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INDEPENDENT AUDITORS' REPORT

To the Members of Dusters Total Solutions Services Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dusters Total Solutions Services Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditors' report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



Dusters Total Solutions Services Private Limited

Independent Auditors' Report (Continued)

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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. 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 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 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 control 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 with reference to financial statements 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.



Dusters Total Solutions Services Private Limited

Independent Auditors' Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 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 financial statements, including the disclosures, and whether the 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.

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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.



Dusters Total Solutions Services Private Limited

Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements (continued)

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 31 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for BSR & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022



Amrit Bhansali
Partner

Membership No. 065155

Place: Bangalore
Date: 29 April 2019

Dusters Total Solutions Services Private Limited

Annexure - A to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members the Company on the financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties that are owned by the Company. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company is a service Company, engaged in providing facility management services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, there are no loans, investments, guarantees, and securities given, in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public during the year. Accordingly, paragraph 3(v) of the order is not applicable to the Company.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, labour welfare fund, income tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of customs.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, employees' state insurance, labour welfare fund, income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.



Dusters Total Solutions Services Private Limited

Annexure - A to the Independent Auditors' Report (Continued)

- (b) According to the information and explanations given to us, there are no dues in respect of goods and service tax or cess which have not been deposited with the applicable authorities on account of any dispute. However, according to the information and explanations given to us, the following dues of Income-tax and Service tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (In Rs)	Period to which it relates to (Financial year)	Forum where the dispute is pending
Finance Act, 1994	Service tax- Penalty	124,990,673	October 2011 to March 2013	CESTAT, Bengaluru
Finance Act, 1994	Service tax	980,113	April 2013 to March 2015	Commissioner of Service tax, Bengaluru
Income tax Act, 1961	Income Tax	1,463,637	2010-11	CIT (Appeals), Bengaluru
Income tax Act, 1961	Income Tax	1,601,046	2012-13	CIT (Appeals), Chennai
Income tax Act, 1961	Income Tax	12,856,404	2011-12	High Court, Bengaluru
Income tax Act, 1961	Income Tax	14,919,672	2012-13	High Court, Bengaluru

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from any financial institutions, government. The Company has not issued any debenture during the year.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Accordingly to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule V to the Companies Act, 2013.
- (xii) 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 to the Company.

BSR & Co. LLP

Dusters Total Solutions Services Private Limited

Annexure - A to the Independent Auditors' Report (Continued)

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable to the Company.
- (xvi) According to the information and explanations give to us and in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for BSR & Co. LLP
Chartered Accountants

Firm's registration number: 101248W/W-100022



Amrit Bhansali
Partner

Membership No.065155

Place: Bangalore
Date: 29 April 2019

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of Dusters Total Solutions Services Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to financial statements.



Annexure B to the Independent Auditors' Report (continued)

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Bangalore
Date: 29 April 2019

for BSR & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022



Amrit Bhansali
Partner
Membership No.065155

Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

Balance Sheet as at March 31, 2019

	Particulars	Note	As at March 31, 2019	As at March 31, 2018
A	Assets			
	Non-current assets			
	Property, plant and equipment	3	157.73	137.73
	Goodwill	4	77.54	77.54
	Other intangible assets	4	16.94	13.12
	Intangible assets under development	4	0.35	-
	Financial assets			
	(i) Investments	5	0.03	0.03
	(ii) Other non-current financial assets	6	38.35	12.43
	Deferred tax assets (net)	7	267.62	163.46
	Income tax assets (net)	7	149.59	154.76
	Total non-current assets		708.15	559.07
	Current assets			
	Financial assets			
	(i) Trade receivables	9	1,205.61	1,176.12
	(ii) Cash and cash equivalents	10	206.89	12.76
	(iii) Other current financial assets	6	303.35	37.09
	Other current assets	8	20.01	14.91
	Total current assets		1,735.86	1,240.88
	Total assets		2,444.01	1,799.95
B	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	11	28.02	28.02
	Other equity	12	1,398.72	917.78
	Total equity		1,426.74	945.80
	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	(i) Borrowings	13	1.93	-
	Provisions	17	43.60	34.93
	Total non-current liabilities		45.53	34.93
	Current liabilities			
	Financial liabilities			
	(i) Borrowings	13	-	43.82
	(ii) Trade payables			
	(a) total outstanding dues of micro, small and medium enterprises	14	6.14	-
	(b) total outstanding dues of creditors other than micro, small and medium enterprises	14	66.14	90.81
	(iii) Other current financial liabilities	15	585.47	474.30
	Other current liabilities	18	220.46	139.32
	Provisions	17	93.53	70.97
	Total current liabilities		971.74	819.22
	Total equity and liabilities		2,444.01	1,799.95

Summary of significant accounting policies

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

As per our report on even date

for BSR & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022



Anurag Bhansali
Partner
Membership No. 065155

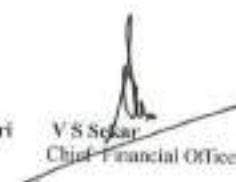
for and on behalf of the Board of
Dusters Total Solutions Services Private Limited



Shamsher Puri
Director
DIN: 01483698



Jyoti Kewal Prakash Puri
Director
DIN: 01423301



V S Sekar
Chief Financial Officer

Place: Bangalore
Date: April 29, 2019

Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

Statement of Profit and Loss for the year ended March 31, 2019

	Particulars	Note	For the year ended	
			March 31, 2019	March 31, 2018
1	Income			
	a) Revenue from operations	20	6,298.52	4,850.39
	b) Other income	21	10.93	10.39
	Total Income (a+b)		6,309.45	4,860.78
2	Expenses			
	a) Cost of materials consumed	22	146.54	142.37
	b) Employee benefits expense	23	5,281.61	4,107.44
	c) Finance costs	25	15.79	37.86
	d) Depreciation and amortisation expense	26	45.46	43.49
	e) Other expenses	27	344.24	285.63
	Total expenses (a+b+c+d+e)		5,833.64	4,616.79
3	Profit before tax (1-2)		475.81	243.99
4	Tax expense			
	Current tax	7	99.28	33.18
	Deferred tax	7	(104.25)	(91.00)
	Total tax expense		(4.97)	(57.82)
5	Profit for the year (3-4)		480.78	301.81
6	Other comprehensive income			
	Items that will not be reclassified to profit or loss:			
	a) Re-measurement of defined benefits plan	23	0.25	(10.69)
	b) Income tax relating to these items	7	(0.09)	3.70
	Other comprehensive income for the year (net of taxes)		0.16	(6.99)
7	Total comprehensive income for the year (5+6)		480.94	294.82
8	Earnings Per Share (EPS) of face value INR 10 per share			
	(a) Basic (INR)	28	171.60	107.72
	(b) Diluted (INR)	28	171.60	107.72

Summary of significant accounting policies:

2

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


As per our report on even date

for BSR & Co, LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

for and on behalf of the Board of
Dusters Total Solutions Services Private Limited


Amrit Bhansali
Partner
Membership No. 065155


Shambher Puri
Director
DIN: 01483698


Jaimeer Kewal Prakash Puri
Director
DIN: 01423301


V S Sagar
Chief Financial Officer

Place: Bangalore
Date: April 29, 2019

Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

Statement of Changes in Equity

A. Equity share capital

Equity shares of INR. 10 each issued, subscribed and fully paid

Particulars	Amount
As at April 01, 2017	28.02
Add/Less: Changes in equity share capital	-
As at March 31, 2018	28.02
Add/Less: Changes in equity share capital	-
As at March 31, 2019	28.02

B. Other equity

Particulars	Reserves and surplus				Other reserves		Total other equity
	Securities premium	Share options outstanding account	Retained earnings	General reserve	Capital redemption reserve	Capital reserve	
As at April 1, 2017	621.24	8.64	(32.90)	7.56	0.18	17.09	621.81
Profit for the year	-	-	301.81	-	-	-	301.81
Other comprehensive income (net of tax)	-	-	(6.99)	-	-	-	(6.99)
Total comprehensive income for the year	-	-	264.92	-	-	-	264.92
Shared based payment to employees	-	1.15	-	-	-	-	1.15
Transfer from share options outstanding account to general reserve	-	(2.72)	-	2.72	-	-	-
As at March 31, 2018	621.24	7.07	264.92	10.28	0.18	17.09	917.78

Particulars	Reserves and surplus				Other reserves		Total other equity
	Securities premium	Share options outstanding Account	Retained earnings	General reserve	Capital redemption reserve	Capital reserve	
As at April 1, 2018	621.24	7.07	264.92	10.28	0.18	17.09	917.78
Profit for the year	-	-	480.78	-	-	-	480.78
Other comprehensive income (net of tax)	-	-	0.16	-	-	-	0.16
Total Comprehensive Income for the year	-	-	480.94	-	-	-	480.94
Transfer from share options outstanding account to general reserve	-	(3.80)	-	3.80	-	-	-
As at March 31, 2019	621.24	3.27	742.86	14.08	0.18	17.09	1,398.72

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

As per our report on even date

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

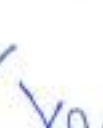


Anrit Bhansali
Partner
Membership No. 065155

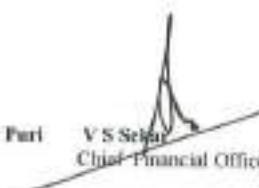
for and on behalf of the Board of
Dusters Total Solutions Services Private Limited



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V S Sekar
Chief Financial Officer

