.84
Less: Provision for expected credit losses			(363.98)	(363.98)
			<b>503.95</b>	<b>697.84</b>
<b>15 Other financial assets (Current)</b>				
Property tax receivable			2.80	27.27
Advance receivable on sale of investments			209.75	-
			<b>212.55</b>	<b>27.27</b>
<b>16 Other current assets</b>				
Prepaid expenses			1.99	1.75
Staff Advance			3.25	-
Other Advance			0.10	-
Balance with Statutory Authority (GST Input)			21.16	-
			<b>26.50</b>	<b>1.75</b>



	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
<b>17 Share capital</b>				
<b>Authorized share capital</b>				
Equity shares of Rs.100/- each	2,00,000	200.00	2,00,000	200.00
	<b>2,00,000</b>	<b>200.00</b>	<b>2,00,000</b>	<b>200.00</b>
<b>Issued share capital</b>				
Equity Shares of Rs. 100/- each	1,00,000	100.00	1,00,000	100.00
	<b>1,00,000</b>	<b>100.00</b>	<b>1,00,000</b>	<b>100.00</b>
<b>Subscribed and paid up share capital</b>				
Equity Shares of Rs. 100/- each	1,00,000	100.00	1,00,000	100.00
Add : Shares Forfeited	-	-	-	-
	<b>1,00,000</b>	<b>100.00</b>	<b>1,00,000</b>	<b>100.00</b>

a) Terms and rights attached to equity shares

The Company has only one class of equity shares having the par value of the each share is Rs.100 each shareholder shall have voting right equal to shareholding percentage of the total of the shares issued. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholdings.

b) Reconciliation of number of shares outstanding at the beginning and end of the year

	As at 31 March 2019	
	Number of shares	Amount
Balance at the beginning of the year	1,00,000	100.00
Add: Issued during the year	-	-
Balance at the end of the year	<b>1,00,000</b>	<b>100.00</b>

c) Shares held by Holding Company

Holding company	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
IST Limited	1,00,000	100.00%	1,00,000	100.00%
	<b>1,00,000</b>	<b>100.00%</b>	<b>1,00,000</b>	<b>100.00%</b>

d) Details of Shareholders holding more than 5 % in the company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
IST Limited	1,00,000	100.00%	1,00,000	100.00%
	<b>1,00,000</b>	<b>100.00%</b>	<b>1,00,000</b>	<b>100.00%</b>

e) The Company has not issued bonus shares, equity shares for considerations other than cash and also no shares has been bought back, during the immediately preceding five years

f) No shares have been forfeited during the immediately preceding five years

g) The Company does not have any shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.

18 Other equity

Particulars	As at	As at
	31 March 2019	31 March 2018
<b>Retained earning</b>		
As per last balance sheet	45,923.89	36,922.66
Profit for the year	9,027.97	9,001.23
	<b>54,951.86</b>	<b>45,923.89</b>
<b>Reserve for other comprehensive income</b>		
As per last balance sheet	111.24	141.84
a) Remeasurement of defined benefit obligation	0.07	2.41
- Tax impact	(0.02)	(0.83)
b) Change on fair value of FVOCI equity instruments	(355.30)	(41.83)
- Tax impact	82.77	9.65
	<b>(161.24)</b>	<b>111.24</b>
<b>Total</b>	<b>54,790.62</b>	<b>46,035.13</b>