Place: Bangalore
Date: April 29, 2019

Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

Statement of Cash Flows for the year ended March 31, 2019

	Particulars	For the year ended	
		March 31, 2019	March 31, 2018
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	475.81	243.99
	Adjusted for:		
	Depreciation and amortisation expenses	45.46	43.49
	Net (gain)/ loss on sale of property plant and equipment	0.73	1.01
	Finance cost	15.79	37.86
	Interest income classified as investing cash flows	(0.24)	(10.39)
	Provision for doubtful debts/ written off	8.57	14.70
	Employee stock option compensation expense	4.10	2.26
	Other non-cash items	0.25	(10.69)
	Operating profit/(loss) before working capital changes	550.47	322.22
	Changes in working capital:		
	Decrease / (increase) in Trade receivables	(38.06)	(303.51)
	Decrease / (increase) in other current assets	(5.10)	(10.01)
	Decrease / (increase) in other current financial assets	(266.17)	53.67
	(Decrease) / increase in Trade payables	(22.63)	41.94
	(Decrease) / increase in provisions	31.23	17.77
	(Decrease) / increase in other current liabilities	81.14	30.59
	(Decrease) / increase in other current financial liabilities	109.81	67.88
		449.69	220.86
	Decrease / (increase) in other non-current financial assets	(25.92)	(3.46)
	Cash (used in) / generated from operations	414.77	217.10
	Direct tax paid (net of refunds)	(94.11)	(44.22)
	Net cash inflow / (outflow) from operating activities	320.66	172.88
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment	(61.90)	(52.95)
	Purchase of other intangible assets and intangible assets under development	(7.77)	(9.81)
	Proceeds from sale/disposal of property, plant and equipment	0.69	3.32
	(Investment) in / matured fixed deposits	-	10.19
	Interest received	0.15	11.11
	Net cash inflow / (outflow) from investing activities	(68.83)	(38.14)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Additions to borrowings	3.33	-
	Repayment of borrowings	(1.42)	(1.06)
	Interest paid	(15.79)	(37.86)
	Net cash inflow / (outflow) from financing activities	(13.88)	(38.92)
D	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	237.95	95.82
E	Cash and cash equivalents at the beginning of the year	12.76	0.67
F	Opening cash credit	(43.82)	(127.55)
G	Cash and cash equivalents at the end of the year (D+E+F+G)	206.89	(31.06)

Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following	March 31, 2019	March 31, 2018
Cash and cash equivalents	206.89	12.76
Closing cash credit	-	(43.82)
Balances as per statement of cash flows	206.89	(31.06)

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

As per our report on even date:

for BSR & Co, LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022



Anurag Bhansali
Partner
Membership No. 065155

for and on behalf of the Board of
Dusters Total Solutions Services Private Limited



Shamsheer Puri
Director
DIN: 01483698



Jaspreet Kewal Prakash Puri
Director
DIN: 01423301



V S Sekhri
Chief Financial Officer

Place: Bangalore
Date: April 29, 2019

Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

Notes to the financial statements

1. Company overview

Dusters Total Solutions Services Private Limited (formerly known as Dusters Hospitality Services Private Limited) ('the Company') is a company limited by shares, incorporated and domiciled in India. The Company is a Private Limited Company incorporated under the provisions of the Companies Act, 1956 on May 8, 2007. Its registered office and principal place of business is situated at:

332/1, Corporate Miller,
3rd Floor, Thimmaiah Road, Vasanth Nagar,
Bangalore, Karnataka – 560 052.

The company is engaged in the business of providing facility management services across industry verticals.

These financial statements were authorized for issue by the directors on April 29, 2019.

2. Summary of significant accounting policies

This note provides a list of significant accounting policies adopted in the preparation of these financial statements.

2.1 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) and comply in all material respects with the Ind-AS and other applicable provisions of the Companies Act, 2013 ("the Companies Act"). The Ind-AS are notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements are presented in Indian Rupees (INR) and are rounded off to the nearest millions ("Mn") except per share data and unless stated otherwise. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP"). Effective April 1, 2017, the Company has adopted Ind AS and the transition has been carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards, with April 1, 2016 being the transition date.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following material items which have been measured at fair value as required by relevant Ind-AS:

- Certain financial assets and financial liabilities (including derivative financial instruments) and contingent consideration that are measured at fair value;
- Assets held for distribution to owners upon demerger that are held at lower of carrying cost and fair value less cost to distribute;
- Share based payments; and
- The defined benefit asset/(liability) which is recognised as the present value of defined benefit obligation less fair value of plan assets.

Accounting policies have been applied consistently to all periods presented in these financial statements (refer note 2.2 (p)). Further previous year figures have been regrouped/re-arranged, wherever necessary.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. For the purpose of clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable or required.

Fair value measurement

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair value based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, bonds and debentures and mutual funds that have quoted price. The fair value of all financial instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.



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Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

In accordance with Ind-AS 113, 'Fair value measurement' assets and liabilities are to be measured based on the following valuation techniques:

- (i) Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- (ii) Income approach - Converting the future amounts based on market expectations to its present value using the discounting method.
- (iii) Cost approach - Replacement cost method.

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in the normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified current when:

- (i) It is expected to be settled in the normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- (v) Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, plant and equipment

Recognition and measurement

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Items of property, plant and equipment ('PPE') are initially recognised at cost. Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, asset retirement obligation and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

Subsequent expenditure related to an item of property, plant and equipment is added to its carrying value only when it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress.

Depreciation

The Company depreciates property, plant and equipment over the estimated useful lives using the straight line method from the date the assets are available for use. Assets acquired under finance lease are depreciated over the asset's useful life or over the shorter of the estimated useful life of the asset and the related lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.



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The estimated useful lives of assets are as follows:

Category	Useful life
Plant and machinery	7 years
Leasehold improvement	Shorter of useful life or lease period
Computer equipment	3 - 6 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years

Based on technical assessment, the useful lives as given above best represent the period over which the management expects to use these assets. The estimated useful lives for these assets may therefore be different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013

The residual values are generally not more than 5% of the original cost of the asset. The asset's residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Additions are depreciated on a pro-rata basis from the date, the asset is available for use till the date the assets are derecognised.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised

c) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of such expenditure can be measured reliably. All other repair and maintenance costs are recognised in profit or loss as incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using written down value method over their estimated useful lives of 60 years. The useful life has been determined based on a technical evaluation performed by the management's expert.

Investment properties are derecognised either when they have been disposed of 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 recognised in profit or loss in the period of derecognition.

(d) Intangible assets

Recognition and measurement

Intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at historical cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles excluding capitalised software development costs are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life on a straight-line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted accordingly. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.



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All amounts are in INR million, unless stated otherwise

The estimated useful lives of intangible assets are as follows:

Category	Useful life
Goodwill	Indefinite
Computer software	6 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials, services, and direct payroll and related costs of employees' time spent on the project.

(e) Investment in subsidiaries, associates and joint ventures

A subsidiary is an entity over which the Company has control. The Company controls an investee entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. This is generally the case where the Company holds between 20% and 50% of the voting rights.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Investments in subsidiaries, associates and joint ventures is accounted for at cost less impairment loss, if any. The said investments are tested for impairment whenever circumstances indicate that their carrying value may exceed the recoverable amount.

(f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- (i) Debt instruments at amortised cost
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (iv) Equity instruments measured at fair value through other comprehensive income FVTOCI

Financial instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) 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. EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions call and similar options) but does not consider the expected credit losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income based on EIR is included as interest income as a part of other income in the statement of profit and loss. The losses arising from impairment are recognised in profit or loss. A gain or loss on such financial asset which is not part of a hedging relationship is



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recognised in profit or loss when the asset is derecognised. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 16.

Financial instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognizes interest income calculated using the EIR method, impairment losses & reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Financial instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is made only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss in respect of such assets that are not part of a hedging relationship. The gain/loss on assets measured at FVTPL are presented 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.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with gain/loss presented in the statement of profit and loss within other gains/losses in the period in which it arises.

Derecognition of financial assets

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

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Similarly, where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

The Company recognizes loss allowances on a forward-looking basis using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Lifetime ECL allowance is recognised for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. Note 34 details how the Company determines whether there has been a significant increase in the credit risk. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised in the statement of profit and loss.



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Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Borrowings

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

Preference shares which are mandatorily redeemable are classified as liabilities. The dividends on these preference shares, to the extent such dividends are mandatorily payable, are recognised in profit or loss as finance costs.

The fair value of the liability portion of an optionally convertible debenture/ bond/ preference share or a zero-coupon debenture/ bond/ preference share or compulsorily convertible debenture/preference shares where the price of conversion of the debenture/preference shares into equity share is not fixed, is determined using a market rate of interest for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

When the terms of a financial liability are renegotiated and the entity issues equity instrument to a creditor to extinguish all or part of a liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

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

Financial guarantee contracts

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



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Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ losses. 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 derecognition 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 and loss as other gains/losses.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends upon whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, and the type of hedge relationship designated.

Derivatives which are not designated as hedges are accounted for at fair value through profit or loss and are included in other gains/ losses.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind-AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines changes in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(g) Trade receivables

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

(h) Current and deferred tax

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses and unused tax credits.

Current tax

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.



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Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- (i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- (ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed 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 assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

(i) Inventories

Inventories are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost includes custom duty, freight and other charges as applicable. The Company periodically reviews inventories to provide for diminution in the value of, and/or any unserviceable or obsolete, inventories.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

(j) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (including cash credit facilities) as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(k) Non-current assets held for sale/distribution to owners and discontinued operations

The Company classifies non-current assets and disposal groups as held for sale/distribution to owners if their carrying amounts will be recovered principally through a sale/distribution rather than through continuing use and where a sale is considered highly probable. Assets



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required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale/distribution will be made or that the decision to sell/distribute will be withdrawn and Management must be committed to the sale/distribution being completed within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/distribute except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Assets and liabilities classified as held for sale/distribution are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell/distribute. A gain is recognised for any subsequent increases in fair value less costs to sell/distribute an asset (or a disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale/distribution of the non-current asset (or disposal group) is recognised on the date of derecognition.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- (i) Represents a separate major line of business or geographical area of operations,
- (ii) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- (iii) Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

(f) Equity share capital

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Trade and other payables

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

(n) Provisions and contingent liabilities

Provisions

A provision is recognised when the Company has a present legal or a constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are recognised for legal claims and service warranties. Provisions are not recognised for future operating losses.

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

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

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. In respect of losses that are covered by insurance, such losses are recognised as an expense when there is clear evidence or determination or probability that any portion of the loss is not expected to be settled through insurance or other forms of recovery.

Asset Retirement Obligations (ARO)

ARO are recognised for those operating lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset and amortised or depreciated in the same manner as the asset to which it pertains. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present



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obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or a reliable estimate of the amount cannot be made.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

(o) Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants relating to income or expenditure/ expenses are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and recognised on a straight-line basis over the expected lives of related assets and presented within other income.

(p) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Amounts recognised as revenue are net of returns, trade allowances, discounts, rebates, deductions by customers, service tax, value added tax, goods and services tax and amounts collected on behalf of third parties.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was not material on the financial statements.

Revenue is recognised when the control is transferred to the customer and when the Company has completed its performance obligations under the contracts. Revenue is recognised in a manner that depicts the transfer of goods and services to customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

Revenue is recognised as follows:

- (i) Revenue from services represents the amounts receivable for services rendered.
- (ii) For non-contract-based business, revenue represents the value of goods delivered or services performed.
- (iii) For contract-based business, revenue represents the sales value of work carried out for customers during the period. Such revenues are recognised in the period in which the service is rendered.
- (iv) Unbilled revenue (contract assets) net of expected deductions is recognised at the end of each period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.
- (v) Unearned revenue (contract liabilities) represents revenue billed but for which services have not yet been performed and is included under Advances from customers. The same is released to the statement of profit and loss account as and when the services are rendered.
- (vi) Revenue from the use of assets such as rent for using property, plant and equipment is recognised on a straight-line basis over the terms of the related leases unless payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increase.

Sale of goods

Revenue from the sale of goods is recognised when the control of goods has been transferred, being when the products are delivered to the buyer, the buyer having the full discretion over the use of the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Discounts and rebates are estimated based on accumulated experience. The Company provide normal warranty provisions for general repairs for one year on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. Revenue is deferred and recognised on a straight line basis over the extended warranty period in case warranty is provided to customer for a period beyond one year.

Rendering of services

In contracts involving the rendering of services, revenue is measured using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, material and maintenance, revenue for each element is determined based on each element's fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.



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The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortised costs. If the unamortised costs exceed the undiscounted cash flow, a loss is recognised.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the

contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income from investments is recognised in profit or loss as other income when the Company's right to receive payments 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

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term unless payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increase and is included in revenue in the statement of profit or loss due to its operating nature.

(q) Foreign currency translation

The financial statements of the Company are presented in Indian Rupees (INR) which is also the Company's functional currency i.e. the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates prevailing as at the reporting date. Subsequently, differences arising on restatement or settlement of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions and translation differences are recognised in OCI with the accumulation in other equity as foreign currency translation reserve. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The equity items denominated in foreign currencies are translated at historical cost.

(r) Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, compensated absences, defined contribution to plans, defined benefit plans and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the employees of the Company.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, and compensated absences expected to be settled within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for compensated absences is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as employee benefits payable under other financial liabilities, current.

Bonus

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

Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to a specified portion of the unutilised accumulated compensated absences and utilize it in future periods. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognised in the statement of profit and loss in the year in which the absences occur. Re-measurement arising out of actuarial gains / losses are immediately taken into the statement of profit and loss and are not deferred.

In respect of those employees who are entitled to encashment of the leave at the end of every calendar year a provision is created to account for the liability.



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

Post-employment obligations

The Company operates the following post-employment schemes:

- (i) Defined contribution plans such as provident fund and employees' state insurance; and
- (ii) Defined benefit plans such as gratuity.

Defined contribution plan

The Company contributes on a defined contribution basis for eligible employees, to Employees' Provident Fund, Employees' Pension Scheme and Employees' State Insurance Scheme towards post-employment benefits, all of which are administered by the respective Government authorities and has no further obligation beyond making its contribution which is expected in the year in which it pertains. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

The Company has a defined benefit plan, viz., Gratuity, for all its employees, the liability for which is accrued and provided for as determined by an independent actuarial valuation. The liability recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit is actuarially determined (using the projected unit credit method) at the end of each year.

Present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields on government bond at the end of the reporting periods on government bonds that have approximately similar terms of the related obligation.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, post-service costs, gains and losses on curtailments and non-routine settlements, and
- (ii) Net interest expense or income

Past service costs are recognised in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Company recognizes related restructuring costs.

The net interest is calculated by applying the above mentioned discount rate to the net balance of the defined benefit obligations. This cost is included in the employee benefit expense in the statement of profit and loss.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

(s) Equity settled stock-based compensation

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of options granted under various Employee Share option plans is recognised as an employee benefits expense with a corresponding increase in equity (share option outstanding account).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates in the period of change, if any, in the profit or loss, with corresponding adjustment to equity.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions, if any, are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(t) Cash settled stock-based compensation

Employees of the Company receive share-based compensation in the form of parent company's share options. The cost of cash-settled transactions is measured initially at fair value at the grant date based on a debit note received from the parent company. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability.



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(u) Borrowing costs

Borrowing costs include interest calculated on the effective interest rate method and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of the assets that necessarily take a substantial period of time to get ready for their intended use or sale ('qualifying assets'), are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the statement of profit and loss within finance costs in the period in which they are incurred.

(v) Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

(w) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. Leases where the lessor transfers substantially all the risks and rewards incidental to ownership to the Company are classified as a finance lease and other leases are classified as operating leases.

Company as a lessee

(i) Operating leases

Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease term unless payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increase.

(ii) Finance leases

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in the borrowings or other financial liabilities as appropriate. The outstanding liability is included in other current/ non-current borrowings.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Company as a lessor

(i) Operating leases

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless payments are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The respective leased assets are included in the balance sheet based on their nature.

(ii) Finance leases

Amounts due from lessee under finance leases are recorded as receivables at an amount equal to the Company's net investment in the leased assets. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease term.

(x) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets, other than inventories and deferred tax assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of its fair value less cost of disposal and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the asset. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units or CGU). Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's CGUs expected to benefit from the synergies arising from the business combination. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill recognised in the statement of profit and loss is not reversed in the subsequent period. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

(y) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period (Note



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Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders; share split, and reverse share split (consolidation of shares).

Diluted Earnings per share amounts are computed by dividing the net profit attributable to the equity holders of the Company (after deducting preference dividends and attributable taxes but after adjusting the after income tax effect of interest and other financing cost associated with dilutive potential equity shares) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

(z) Cash dividend and non-cash distribution to equity holders of the Company

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the carrying value of the assets to be distributed in case of distributions in which all owners of the same class of equity instruments are treated equally or the distributed asset is ultimately controlled by the same party or parties both before and after the distribution, and at fair value of the assets to be distributed in other cases, with such value recognised directly in equity. For this purpose, a group of individuals shall be regarded as controlling an entity when, as a result of contractual arrangements, they collectively have the power to govern its financial and operating policies so as to obtain benefits from its activities, and that ultimate collective power is not transitory. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss or directly in the equity as approved by the National Company Law Tribunal / applicable regulatory or other authority.

(zi) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.3. Standards issued but not yet effective

(a) Ind AS 116, Leases: On March 30, 2019, Ministry of Corporate Affairs has notified the Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with the only exceptions as short-term and low-value leases. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019.

The Company will adopt the standard on April 1, 2019 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Company is in process of initial assessment of the potential impact on the Balance sheet, statement of profit and loss and cash flows.

(b) Ind AS 12, Income Taxes: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit / (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- 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 recognised by adjusting equity on initial application, without adjusting comparatives (Cumulative catch - up approach).

The effective date for adoption of Ind AS 12 Appendix C is financial periods beginning on or after April 1, 2019.

The Company will adopt the standard on April 1, 2019 by using the cumulative catch - up transition method and accordingly comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The effect on adoption of Ind AS 12 Appendix C is not expected to be material.



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There are no other standards that are issued but not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions

2.4. Significant accounting judgements estimates and assumptions

Use of estimates and judgment

The preparation of the financial statements in conformity with Ind-AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

In the process of applying the Company's accounting policies, management has made various judgements, which have the most significant effect on the amounts recognised in the financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- (i) Estimation of current tax expense and payable – Note 7
- (ii) Estimated useful life of intangible assets – Note 2.2 (d)
- (iii) Estimation of defined benefit obligation – Note 23 (d)
- (iv) Recognition of deferred tax assets for carried forward of tax losses – Note 7
- (v) Impairment of trade receivables – Note 9
- (vi) Classification of leases as operating leases or finance leases - Note 2.2 (w)
- (vi) Whether assets held for distribution to owners meet the definition of discontinued operations - Note 2.2 (k)

Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. There are no reasonable foreseeable changes in these key estimates which would have caused an impairment of these assets.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 24.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 7.

Defined benefit plans (gratuity benefits)

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

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates.



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All amounts are in INR million, unless stated otherwise

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Intangible asset under development

The Company capitalizes development costs for a project in accordance with the accounting policy. Initial capitalization of costs is based on management's judgment that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.



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A handwritten signature in blue ink, appearing to be the initials 'JS'.

A handwritten signature in blue ink, consisting of a long horizontal line with a stylized 'S' or 'd' shape above it.