	As at 31 March 2019	As at 31 March 2018
<b>19 Other financial liabilities (Non-Current)</b>		
Security Deposits	2,181.48	1,984.13
	<u>2,181.48</u>	<u>1,984.13</u>
<b>20 Long term provision</b>		
Provision for gratuity	9.21	7.24
Provision for compensated absences	6.63	5.58
	<u>15.84</u>	<u>12.82</u>
<b>21 Other non-current liabilities</b>		
Deferred income	1,382.04	1,384.81
	<u>1,382.04</u>	<u>1,384.81</u>
<b>22 Other financial liabilities (Current)</b>		
Security deposits	129.79	148.50
Expenses payables :		
Directors	3.50	1.84
Others	9.84	11.86
Others liability payable	92.89	87.25
	<u>236.02</u>	<u>249.45</u>
<b>23 Other current liabilities (Current)</b>		
Deferred income	220.97	206.43
Statutory dues	10.93	2.88
	<u>231.90</u>	<u>209.31</u>
<b>24 Short Term Provision</b>		
Provision for gratuity	22.37	19.01
Provision for compensated absences	8.57	6.81
	<u>30.94</u>	<u>25.82</u>
<b>25 Current tax liabilities</b>		
Provision for taxes (net of prepaid taxes)	164.80	78.59
	<u>164.80</u>	<u>78.59</u>





**Gurgaon Infospace Limited**  
**Notes to the financial statements for the year ended 31 March 2019**  
*(All amounts in rupees lakhs unless otherwise stated)*

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
<b>26 Revenue from operations</b>		
Income From SEZ operations	9,378.48	8,702.01
	<u>9,378.48</u>	<u>8,702.01</u>
<b>27 Other income</b>		
Interest income:		
Bank deposits	0.21	0.02
Tax free bond	700.87	700.87
Financial assets measured at amortised cost	0.59	0.54
Others	146.30	163.81
Profit on sale of Mutual fund measured at FVTPL	128.93	263.52
Profit on F & O	35.79	-
Rent received	199.36	179.81
Dividend income	96.30	67.31
Gain on fair valuation of investments measured at FVTPL	780.44	263.40
Other Income		
Non Refundable Amount	423.73	-
Miscellaneous Income	0.03	-
	<u>2,512.55</u>	<u>1,639.28</u>
<b>28 Employee benefits expense</b>		
Directors remuneration	48.00	48.00
Salary, wages and bonus	79.22	73.36
Gratuity	5.39	12.26
Staff Welfare	1.22	1.29
	<u>133.83</u>	<u>134.91</u>
<b>29 Finance cost</b>		
Interest on financial liabilities measured at amortised cost	314.25	183.38
	<u>314.25</u>	<u>183.38</u>
<b>30 Other expenses</b>		
Travelling & Conveyance expenses	31.77	44.50
Rent expenses	22.34	1.19
Auditor remuneration:		
Audit fee	4.00	4.00
Tax audit	1.35	1.10
Tax matter	0.30	0.25
Out of pocket expenses	0.25	0.15
Service tax & GST	-	0.08
Property tax	8.00	13.41
Business promotion expenses	7.86	3.02
Postage & courier expenses	0.09	0.10
Legal & professional expenses	176.11	60.38
Sundry Dr/Cr balance written off	2.32	1.08
Brokerage & commission	51.34	49.39
Insurance premium paid	0.80	0.78
Loss on sales of shares	74.32	331.62
Building repair & maintenances	24.08	-
Exchange rate fluctuation	0.09	0.14
Miscellaneous expenses	16.78	18.47
	<u>421.80</u>	<u>529.66</u>



**Gurgaon Infospace Limited**

Notes to the financial statements for the year ended 31 March 2019

(All amounts in rupees lakhs unless otherwise stated)

**31 Tax expense**

**Income tax expense recognised in statement of profit and loss**

Current tax expense  
Deferred tax expense  
Previous year income tax

	For the year ended 31 March 2019	For the year ended 31 March 2018
	2,330.00	1,938.00
	(465.29)	(1,538.08)
	19.61	6.85
	<b>1,884.32</b>	<b>406.77</b>

The reconciliation of tax expense based on the domestic effective tax rate of at 29.12% (31 March 2018: 33.06%) and the reported tax expense in statement of profit or loss is as follows:

**Particulars**

Profit before tax  
Income tax using the Company's domestic tax rate \*  
**Expected tax expense [A]**  
**Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense**  
Non-deductible expenses  
Non-taxable incomes  
Items taxable at different tax rates  
Income not tax taxable in pursuant to tax holiday  
Tax paid in MAT and tax credits  
Tax expense related to earlier years  
Others  
**Total adjustments [B]**

	For the year ended 31 March 2019	For the year ended 31 March 2018
	10,912.29	9,408.00
	29.12%	33.06%
	<b>3,177.66</b>	<b>3,110.57</b>
	1.26	(213.94)
	(449.66)	-
	0.89	(26.32)
	-	(2,742.26)
	(983.21)	249.03
	19.61	6.85
	117.77	22.84
	<b>(1,293.34)</b>	<b>(2,703.80)</b>
	<b>1,884.32</b>	<b>406.77</b>

**Actual tax expense [C=A-B]**

\* Domestic tax rate applicable to the Company has been computed as follows

Base tax rate  
Surcharge (% of tax)  
Cess (% of tax & surcharge)  
**Applicable rate**

	25%	30%
	12%	7%
	4%	3%
	<b>29.12%</b>	<b>33.06%</b>

	For the year ended 31 March 2019	For the year ended 31 March 2018
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**32 Earning per share**

**Net profit attributable to equity shareholders**

Profit after tax  
Nominal value of equity share (Rs.' lakhs)  
Total number of equity shares outstanding as the beginning of the year  
Total number of equity shares outstanding as the end of the year  
Weighted average number of equity shares

	9,027.97	9,001.23
	100.00	100.00
	1,00,000	1,00,000
	1,00,000	1,00,000
	1,00,000	1,00,000

**Basic and diluted earning per share (Rs.)**

	<b>9,027.97</b>	<b>9,001.23</b>
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**33 Contingent liability**

The Company has contingent liability towards income tax demand of Rs. Nil in current year (31st March, 2018: Rs. Nil).

**34 Capital commitments**

The Company has capital commitments of Rs. 198.53 Lakhs (31st March, 2018: Rs. 198.53 Lakhs).

**35 Leases**

The Company has entered into various operating lease arrangements for building situated in SEZ area and Noida. The contractual future minimum lease payment receivables in respect of these leases are:

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Future minimum lease receipts</b>		
Not later than one year	9,540.06	8,547.84
Later than one year and not later than five years	39,406.33	36,150.14

**36 Segment reporting**

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Company has determined its only business segment as SEZ Developer.

Since the Company's business is of SEZ Developer and there are no other identifiable reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial statement.

37 The Company has received approval dated 19th June, 2007 from Department of Commerce (SEZ Section), Ministry of Commerce & Industry, Government of India for the Development, operation and maintenance of the sector specific Special Economic Zone for IT/ITES on its land. The company is nearing completion of development of Special Economic Zone along with the Candor Gurgaon Two Developers & Projects Pvt. Ltd. (Formally Known as Unitech Developers and Projects Limited) in terms of Co-Development agreement dated 17-09/2007 in terms of which receipts shall be shared between the parties in 28 (GIL) : 72 (UDPL) ratio. The SEZ is being developed and operated in terms of the SEZ Act, 2005 and the rules framed there under.





38 Related party disclosures

The nature of relationship and summary of transactions with related parties as defined in Ind AS 24 - Related Party Disclosures are summarised below:

a) Nature of relationships

Name of the related party	Nature of relationship
M/s IST Limited	Holding Company
Mrs. Sarla Gupta	Key Management Personnel (KMP)
Mr. Gaurav Gupta	Key Management Personnel (KMP)
Mr. Mayur Gupta	Key Management Personnel (KMP)
Mr. S.C. Jain	Key Management Personnel (KMP)
Mr. N.M. Kakrania	Key Management Personnel (KMP)
Mr. Denzil Keelor	Key Management Personnel (KMP)
Mrs. Priyanka Gupta	Relatives of KMP
Mrs. Shweta Gupta	Relatives of KMP
M/s IST Softech Pvt. Ltd.	Entities in which KMP / Relatives of KMP can exercise significant influence
M/s IST Technology Infrastructure Pvt. Ltd.	Entities in which KMP / Relatives of KMP can exercise significant influence
M/s Delux Associates LLP	Entities in which KMP / Relatives of KMP can exercise significant influence