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All amounts are in INR million, unless stated otherwise

3. Property, plant and equipment

Description of assets	Gross block				Accumulated depreciation				Net carrying value as at March 31, 2018
	As at April 1, 2017	Additions during the year	Sale and adjustments	As at March 31, 2018	As at April 1, 2017	Charge for the year	Sale and adjustments	As at March 31, 2018	
Leasehold improvements	5.76	2.92	-	8.68	2.77	2.14	-	4.91	3.77
Plant and machinery	122.60	55.08	(7.62)	170.06	26.40	30.78	(3.29)	53.89	116.17
Furniture and fixtures	2.60	0.34	-	2.94	0.77	0.84	-	1.61	1.33
Vehicles	5.15	-	-	5.15	1.05	0.88	-	1.93	3.22
Office equipment	4.37	4.45	-	8.82	1.26	1.71	-	2.97	5.85
Computer equipment	6.73	6.26	-	12.99	1.97	3.63	-	5.60	7.39
Total	147.21	69.05	(7.62)	208.64	34.32	39.98	(3.29)	70.91	137.73

Description of assets	Gross block				Accumulated depreciation				Net carrying value as at March 31, 2019
	As at April 1, 2018	Additions during the year	Sale and adjustments	As at March 31, 2019	As at April 1, 2018	Charge for the year	Sale and adjustments	As at March 31, 2019	
Leasehold improvements	8.68	5.70	-	14.38	4.91	2.59	-	7.50	6.88
Plant and machinery	170.06	42.76	(0.50)	212.32	53.89	31.16	(0.28)	84.77	127.55
Furniture and fixtures	2.94	0.34	-	3.28	1.61	0.81	(0.01)	2.41	0.87
Vehicles	5.15	3.71	(2.69)	6.17	1.93	0.83	(1.53)	1.23	4.94
Office equipment	8.82	3.02	-	11.84	2.97	2.24	-	5.21	6.63
Computer equipment	12.99	7.75	(0.08)	20.66	5.60	4.23	(0.03)	9.80	10.86
Total	208.64	63.28	(3.27)	268.65	76.91	41.86	(1.85)	110.92	157.73

4. Other intangible assets

Description of assets	Gross block				Accumulated depreciation				Net carrying value as at March 31, 2018
	As at April 1, 2017	Additions during the year	Sale and adjustments	As at March 31, 2018	As at April 1, 2017	Charge for the year	Sale and adjustments	As at March 31, 2018	
Goodwill	77.54	-	-	77.54	-	-	-	-	77.54
Other intangible assets									
Computer software *	9.98	9.81	-	19.79	3.16	3.51	-	6.67	13.12
Intangible assets under development**	-	-	-	-	-	-	-	-	-
Grand Total	87.52	9.81	-	97.33	3.16	3.51	-	6.67	90.66

Description of assets	Gross block				Accumulated depreciation				Net carrying value as at March 31, 2019
	As at April 1, 2018	Additions during the year	Sale and adjustments	As at March 31, 2019	As at April 1, 2018	Charge for the year	Sale and adjustments	As at March 31, 2019	
Goodwill	77.54	-	-	77.54	-	-	-	-	77.54
Other intangible assets									
Computer software *	19.79	7.42	-	27.21	6.67	3.60	-	10.27	16.94
Intangible assets under development**	-	0.35	-	0.35	-	-	-	-	0.35
Grand Total	97.33	7.77	-	105.10	6.67	3.60	-	10.27	94.83

* Computer software consists of purchased software licenses and development costs of existing Enterprise Resource Planning (ERP) software.

** Intangible assets under development consist of expenditure on development of Enterprise Resource Planning (ERP) software.

Goodwill

A summary of changes in the carrying amount of goodwill is as follows:

Particulars	March 31, 2019	March 31, 2018
Carrying value at the beginning of the year	77.54	77.54
Carrying value at the end of the year	77.54	77.54



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The entire goodwill is relating to amalgamation of its two wholly owned subsidiaries named Prostar Hospitality Services Private Limited (Prostar) and Facilitec Services (India) Private Limited (Facilitec) under section 391-394 of the Companies Act, 1956 effective from April 1, 2014. The Company as a whole is the CGU and opening segment, hence, no separate allocation of goodwill has been disclosed.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU / groups of CGUs over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2019 and March 31, 2018, the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the fair value less cost to sell being higher than value-in-use. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing.

Key assumptions used for testing impairment of goodwill relating to amalgamation of its two wholly owned subsidiaries named Prostar Hospitality Services Private Limited (Prostar) and Facilitec Services (India) Private Limited (Facilitec):

Particulars	March 31, 2019	March 31, 2018
Sales (% annual growth rate)	15% - 20%	15% - 20%
Budgeted gross margin (%)	13.00%	12.00%
Long term growth rate (%)	5.00%	5.00%
Pre-tax discount rate (%)	7.35%	14.78%

Impairment testing of goodwill

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculation use cash flow projections based on financial budgets approved by management covering a period of five years. Cash flows beyond the period of five years are extrapolated using the estimated growth rates stated above. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Goodwill is monitored by management at the level of the Company as a whole is the CGU.

5. Investment

Particulars	March 31, 2019	March 31, 2018
Non-current investment		
Investments at fair value through profit or loss (FVTPL)		
Unquoted equity shares		
2,500 (March 31, 2018: 2,500) unquoted equity shares of The Saraswat Co-operative Bank Ltd. of INR 10 each, fully paid-up	0.03	0.03
Total	0.03	0.03
Aggregate book value of quoted investments and market value thereof	-	-
Aggregate book value of unquoted investments	0.03	0.03
Aggregate amount of impairment in value of investment	-	-

6. Other financial assets

Particulars	March 31, 2019	March 31, 2018
Other non-current financial assets		
Security deposits	38.35	12.43
Total other non-current financial assets	38.35	12.43
Other current financial assets		
Unbilled revenue	296.88	32.89
Interest accrued on deposits	0.09	-
Others	6.38	4.20
Total other current financial assets	303.35	37.09
Total other financial assets	341.70	49.52

No loans or other advances are due from directors or other officers of the Company either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member.



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Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

7. Income tax

The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

Statement of profit and loss:

Profit or loss section:

Particulars	March 31, 2019	March 31, 2018
Current income tax:		
Current income tax charge	98.97	44.32
Adjustments in respect of current income tax expense / (reversal) of previous years	0.31	(11.14)
Deferred tax:		
Decrease/ (increase) in deferred tax assets	(104.18)	(89.55)
Deferred tax expense / (credit) for earlier years	(0.07)	(1.45)
Income tax expense reported in statement of profit and loss	(4.97)	(57.82)

The Company has accounted for the benefits under Section 80JAA of the Income Tax Act, 1961 in respect of the years ended March 31, 2017, during the year ended March 31, 2018 as the relevant numbers and benefit were computed and crystallized only during the year ended March 31, 2018. Therefore, the current tax expense and deferred tax expense for the year ended March 31, 2018 includes a tax credit of INR 69.49 million which pertains to the accounting of the benefits, under Section 80JAA of the Income Tax Act, 1961, in respect of the year ended March 31, 2017.

OCI section:

Tax related to items recognised in OCI during in the year:

Particulars	March 31, 2019	March 31, 2018
Tax expense/ (credit) on re-measurements of defined benefit plans	0.09	(3.70)
Income tax charged to OCI	0.09	(3.70)

Reconciliation of tax expense and the accounting profit multiplied by the tax rate

Particulars	March 31, 2019	March 31, 2018
Accounting profit before tax from continuing operations	475.81	243.99
Accounting profit before income tax	475.81	243.99
At the statutory income tax rate @ 34.944% (March 31, 2018: 34.608%)	166.27	84.44
Adjustments in respect of current income tax of previous years	0.31	(11.14)
Utilization of previously unrecognised tax losses to reduce deferred tax expense	(2.10)	(1.45)
Additional temporary tax deductible in respect of certain benefits under the Income Tax Act, 1961	(170.19)	(130.64)
Non-deductible expenses for tax purposes:	0.74	0.97
Corporate social responsibility expenditure	0.61	0.52
Donations	0.02	0.01
Other non-deductible expenses	0.11	0.44
Income tax expense reported in the statement of profit and loss	(4.97)	(57.82)

The applicable statutory tax rate of the Company for financial year ended March 31, 2019 is 34.944% (31 March 2018: 34.608%). The effective tax rate applicable to the Company for the financial year 2019-20 would be 34.944%.

The balance in deferred tax assets (liabilities) comprises temporary differences attributable to

Particulars	March 31, 2019	March 31, 2018
Property, plant and equipment	(16.96)	(14.07)
Other intangible assets	14.43	9.80
Defined benefit obligations	97.77	74.92
Deductions in respect of certain benefits under the Income Tax Act, 1961	141.48	79.26
Allowance for doubtful debts - trade receivables	8.93	6.20
Minimum alternative tax (MAT) credit entitlement	21.97	7.35
Total deferred tax assets (liabilities)	267.62	163.46

Reflected in the balance sheet as follows:

Particulars	March 31, 2019	March 31, 2018
Deferred tax assets	284.58	177.53
Deferred tax liabilities	(16.96)	(14.07)
Deferred tax assets (liabilities), net	267.62	163.46



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All amounts are in BSR million, unless stated otherwise

Reconciliation of deferred tax assets / (liabilities), net:

Reconciliation of deferred tax assets (liabilities), net	Property, plant and equipment and investment property	Intangible assets	Defined benefit obligations	Deductions in respect of certain benefits under the Income Tax Act, 1961	Allowance for doubtful debts – trade receivables	Minimum Alternative Tax (MAT)	Total
As at April 01, 2017	10.34	(3.99)	59.30	-	3.11	-	68.76
Tax income/(expense) during the period recognised in profit or loss	(24.41)	13.79	11.92	79.26	3.09	7.35	91.00
Tax income/(expense) during the period recognised in OCI	-	-	3.70	-	-	-	3.70
As at March 31, 2018	(14.07)	9.80	74.92	79.26	6.20	7.35	163.46
Tax income/(expense) during the period recognised in profit or loss	(2.89)	4.63	22.94	62.22	2.73	14.62	104.25
Tax income/(expense) during the period recognised in OCI	-	-	(0.09)	-	-	-	(0.09)
As at March 31, 2019	(16.96)	14.43	97.77	141.48	8.93	21.97	267.62

Income tax assets

Particulars	March 31, 2019	March 31, 2018
Opening balance	154.76	143.72
Add: taxes paid	127.47	93.25
Less: Refund received during the year (net of taxes paid for earlier year)	33.36	49.03
Less: Current tax payable for the year	99.28	33.18
Income tax assets	149.59	154.76

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

8. Other assets

Particulars	March 31, 2019	March 31, 2018
Total other non-current assets	-	-
Other current assets		
Prepaid expenses	14.40	9.58
Goods and service tax recoverable	3.64	4.42
Other advances	1.97	0.91
Total other current assets	20.01	14.91
Total other assets	20.01	14.91

9. Trade receivables

Particulars	March 31, 2019	March 31, 2018
Trade receivable	1,223.33	1,194.04
Less: Allowance for doubtful debts	(17.92)	(17.92)
Total trade receivable	1,205.41	1,176.12

Break up of security details

Particulars	March 31, 2019	March 31, 2018
Considered good – Secured	-	-
Considered good – Unsecured	1,205.41	1,176.12
Credit impaired	17.92	17.92
Total	1,223.33	1,194.04
Impairment allowance (allowance for bad and doubtful debts)	(17.92)	(17.92)
Total	1,205.41	1,176.12

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in note 33.



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All amounts are in INR million, unless stated otherwise

Refer note 34 for the company's policy regarding impairment allowance on trade receivables and Company's credit risk management processes.

For outstanding balances, terms and conditions relating to related party receivables refer note 33.

10. Cash and cash equivalents

Particulars	March 31, 2019	March 31, 2018
Balances with banks:		
On current accounts	76.89	12.71
Bank deposits with original maturity of three months or less	130.00	-
Cash on hand	-	0.05
Total	206.89	12.76

Cash on hand and bank balances lying in various current accounts bear no interest.

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.

11. Equity share capital

Authorized share capital

Particulars	(Nos. in million)	(INR million)
At April 1, 2018	5.70	57.00
Increase/(decrease) during the year	-	-
At March 31, 2018	5.70	57.00
Increase/(decrease) during the year	-	-
At March 31, 2019	5.70	57.00

Issued / Subscribed and paid up equity capital

Particulars	(Nos. in million)	(INR million)
At April 1, 2017	2.80	28.02
Other issue of shares	-	-
At March 31, 2018	2.80	28.02
Other issue of shares	-	-
At March 31, 2019	2.80	28.02

Shares held by holding Company

Out of the equity shares issued by the Company, shares held by its holding company are as below:

Particulars	March 31, 2019	March 31, 2018
Holding Company	No. of shares	No. of shares
Security and Intelligence Services (India) Limited, Holding Company	26,07,232	24,07,263
	26,07,232	24,07,263

Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2019		March 31, 2018	
	Numbers	% holding	Numbers	% holding
Securities and Intelligence Services (India) Limited	26,07,232	93.06%	24,07,263	85.92%
Jasmer Kewal Prakash Puri	63,077	2.25%	1,30,821	4.67%
Shamsher Puri	1,31,357	4.69%	2,63,582	9.41%
Total number of shares holding more than 5%	28,01,666	100%	28,01,666	100%

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
	Numbers	Numbers	Numbers	Numbers	Numbers
Equity shares bought back	-	-	-	18,361	-

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share and to participate in dividends in proportion to the number of and amounts paid on the shares held. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the amount of equity shares held by the shareholders.



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All amounts are in INR million, unless stated otherwise

12. Other equity

Particulars	March 31, 2019	March 31, 2018
Capital reserve	17.09	17.09
Securities premium	621.24	621.24
General reserve	14.08	10.28
Share options outstanding account	3.27	7.07
Retained earnings	742.86	261.92
Capital redemption reserve	0.18	0.18
Total Reserve and Surplus	1,398.72	917.78

Capital reserve

As at April 1, 2017	17.09
Increase/ (decrease) during the year	-
As at March 31, 2018	17.09
Increase/ (decrease) during the year	-
As at March 31, 2019	17.09

Securities premium

As at April 1, 2017	621.24
Add: Receipts on exercise of share options	-
As at March 31, 2018	621.24
Add: Receipts on exercise of share options	-
As at March 31, 2019	621.24

General reserve

As at April 1, 2017	7.56
Add: Transfer to General Reserve due to expiry of vested options	2.72
As at March 31, 2018	10.28
Add: Transfer to General Reserve due to expiry of vested options	3.80
As at March 31, 2019	14.08

Share option outstanding account

As at April 1, 2017	8.64
Add: Stock option compensation expense	1.15
Less: Transfer to General Reserve due to expiry of vested options	(2.72)
As at March 31, 2018	7.07
Add: Stock option compensation expense	-
Less: Transfer to General Reserve due to expiry of vested options	(3.80)
At March 31, 2019	3.27

Retained earnings

As at April 1, 2017	(32.90)
Add: Net Profit / (Loss) for the year	301.81
Add: Re-measurements of post-employment benefit plans directly in retained earnings	(6.99)
As at March 31, 2018	261.92
Add: Net Profit / (Loss) for the year	480.78
Add: Re-measurements of post-employment benefit plans directly in retained earnings	0.16
At March 31, 2019	742.86

Capital redemption reserve

As at April 1, 2017	0.18
Increase/ (decrease) during the year	-
As at March 31, 2018	0.18
Increase/ (decrease) during the year	-
As at March 31, 2019	0.18



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Nature and purpose of reserves

(i) Capital reserve

The capital reserve represents the net assets over the shares allotted by the Company consequent to Amalgamation of Amalgamation of Total Facility Management Private Limited and Dusters Hospitality Services Private Limited in the financial year ended March 31, 2009.

(ii) Securities premium

Security premium is used to record the premium on issue of shares or other securities such as debentures or bonds. The reserve is utilised in accordance with the Companies Act, 2013.

(iii) General reserve

The general reserve is the result of a company's transferring a certain amount of Employee Stock Option Reserve on lapse of the options granted on account of exit of the employees. The purpose of setting up a general reserve account is to meet potential future unknown liabilities. In other words, the general reserve is a free reserve which can be utilised for any purpose after fulfilling certain conditions.

(iv) Share options outstanding account

The Company introduced in January 2011, the "Dusters Total Solution Employee Stock Option Plan" ("the Option Plan") to reward specific individuals in the organization for their performance to drive ownership among critical, senior professionals towards achievement of long term goals of the organization by providing avenue for significant wealth co-creation as well as to retain and attract critical senior talent with recognised potential to positively impact achievement of long-term goals. The scheme was approved by the Board of Directors in its meeting held in March 2011 and the options are to be granted to employees of the Company.

(v) Capital redemption reserve

During the year ended March 31, 2016, the Company, has made the buyback of equity shares at a price of INR 503 per equity share under section 68 of the Companies Act 2013 on December 23, 2015. The buyback was made up to 1.78% of the paid-up equity share capital and free reserves of the Company as at March 31, 2015. The aggregate amount for buy back was INR 9.24 million and the Company utilised the surplus balance in securities premium of INR 9.05 million and the share capital of INR 0.18 million. The Capital Redemption Reserve account was credited out of surplus in statement of profit and loss for INR 0.18 million being face value of shares bought back.

13. Borrowings

Particulars	Notes	March 31, 2019	March 31, 2018
A. Non-current borrowings			
Secured			
-Vehicle loan from banks	a	2.93	1.02
Total secured borrowings		2.93	1.02
Total non-current borrowings		2.93	1.02
Less: Current maturity of long-term loans		1.00	1.02
Non-current borrowings (as per balance sheet)		1.93	-
B. Current borrowings			
Secured			
From banks			
Cash credit from HDFC bank	b	-	-
Cash credit from Rainakar bank	b	-	19.57
Cash credit from Yes bank limited	b	-	24.25
Total secured borrowings		-	43.82
Unsecured			
Total unsecured borrowings		-	-
Total current borrowings		-	43.82
Aggregate secured loans		2.93	44.84
Aggregate unsecured loans		-	-

Notes:

Non-current borrowings -

- Non-Current borrowings represent the amount received from HDFC Bank and ICICI Bank during the year ended March 31, 2018 and from Yes Bank during the year ended March 31, 2019 as vehicle loans. Loans are secured by hypothecation of the vehicles for which loans are obtained. There are no defaults in the repayment of the principal loan and interest amounts. The loans carry interest rate of 10.84% p.a. for the year-ended March 31, 2019 and 10.50% p.a. for year ended March 31, 2018 on the outstanding amount of loan. Repayment of loan is ranging between 36 to 60 equal monthly instalments.
- Short-term borrowings under cash credit facilities from banks represent the amount outstanding against the cash credit facilities from HDFC Bank, Yes Bank and RBL Bank. The loan carry interest of 10% to 11% per annum on outstanding amount of Cash Credit. The loans are secured by first pari passu charge on current assets of the Company.

However, as on March 31, 2019, there is a debit balance in cash credit account, hence classified under cash and cash equivalents.



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All amounts are in INR million, unless stated otherwise

14. Trade Payables

Particulars	March 31, 2019	March 31, 2018
Total non-current trade payables	-	-
Current trade payables		
- total outstanding dues of micro enterprises and small enterprises	6.14	
- total outstanding dues of creditors other than micro enterprises and small enterprises	66.14	90.81
Total current trade payable	72.28	90.81
Total trade payables	72.28	90.81

The terms and conditions of the above financial liabilities are as follows:

- Trade payables are non-interest bearing and are normally settled on credit terms ranging from 30-60 days which vary by vendor and type of service.
- For outstanding balances, terms and conditions with related parties refer note 33.

Based on the information available with the Company, the amount payable to creditors who have been identified as "suppliers" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006" is as below:

Particulars	March 31, 2019	March 31, 2018
Principal amount and the interest due thereon [INR Nil (March 31, 2018 - Nil)]	6.14	-
Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

15. Other financial liabilities

Particulars	March 31, 2019	March 31, 2018
Total other non-current financial liabilities	-	-
Other current financial liabilities		
Current maturity of term loans (refer Note 13)	1.00	1.02
Capital creditors	24.55	23.17
Other payables and accruals	55.92	52.33
Employee benefits payable	504.00	397.78
Total other current financial liabilities	585.47	474.30
Total other financial liabilities	585.47	474.30

16. Financial instruments by category

Particulars	March 31, 2019			March 31, 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets:						
Investments						
-Equity instruments	0.03	-	-	0.03	-	-
Trade receivables			1,205.61			1,176.12
Cash and cash equivalents			206.89			12.76
Security deposits			38.35			12.43
Other financial assets			303.35			37.09
Total financial assets	0.03	-	1,754.20	0.03	-	1,238.40
Financial Liabilities:						
Trade and other payables	-	-	72.28	-	-	90.81
Borrowings	-	-	1.93	-	-	43.82
Other financial liabilities	-	-	585.47	-	-	474.30
Total financial liabilities	-	-	659.68	-	-	608.93



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Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

Valuation methodologies

Investments:

The Company's investments consist primarily of investment in equity shares of unquoted companies. Management has considered cost to be approximating to fair value considering the immateriality of such investments.