Name of key managerial personnel (KMP)

Mrs. Sarla Gupta	Whole Time Director
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b) The following transactions were carried out with related parties:-

Description	Key Management Personnel	Relatives of KMP	Entities in which KMP can exercise significant influence
	For the year ended 31 March 2019/ (31 March 2018)	For the year ended 31 March 2019/ (31 March 2018)	For the year ended 31 March 2019/ (31 March 2018)
Remuneration	48.00 (48.00)	58.80 (60.05)	-
Purchase of Immovable Property	-	-	970.00
Rent Paid	-	-	21.00
Reimbursement of Expenses	-	-	1.49
	-	-	-

c) Outstanding balances:-

Description	As at 31 March 2019	As at 31 March 2018
<b>Key Management Personnel</b>		
Amount Payable	3.50	1.84
<b>Relatives of KMP</b>		
Amount Payable (net)	0.55	3.67
<b>Entities in which KMP can exercise significant influence</b>		
Investment in preference Shares	459.05	459.63

d) The following transactions were carried out with KMP :-

Description	For the Year ended 31 March 2019	For the Year ended 31 March 2018
<b>Short-term employee benefit</b>		
Mrs. Sarla Gupta	48.00	48.00



39 Employee benefits:

(a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. The Company has a defined benefit gratuity plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarize the components of the net benefit expense recognized in the financials and amount recognized in the balance sheet for gratuity plan.

(i) Details of provision for gratuity:

Description	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation	31.58	26.25
<b>Net defined benefit obligation</b>	<b>31.58</b>	<b>26.25</b>

(ii) Amount recognized in the statement of profit and loss is as under:

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Service cost	3.34	11.02
Interest cost	2.05	1.24
<b>Amount recognized in the statement of profit and loss</b>	<b>5.39</b>	<b>12.26</b>

(iii) Amount recognized in the Other comprehensive (income)/loss:

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount recognized in Other comprehensive (income)/ Loss, beginning of year		
Actuarial loss/(gain) on re-measurement of obligation:-		
a) Actuarial loss/ (gain) arising from changes in financial assumption	(0.06)	(2.41)
<b>Amount recognized in Other comprehensive (income)/ Loss, end of year</b>	<b>(0.06)</b>	<b>(2.41)</b>

(iv) Change in present value of the defined benefit obligation is as follows:

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Present value of obligation at the year end	26.25	16.41
Current service cost	3.34	3.08
Past service cost	-	7.93
Interest cost	2.05	1.24
Net actuarial (Gain)/Loss recognized in other comprehensive income	(0.06)	(2.41)
Acquisition adjustment - with related party	-	-
Benefits paid	-	-
<b>Present value of obligation at the year end</b>	<b>31.58</b>	<b>26.25</b>

(v) For determination of gratuity liability of the Company, following actuarial assumptions were used:

Description	As at 31 March 2019	As at 31 March 2018
Discount rate	7.66%	7.80%
Rate of increase in compensation levels	6.00%	6.00%
Mortality table	100% of IALM (2006-08) Ultimate	100% of IALM (2006-08) Ultimate
	<b>Withdrawal Rate (%)</b>	
Attention at Ages		
Up to 30 Years	3.00	3.00
From 31 to 44 Years	2.00	2.00
Above 44 Years	1.00	1.00

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined based on Government bonds having similar term to duration of liabilities. Government bond yields are used to arrive at the discount rate. Other assumptions are based on management's historical experience.