The following table presents the Level 3 items for the years ended March 31, 2019 and March 31, 2018:

Particulars	March 31, 2019			March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets:						
Investments	-	-	0.03	-	-	0.03
Total financial assets	-	-	0.03	-	-	0.03
Total financial liabilities	-	-	-	-	-	-

Fair Values of assets and liabilities carried at amortised costs are as follows:

Particulars	March 31, 2019		March 31, 2018	
	Carrying value	Fair value Level 2 inputs	Carrying value	Fair value Level 2 inputs
Financial assets:				
Trade receivables	1,205.61	1,205.61	1,176.12	1,176.12
Cash and cash equivalents	206.89	206.89	12.76	12.76
Security deposits	38.35	38.35	12.43	12.43
Others financial assets	303.35	303.35	37.09	37.09
Financial liabilities:				
Trade payables	72.28	72.28	90.81	90.81
Borrowings	1.93	1.93	43.82	43.82
Other financial liabilities	585.47	585.47	474.30	474.30

The Company has assessed that the fair value of cash and cash equivalent, trade receivables, security deposit, other financial assets, capital creditors, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

17. Provisions

Particulars	March 31, 2019	March 31, 2018
Current		
Gratuity	55.63	47.99
Leave liability	37.90	22.98
Total - Current	93.53	70.97
Non-current		
Gratuity	43.60	34.93
Leave liability	-	-
Total - Non current	43.60	34.93
Grand Total	137.13	105.90

Refer note 23 for details of employee benefits.

18. Other liabilities

Particulars	March 31, 2019	March 31, 2018
Other non-current liabilities	-	-
Other current liabilities		
Statutory dues payable	212.81	139.32
Other current liabilities	7.65	-
Total other current liabilities	220.46	139.32
Total other liabilities	220.46	139.32



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Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

19. Government grant

Particulars	March 31, 2019	March 31, 2018
As at the beginning of the year	-	-
Add: Received during the year	141.61	45.05
Less: Released to the statement of profit and loss	(141.61)	(45.05)
As at the end of the year	-	-
Current	-	-
Non-current	-	-

The Company is availing of benefits under a government scheme - Pradhan Mantri Roggar Pratsahan Yojana (PMRPY) wherein the Central Government is paying the employer's contribution in respect of new employees meeting specified criteria. The grant is paid by the Government on a monthly basis on fulfillment of certain conditions. Accordingly, such Government grant is taken to profit or loss when the conditions are met.

20. Revenue from operations

Particulars	March 31, 2019	March 31, 2018
Facility management services	6,298.52	4,850.39
Total	6,298.52	4,850.39

Disaggregate revenue information

The following table presents the disaggregated revenue from contracts with customers.

Particulars	March 31, 2019	March 31, 2018
Revenue by time of recognition		
At a point in time (Sale of equipment)	-	-
Over the period of time	6,298.52	4,850.39
Total	6,298.52	4,850.39

21. Other income

Particulars	March 31, 2019	March 31, 2018
Interest from deposits with banks	0.24	0.70
Interest on security deposits	0.52	0.45
Interest income on tax refunds	10.17	9.24
Total	10.93	10.39

22. Cost of materials consumed

Particulars	March 31, 2019	March 31, 2018
Purchases of chemicals, consumables and others	128.04	128.69
Uniforms and related items	18.50	13.68
Total	146.54	142.37

23. Employee benefits expense

(a) Employee benefits expense include:

Particulars	March 31, 2019	March 31, 2018
Salaries, wages and bonus	4,562.76	3,492.76
Contribution to provident and other funds	614.77	466.56
Less: Government grant (refer Note 19)	(141.61)	(45.05)
Employee share-based payment expense	4.10	2.26
Gratuity expense	21.00	17.05
Leave compensation	200.93	157.34
Staff welfare expenses	19.66	16.52
Total	5,281.61	4,107.44



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Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

(b) Unfunded scheme – Leave obligations

Leave obligations cover the Company's liability for earned leave.

The amount of the provision of INR 37.90 million (March 31, 2018 – INR 22.98 million,) included in Note 17 is presented as current, since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave within the next 12 months. The following amount reflects leave that is not expected to be taken within the next 12 months:

Particulars	March 31, 2019	March 31, 2018
Current leave obligation not expected to be settled within next 12 months	1.00	0.80

(c) Defined contribution plans

The Company has certain defined contribution plans:

Contributions are made to provident fund for employees at the rate of 12% of the salary (subject to a limit of INR 15,000 salary) as per regulations. The contributions are made to a statutory provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligations in this regard.

Further contributions are made in respect of Employees' State Insurance Scheme at the rate of 4.75% of the gross pay as per regulations. The contributions are towards medical benefits provided by the Government to the employees. The contributions are made to employees' state insurance authorities administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligations in this regard.

Contributions to provident fund and employees' state insurance scheme are recognised as an expense as they become payable which coincides with the period during which relevant employee services are received. Prepaid contributions are recognised as an asset to an extent that a cash refund or a reduction in the future payments is available.

The expense recognised during the year towards defined contribution plans (net of PMRPY benefit) is INR 473.16 million (March 31, 2018 – INR 421.51 million).

(d) Defined benefits plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The amount of gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is unfunded.

The following tables summarizes the components of net benefit expense recognised in the statement of profit or loss and the non-funded status and amounts recognised in the balance sheet for the respective plans:

Expenditure to be recognised during the year:

Particulars	March 31, 2019	March 31, 2018
Current service cost	16.76	12.39
Past service cost	-	1.65
Interest cost	4.24	3.01
Total amount recognised in statement of profit and loss	21.00	17.05
Remeasurements		
Gain (loss) from Changes in financial assumptions	0.96	(1.41)
Gain (loss) from Changes in demographic assumptions	0.45	0.08
Experience gain (loss)	(1.66)	12.02
Total amount recognised in other comprehensive income	(0.25)	10.69

Change in present value of defined benefit obligation is summarized below

Reconciliation of opening and closing balances of defined benefit obligation

Particulars	March 31, 2019	March 31, 2018
Benefit obligation at the beginning of year	82.92	63.40
Current service cost	16.76	12.38
Past service cost	-	1.65
Interest cost	4.25	3.01
Remeasurements gain(loss) on defined benefit plan	(0.25)	10.69
Benefits paid	(4.45)	(8.21)
Defined benefit obligation at year end	99.23	82.92



Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

Principal actuarial assumptions	March 31, 2019	March 31, 2018
Discount rate	6.70%	7.20%
Future salary increase		
Non billing/ indirect employees	7.20%	7.20%
Billing/direct employees	6.80%	6.80%
Attrition rate		
Billing employees	72.57%	73.26%
Non billing employees	29.33%	29.24%

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

Assumptions	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Sensitivity level				
Impact on defined benefit obligation				
March 31, 2019	(0.96)	0.98	0.93	(0.91)

The above sensitivity analyses are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are market volatility, changes in inflation, changes in interest rates, rising longevity, changing economic environment and regulatory changes.

Defined benefit liability:

The expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2019					
Defined benefit obligations (gratuity)	55.63	25.15	25.52	8.20	114.50
March 31, 2018					
Defined benefit obligations (gratuity)	47.99	21.62	19.82	7.00	96.44

The weighted average duration to the payment of these cash flows for Site employees is 1.53 years.

The weighted average duration to the payment of these cash flows for Back Office employees is 3.22 years.

24. Share based payments

The Company introduced in January 2011, the "Dusters Total Solution Employee Stock Option Plan" ("the Option Plan") to reward specific individuals in the organization for their performance to drive ownership among critical, senior professionals towards achievement of long term goals of the organization by providing avenue for significant wealth co-creation as well as to retain and attract critical senior talent with recognised potential to positively impact achievement of long-term goals. The scheme was approved by the Board of Directors in its meeting held in March 2011 and the options are to be granted to employees of the Company. The Option Plan provides for the creation and issue of 125,285 options, from the forgone shares of the existing shareholder that would eventually convert into equity shares of INR 10 each in the hands of the employees. The total 125,285 options were granted as at 31 March 2017 out of which 63,137 options were exercised till 31 March 2017. These options will vest annually in a graded manner as per the grant letters. In the financial year 2017-18 there were no new grants from the company and 23,713 options were forfeited. Further, in the financial year 2018-19 there are no new grants from the Company and 22,791 options were forfeited.

The shares issuable under the Scheme will be issued out of the existing shares held by the existing promoter shareholders of the Company and hence there will be no fresh issuance on exercise of such options.

The shares issuable under the Scheme will be issued out of the existing shares held by the existing promoter shareholders of the Company and hence there will be no fresh issuance on exercise of such options.



Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

The number and weighted average exercise prices of share options under employee stock option plans are as follows:

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Details of movements				
Options outstanding as at the beginning	38,435	10	62,148	10
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed/forfeited during the year	(22,791)	10	(23,713)	10
Options outstanding as at the end	15,644	10	38,435	10
Options exercisable as at the end	15,644	10	38,435	10

The following table summarizes information about the options outstanding under the ESOP Plan as at March 31, 2019:

Exercise price	No. of shares arising out of options	Weighted average fair value as on grant date	Weighted Average remaining contractual life (years)	Expected life (years)
10	5,169	137	0.25	4 - 6
10	1,425	245	0.25	7 - 8
10	699	264	0.25	6 - 7
10	8,351	350	0.25	2 - 3
	15,644			

The following table summarizes information about the options outstanding under the ESOP Plan as at March 31, 2018:

Exercise price	No. of shares arising out of options	Weighted average fair value as on grant date	Weighted Average remaining contractual life (years)	Expected life (years)
10	13,449	137	0.25	3 - 5
10	2,840	245	0.25	3 - 5
10	3,975	264	0.25	3 - 5
10	19,171	350	1.78	1 - 3
	38,435			

The fair value of each stock option is estimated by management on the date of grant using the Black-Scholes option pricing model with the following assumptions:

Particulars	March 31, 2019	March 31, 2018
Expected term	3 to 4 years	3 to 4 years
Expected dividend	0%	0%
Risk free interest rates	7%	7%
Expected volatility	20%	20%

The Company has accounted for the above options using the fair value method as mentioned in IND AS 102 "Share Based Payments". The fair value on the date of grants, has been determined based on an independent valuation. Stock compensation expense recognised during the year ended 31 March 2019 is INR 4.10 million (31 March 2018: INR 2.26 million, including INR 1.11 million towards ESOP granted by the parent Company), towards ESOP granted by the parent company.

The fair value of the underlying shares of the Company is calculated through the use of Earning Method and Discounted Cash Flow method, requiring subjective assumptions which greatly affect the calculated values. The fair value of the options has been calculated using the Black-Scholes option pricing model, considering the fair value of the shares on the date of grant, the expected term of the options, an expected dividend rate on the underlying equity shares, volatility in the share price and a risk free rate of return.

Certain employees of the Company have been granted share options issued by the parent, viz., Security & Intelligence Service (India) Ltd. The cost of such share options is charged to the Company by the parent and is reimbursed by the Company.



Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

The fair value of each stock option is estimated by management on the date of grant using the Black-Scholes option pricing model with the following assumptions:

Particulars	March 31, 2019	March 31, 2018
Expected term	2 to 4 years	3 to 5 years
Expected dividend	0.25%	0.25%
Risk free interest rates	6.91%	6.91%
Expected volatility	30.94%	30.94%

2018-19	ESOP 2011							Total
	ESOPs granted in							
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
Total No. of options available under the Scheme as on April 01, 2018	2,840	2,222	753	5,559	6,263	1,628	19,170	38,435
Exercise Price	INR 10/-	INR 10/-	INR 10/-	INR 10/-	INR 10/-	INR 10/-	INR 10/-	INR 10/-
Exercise Period (from the date of grant of the option)	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Options forfeited/lapsed during the year	1,415	1,901	375	3,330	3,927	1,025	10,818	22,791
Outstanding stock options as at March 31, 2019	1,425	321	378	2,229	2,336	603	8,352	15,644
Option exercisable as at March 31, 2019	1,425	321	378	2,229	2,336	603	8,352	15,644

2017-18	ESOP 2011							Total
	ESOPs granted in							
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
Total No. of Options available under the Scheme as on April 01, 2017	4,830	7,362	1,128	12,555	11,530	4,817	19,926	62,148
Exercise Price	INR 10/-	INR 10/-	INR 10/-	INR 10/-	INR 10/-	INR 10/-	INR 10/-	INR 10/-
Exercise Period (from the date of grant of the option)	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Options forfeited/lapsed during the year	1,990	5,140	375	6,996	5,267	3,189	756	23,713
Outstanding stock options as at March 31, 2018	2,840	2,222	753	5,559	6,263	1,628	19,170	38,435
Option exercisable as at March 31, 2018	2,840	2,222	753	5,559	6,263	1,628	19,170	38,435

The weighted average share price at the date of exercise of options during the year ended March 31, 2019 is NIL. (weighted average share price at the date of exercise of options during the year ended March 31, 2018 was NIL because there is no exercise of Options)



Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

Grant	Tranche	Grant Date	Vesting Date	Expiry date	Exercise Price	Volatility	Share Price	Call option value	March 31, 2019	March 31, 2018
Plan I ESOP 2011	Tranche 1	01-Mar-11	01-Apr-12	19-Aug-19	10	30%	245.29	245.29	1425	2840
Plan I ESOP 2011	Tranche 1	01-Mar-11	01-Oct-13	19-Aug-19	10	30%	245.29	245.29	-	-
Plan I ESOP 2011	Tranche 1	01-Mar-11	01-Mar-12	19-Aug-19	10	30%	245.29	245.29	-	-
Plan I ESOP 2011	Tranche 1	01-Mar-11	01-Oct-12	19-Aug-19	10	30%	245.29	245.29	-	-
Plan I ESOP 2011	Tranche 1	01-Jan-12	03-Aug-14	19-Aug-19	10	30%	264.15	264.15	-	712
Plan I ESOP 2011	Tranche 1	01-Jan-12	02-Jan-13	19-Aug-19	10	30%	264.15	264.15	321	1271
Plan I ESOP 2011	Tranche 1	01-Jan-12	03-Aug-13	19-Aug-19	10	30%	264.15	264.15	-	239
Plan I ESOP 2011	Tranche 1	01-Jan-12	01-Feb-13	19-Aug-19	10	30%	264.15	264.15	-	-
Plan I ESOP 2011	Tranche 1	01-Oct-12	01-Oct-13	19-Aug-19	10	30%	264.15	264.15	378	753
Plan I ESOP 2011	Tranche 1	01-Jul-13	01-Jul-14	19-Aug-19	10	30%	137.28	137.28	2229	3526
Plan I ESOP 2011	Tranche 1	01-Jul-13	01-Jan-15	19-Aug-19	10	30%	137.28	137.28	-	423
Plan I ESOP 2011	Tranche 1	01-Jul-13	01-Aug-15	19-Aug-19	10	30%	137.28	137.28	-	805
Plan I ESOP 2011	Tranche 1	01-Jul-13	01-Oct-15	19-Aug-19	10	30%	137.28	137.28	-	805
Plan I ESOP 2011	Tranche 1	01-Apr-14	01-Apr-15	19-Aug-19	10	30%	137.28	137.28	502	2604
Plan I ESOP 2011	Tranche 1	01-Jul-14	01-Aug-15	19-Aug-19	10	30%	137.28	137.28	1834	3659
Plan I ESOP 2011	Tranche 1	01-Jul-15	30-Jun-16	19-Aug-19	10	30%	137.28	137.28	603	1628
Plan I ESOP 2011	Tranche 1	01-Apr-16	31-Mar-17	19-Aug-19	10	30%	480.00	480.00	320	8638
Plan I ESOP 2011	Tranche 1	01-Sep-16	31-Aug-17	19-Aug-19	10	30%	480.00	480.00	8032	10532
									15,644	38,435

25. Finance costs

Particulars	March 31, 2019	March 31, 2018
Interest cost on borrowings	14.08	31.52
Other borrowing costs	1.05	4.17
Interest on indirect taxes	0.45	2.08
Interest on tax deducted at source	0.21	0.09
Total	15.79	37.86

26. Depreciation and amortisation expenses

Particulars	March 31, 2019	March 31, 2018
Depreciation on property, plant and equipment (Note 3)	41.86	39.98
Amortisation of intangible assets (Note 4)	3.60	3.51
Total	45.46	43.49



Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

27. Other expenses

Particulars	March 31, 2019	March 31, 2018
Training expenses	1.54	2.30
Power and fuel	3.12	3.13
Communication expenses	9.80	12.93
Travelling and conveyance	27.62	31.39
Rent (refer note 30)	30.42	22.66
Rates and taxes	1.41	1.31
Insurance	1.00	1.26
Office expenses	26.19	23.95
Repairs and maintenance:		
-Buildings	6.15	4.60
-Machinery	16.29	12.69
-Others	0.02	-
Loss on sale/ write off of Plant, Property and equipment	0.73	1.01
Freight outward	8.86	8.27
Legal and professional fees	21.28	24.08
Bad and doubtful debts provided	-	8.93
Bad debt written off	8.57	5.77
Expense towards corporate social responsibility ("CSR")*	3.00	1.50
Payment to auditors	2.76	2.16
Site maintenance expenses	131.28	85.32
Security expenses	30.94	20.76
Miscellaneous expenses	13.26	11.61
Total	344.24	285.63

Payment to auditors

Particulars	March 31, 2019	March 31, 2018
As auditor:		
Audit fee (including limited review)	1.95	1.75
Tax audit fee	0.67	0.30
Reimbursement of expenses	0.14	0.11
Total	2.76	2.16

*Details of CSR expenditure

During the year, the Company has incurred a sum of INR 3.00 million (previous year – 1.50 million) towards CSR activity.

Particulars	March 31, 2019	March 31, 2018
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	3.00	1.50
(a) Gross amount required to be spent by the Company during the year	2.96	1.33
(b) Amount spent during the year ended March 31, 2019	3.00	1.50

28. Earnings per share (EPS)

A reconciliation of profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Particulars	March 31, 2019	March 31, 2018
Profit attributable to equity holders of the Company for basic earnings	480.78	301.81
Profit attributable to equity holders of the Company adjusted for the effect of dilution	480.78	301.81
Weighted average number of Equity shares for basic EPS	2.80	2.80
Effect of dilution:		
Weighted average number of Equity shares adjusted for the effect of dilution	2.80	2.80
Nominal value of equity shares (INR)	10.00	10.00
Earnings per share		
- Basic	171.60	107.72
- Diluted	171.60	107.72



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Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

29. Distribution made and proposed

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at the reporting date. No dividend has been proposed by the Company for the year ended March 31, 2019 and March 31, 2018.

30. Commitment and Contingencies

(a) Leases

Operating lease commitments — Company as lessee

Operating lease arrangements comprise of office premises. Most leases also provide a renewal clause with an escalation in lease rental which is generally higher than the expected inflation rate.