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



## (vi) Sensitivity analysis of the defined benefit obligation

Impact of change in	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Discount rate</b>		
Impact due to increase of 0.50%	(0.71)	(0.57)
Impact due to decrease of 0.50%	0.79	0.63
<b>Salary increase</b>		
Impact due to increase of 0.50%	0.80	0.39
Impact due to decrease of 0.50%	(0.73)	(0.47)

## (vii) Other information:

Maturity analysis of undiscounted defined benefit obligation is as follows:

Year	As at 31 March 2019	As at 31 March 2018
0 to 1 Year	22.37	19.01
1 to 2 Year	0.19	0.15
2 to 3 Year	0.19	0.15
3 to 4 Year	0.19	0.15
4 to 5 Year	0.19	0.15
5 to 6 Year	0.19	0.15
6 Year onwards	8.27	6.50

## (b) Compensated absences

For determination of the compensated absences liability of the Company, the following actuarial assumptions were used:

## (i) Details of provision for compensated absences:

Description	As at 31 March 2019	As at 31 March 2018
Compensated absence	15.20	12.39

## (ii) Amount recognized in the statement of profit and loss is as under:

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	1.86	1.78
Interest cost	0.97	0.95
Actuarial losses/(gains)	0.57	(1.96)
<b>Amount recognized in the statement of profit and loss</b>	<b>3.40</b>	<b>0.77</b>

## (iii) Change in present value of the defined benefit obligation is as follows:

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Present value of obligation as at the start of the year	12.39	12.60
Current service cost	1.86	1.78
Interest cost	0.97	0.95
Net actuarial (Gain)/Loss recognized in other comprehensive income	0.57	(1.96)
Benefits paid	(0.59)	(0.98)
<b>Present value of obligation at the year end</b>	<b>15.20</b>	<b>12.39</b>

Description	As at 31 March 2019	As at 31 March 2018
Discount rate	7.66%	7.53%
Rate of increase in compensation levels	6.00%	6.00%
Mortality table	100 % IALM(2006-08) Ultimate	100 % IALM(2006-08) Ultimate
	<b>Withdrawal rate (%)</b>	
Ages		
Up to 30 Years	3.00	3.00
From 31 to 44 Years	2.00	2.00
Above 44 Years	1.00	1.00
Leave		
Leave Availment Rate	5.00	5.00
Leave Lapse rate while in service	-	-
Leave Lapse rate on exit	-	-
Leave encashment Rate while in service	5.00	2.50





40 Fair value disclosures

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial assets	As at 31 March 2019	As at 31 March 2018	Level	Valuation techniques and key inputs
<b>Financial assets:</b>				
Investments in equity instrument	5,086.61	4,306.24	Level 1	Fair value of equity instruments have been determined using the quoted market price.
Investments in Mutual fund	15,964.44	10,256.77	Level 1	Net asset value (NAV) obtained from an active market.
Investments in Preference Share	459.05	459.63	Level 3	Fair value of non-cumulative, non-convertible redeemable preference shares have been determined using discounted cash flow analysis. This method involves the projection of a series of cash flows from the project. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the project.
<b>Total</b>	<b>21,510.10</b>	<b>15,022.64</b>		

iii) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements and sensitivity analysis if a change to such inputs was made keeping other variables constant:

Particulars		Discount rate	31 March 2019	31 March 2018
<b>Investments in preference shares</b>				
IST Softech Pvt. Ltd.	Increase by	0.50%	(19.17)	(19.67)
	Decrease by	0.50%	20.48	21.02

iv) The following table presents the changes in level 3 items for the year ended 31 March 2019 and 31 March 2018:

Particulars	Preference shares
As at 1 April 2017	470.43
Less: deletion during the year	-
Gain/(Loss) recognised in statement of profit and loss	(10.80)
As at 31 March 2018	459.63
Gain/(Loss) recognised in statement of profit and loss	(0.58)
As at 31 March 2019	459.05

v) Fair value of instruments measured at amortised cost

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of loans, security deposits and other financial assets and liabilities are considered to be the same as their fair values, as there is an immaterial change in the lending rates.