The Company has entered into cancellable and non-cancellable operating leases for office premises and company guest house. The lease payments recognised in the Statement of Profit and Loss for the year ended March 31, 2019 is amounted to INR 30.42 million (March 31, 2018: INR 22.66 million)

Particulars	March 31, 2019	March 31, 2018
Minimum lease payments		
- Not later than one year	15.95	0.92
- Later than one year but not later than five years	13.19	1.51
- Later than five years	Nil	Nil

31. Contingent liabilities

Particulars	March 31, 2019	March 31, 2018
Contingent liability - Direct tax	30.84	33.72
Contingent liability - Indirect tax	125.97	131.91
	156.81	165.63

The Company records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Company reviews these provisions periodically and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. Currently, the Company has not provided for any of the above mentioned cases as the Company believes that they have a high chance of winning these litigations. In particular, the Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at March 31, 2019.

Disputed claims against the Company, including claims raised by the tax authorities and which are pending in appeal court and for which no reliable estimate can be made of the amount of the obligation, are not provided for in the accounts. However, the present obligation, if any, as a result of past events with a possibility of outflow of resources, when reliably estimable, is recognised in the accounts as an expense as and when such obligation crystallizes.

32. Operating segment

The Company is required to disclose segment information based on the 'management approach' as defined in Ind AS 108 - Operating Segments, which is how the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on the analysis of the various performance indicators. In the case of the Company, the CODM reviews the results of the Company as a whole as the Company is primarily engaged in the business of rendering facility management services in India. Accordingly, the Company is a single CGU, hence single segment Company. The information as required under Ind AS 108 is available directly from the financial statements, hence no separate disclosures have been made.



Dusters Total Solutions Services Private Limited

All amounts are in INR million, unless stated otherwise

33. Related party transactions

Name of related parties	Nature of relationship
Securities and Intelligence Services (India) Limited	Holding company (from August 19, 2016)
Total Solutions Facility Management Private Limited ("TSFMPL")	Entity with common key management person -Mr. Jasmer Kewal Prakash Puri
Terminix SIS India Pvt Limited	Fellow subsidiary
Tech SIS Limited	Fellow Subsidiary
Rare Hospitality & Services Pvt.Ltd	Fellow Subsidiary

Key Management Personnel and their relatives:	Mr. Shamsheer Puri (Managing Director) Mr. Jasmer Kewal Prakash Puri (Managing Director) Mr. Dhing Singh (Nominee Director) Mr. Rituraj Kisore Sinha (Nominee Director) Mr. Vamsidhar Gathikonda (Nominee Director) Mr. Uday Singh (Nominee Director) Mr. Devesh Desai (Nominee Director) Mr. Devdas Apte (Additional Director) Mr. Brajesh Kumar (Additional Director) Ms. Remu Mattoo (Additional Director) Mr. V S Sekar (Chief Financial Officer)
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The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(I) Transactions during the year

Particulars	Year	Holding Company	Fellow Subsidiaries	Persons having joint control of or significant influence over the Company	Key management personnel and their relatives	Total
Service charges/other income received	Mar-19	6.31	0.22	-	-	6.53
	Mar-18	0.33	0.35	-	-	0.68
Service charges/expenses paid	Mar-19	20.78	10.91	-	-	31.69
	Mar-18	19.72	12.87	-	-	32.59
Administrative expenses paid	Mar-19	2.92	1.96	-	-	4.88
	Mar-18	-	0.90	-	-	0.90
Rent paid	Mar-19	-	1.44	-	-	1.44
	Mar-18	-	0.84	-	-	0.84
Property, plant and equipment purchased/sold	Mar-19	-	0.02	-	-	0.02
	Mar-18	-	-	-	-	-
Salary and other benefits	Mar-19	-	-	-	19.31	19.31
	Mar-18	-	-	-	19.35	19.35

(II) Balances outstanding at end of the year

Particulars	Year	Holding Company	Fellow Subsidiaries	Persons having joint control of or significant influence over the Company	Key management personnel and their relatives	Total
Share capital (including share premium)	31-Mar-19	26.07	-	-	1.95	28.02
	31-Mar-18	24.07	-	-	3.95	28.02
Trade payable	31-Mar-19	6.03	1.89	-	-	7.92
	31-Mar-18	16.05	2.04	-	-	18.09
Trade receivables	31-Mar-19	-	0.21	-	-	0.21
	31-Mar-18	-	-	-	-	-

Terms and conditions of transactions with related parties

Transactions relating to dividends paid, subscription for new equity shares were on the same terms and conditions that applied to other shareholders.

The sales to and purchases from related parties are made on normal commercial terms and conditions and at market rates.

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.



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All amounts are in INR million, unless stated otherwise

34. Financial risk management

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support the financing of the operations of its subsidiaries, joint ventures and associates. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations and loans, security and other deposits.

The Company's operations expose it to market risk, credit risk and liquidity risk. The Company's focus is to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, loans and deposits given, FVTOCI investments and derivative financial instruments.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates which arises from assets and liabilities denominated in currencies other than the functional currency of the respective entities and foreign currency revenue and cash flows. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. The Company has limited foreign currency transactions and has limited exposure to foreign currency assets and liabilities resulting in the foreign currency risk being low.

The exchange rate between the Indian Rupee and foreign currencies has fluctuated in recent years and may continue to do so in the future. Consequently, the results of the Company's operations may be affected as the Indian Rupee appreciates/depreciates against these currencies.

There are no foreign currency denominated financial assets and financial liabilities as at March 31, 2018, March 31, 2017 and March 31, 2016.

Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates arises on borrowings with floating interest rate which is not material.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2019	March 31, 2018
Variable rate borrowings:		
-cash credit	-	43.82
Fixed rate borrowings		
-Vehicle loan	2.93	1.02
Total borrowings	2.93	44.84

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2019	March 31, 2018
Interest rates - increase by 25 basis points *	-	0.11
Interest rates - decrease by 25 basis points *	-	(0.11)

*Holding all other variables constant

Credit risk

Credit risk arises from the possibility that counterparties may not be able to settle their obligations as agreed resulting in a financial loss. The primary exposure to credit risk arises from Trade receivables and Unbilled revenue amounting to INR 1205.61 mn and INR 296.88 mn respectively as at March 31, 2019 (INR 1176.12 mn and INR 32.89 mn respectively as at March 31, 2018). These are unsecured and are managed by the Company through a system of periodically assessing the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. There are two customers which accounted for more than 10% of the accounts receivable as of March 31, 2019 and March 31, 2018, respectively and revenues for the year ended March 31, 2019 and March 31, 2018, respectively. There is no significant concentration of credit risk. The Company uses the ECL method to assess the loss allowance for Trade receivables and unbilled revenue taking into account primarily the historical trends and analysis of bad debts. The company does not expect any credit risk or impairment in respect of amounts lent to its subsidiaries, associates and joint ventures. The credit risk for financial assets other than bank balances and trade receivables are considered low.



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All amounts are in INR million, unless stated otherwise

Significant estimates and judgements

Impairment of financial assets

The impairment provision for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions. The company estimates loss arising on trade receivables as a percentage of sales based on past trends and such loss is directly debited to revenue instead of creating a provision for impairment of receivables.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Surplus funds are invested in bank fixed deposits or used to temporarily reduce the balance of cash credit accounts to optimize interest costs.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet its financial obligations and maintain adequate liquidity for use.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, shareholder equity, and finance leases.

Approximately 34% of the Company's long term debt will mature in less than one year at March 31, 2019 (March 31, 2018 - 100%) based on the carrying value of borrowings reflected in the financial statements. The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and significant portions of short term debt maturing within 12 months can be rolled over with existing lenders. The Company believes that it has sufficient working capital and cash accruals to meet its business requirements and other obligations.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2019

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	-	-	-	1.93	-	1.93
Trade and other payables	-	72.28	-	-	-	72.28
Other financial liabilities	-	440.71	144.76	-	-	585.47
Total	-	512.99	144.76	1.93	-	659.68

As at March 31, 2018

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	43.82	-	-	-	-	43.82
Trade and other payables	-	90.81	-	-	-	90.81
Other financial liabilities	-	362.15	112.15	-	-	474.30
Total	43.82	452.96	112.15	-	-	608.93

As a matter of policy, the Company does not carry out any hedging activities. There have been no default in servicing borrowings and/ or breaches in loan covenants.

The entity has the following financial assets at FVTPL, which are mandatorily measured at FVTPL in accordance with the requirements of Ind AS 109.

Particulars	March 31, 2019	March 31, 2018
Financial Assets:		
Investments in equity instruments	0.03	0.03
Total Financial Assets	0.03	0.03

The entity has the following financial assets which are subject to the impairment requirements of Ind AS 109. On assessment of the future cash flows arising from these assets, the Company believes that there is no provision required to be made for impairment losses on these assets.

Particular	March 31, 2019	March 31, 2018
Financial Assets:		
Trade receivables	1205.61	1176.12
Security Deposits	38.35	12.43
Others financial assets	303.35	37.09
Total Financial Assets	1,547.31	1,225.64



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All amounts are in INR million, unless stated otherwise

35. Additional capital disclosure

For the purpose of the Company's capital management, capital includes issued equity capital, share premium, all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholder value and support its strategies and operating requirements. The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with a focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements for the Company's operations are generally met through operating cash flows generated and supplemented by long-term and working capital borrowings from banks.

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to optimise the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants to which it is subject. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a Gearing Ratio, which is Net Debt divided by EBITDA. The Company defines Net Debt as borrowings less cash and cash equivalents, excluding discontinued operations, but including bank balance and deposits irrespective of their duration/ maturity.

Particulars	March 31, 2019	March 31, 2018
Borrowings (Note 13)	1.93	43.82
Current portion of long term debt (Note 13)	1.00	1.02
Less: cash and cash equivalents (Note 10)	206.89	12.76
Net debt	(203.96)	32.08
EBITDA	526.13	314.95
Gearing ratio	(0.39)	0.10

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it simultaneously meets financial covenants attached to its borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current year.

As per our report on even date

for BSR & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022



Anurag Bhansali
Partner
Membership No. 065155

for and on behalf of the Board of
Dusters Total Solutions Services Private Limited



Shaanesh Puri
Director
DIN: 01483698



Jaijit Kewal Prakash Puri
Director
DIN: 01423301



V S Sekar
Chief Financial Officer

Place: Bangalore
Date: April 29, 2019