41 Financial risk management

i) Financial instruments by category

Particulars	As at 31 March 2019			As at 31 March 2018		
	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL	Amortised cost
<b>Financial assets</b>						
Investments	5,086.61	16,423.49	11,227.72	4,306.24	10,716.40	11,226.92
Loans	-	-	510.79	-	-	704.02
Trade receivables	-	-	1,425.91	-	-	1,276.03
Cash and cash equivalents	-	-	36.72	-	-	215.34
Others financial assets	-	-	212.55	-	-	27.27
<b>Total</b>	<b>5,086.61</b>	<b>16,423.49</b>	<b>13,413.69</b>	<b>4,306.24</b>	<b>10,716.40</b>	<b>13,449.58</b>
<b>Financial liabilities</b>						
<b>Other financial liabilities</b>						
Security deposit	-	-	2,311.27	-	-	2,132.63
Other financial liabilities	-	-	106.23	-	-	100.95
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,417.50</b>	<b>-</b>	<b>-</b>	<b>2,233.58</b>

ii) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The Company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks and financial institutions.



a) **Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- A: Low  
B: Medium  
C: High

Assets under credit risk –

Credit rating	Particulars	31 March 2019	31 March 2018
A: Low	Loans	510.79	704.02
	Investments	32,737.82	26,249.56
	Cash and cash equivalents	36.72	215.34
	Other financial assets	212.55	27.27
	Trade receivables	1,425.91	1,276.03

*Cash and cash equivalents and bank deposits*

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

*Trade receivables*

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due

*Other financial assets measured at amortized cost*

Other financial assets measured at amortized cost includes loans given, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) **Reconciliation of loss allowance provision -Loans**

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses
Loss allowance on April 1, 2017	363.98
Add (Less): Changes in loss allowances	-
Loss allowance on March 31, 2018	363.98
Add (Less): Changes in loss allowances	-
Loss allowance on March 31, 2019	363.98

B) **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities**

31 March 2019	Less than 1 year	1-5 year	More than 5 years	Total
Other financial liabilities (Security deposits)	132.85	867.50	3,260.45	4,260.80
Other financial liabilities	106.23	-	-	106.23
<b>Total non-derivative liabilities</b>	<b>239.08</b>	<b>867.50</b>	<b>3,260.45</b>	<b>4,367.03</b>

31 March 2018	Less than 1 year	1-5 year	More than 5 years	Total
Other financial liabilities (Security deposits)	148.54	936.42	2,969.72	4,054.68
Other financial liabilities	100.95	-	-	100.95
<b>Total non-derivative liabilities</b>	<b>249.49</b>	<b>936.42</b>	<b>2,969.72</b>	<b>4,155.63</b>

C) **Market Risk**

a) **Price risk**

**Exposure**

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds and equity investment, the Company diversifies its portfolio of assets.

**Sensitivity**

Below is the sensitivity of profit or loss and equity to changes in fair value of investments, assuming no change in other variables:

Particulars	Impact on Profit & Loss		Impact on other comprehensive of equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Price sensitivity</b>				
Price increase by 5%	821.17	535.82	254.33	215.31
Price decrease by 5%	(821.17)	(535.82)	(254.33)	(215.31)



42 Capital management

The company's capital includes issued share capital and all other distributable reserves. The primary objective of the Company's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The company does not have any borrowings

43 Authorisation of financial statements

These standalone financial statements for the year ended 31 March 2019 (including comparatives) were approved by the Board of Director on 29th May, 2019.

44 Previous year's figure have been regrouped/rearranged wherever necessary to make them comparable with those of current year.

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This is the Summary of significant policies and other explanatory information referred to in our report of even date.

For O.P. DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN. 001201N



ABHEY DADU  
PARTNER  
M.No.093313



SARLA GUPTA  
Whole Time Director  
DIN: 00069053



MAYUR GUPTA  
Director  
DIN: 00131376

PALCE: NEW DELHI  
DATED: 29th MAY, 2019