BVG India Limited

CIN : U74999PN2002PLC016834

Statutory Audit

For the year ended March 31, 2019

MSKA
& Associates
Chartered Accountants

Floor 6, Building # 1
Cerebrum IT Park, Kalyani Nagar
Pune 411014, INDIA
Tel: +91 20 6763 3400

INDEPENDENT AUDITOR'S REPORT

To the Members of BVG India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of BVG India Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of 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 standalone financial statements give the information required by the Companies Act, 2013("the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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.

Information Other than the Standalone financial statements and Auditor's Report Thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone financial statements.

Other Matter

(a) We did not audit the financial information of one jointly controlled entity included in the standalone financial statements of the Company whose financial information reflect total assets of Rs. 55.29 Million as at March 31, 2019 and the total revenue of Rs. Nil Million for the year ended on that date, as considered in the standalone financial statements. The financial information of this joint operations is unaudited and have been furnished to us by the Management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint operations and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint operations, is based solely on such unaudited financial information.

(b) The standalone Ind AS financial statements of the Company for the year ended March 31, 2018, were audited by another auditor whose report dated November 29, 2018 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

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

  i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 33 to the standalone 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & Associates ★ Chartered Accountants ★

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN : 19111700AAAAFE8784
Place: Pune
Date: November 22, 2019

MSKA
& Associates
Chartered Accountants

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BVG INDIA LIMITED

Auditor's Responsibilities for the Audit of the 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 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.

- 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.

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

For MSKA & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & Associates * Chartered Accountants *

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN : 19111700AAAAFE8784
Place: Pune
Date: November 22, 2019

MSKA

& Associates

Chartered Accountants

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BVG INDIA LIMITED FOR THE YEAR ENDED MARCH 31, 2019

[Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in case of the following land which is not held in the name of the Company.

No. of cases	**Leasehold/ Freehold**	**Gross Block as at March 31, 2019**	**Net Block as at March 31, 2019**	**Remarks**
1	Freehold Land	122.20 Million	122.20 Million	Currently, the same is classified under Assets classified as held for sale

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties* covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iii. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made during the year.

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iv. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it except in few cases where there have been delays in payment of Goods and Services Tax, Income Tax, Provident Fund, Employees State Insurance, Labor welfare fund and Profession Tax where there have delays ranging from 2 to 204 days, 69 days, 1 to 799 days, 1 to 316 days, 3 to 61 days and 1 to 272 days respectively. The delays in Provident fund and Employees State Insurance are primarily due to non-generation of Universal Account Number ('UAN') through online PF portal.

(b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except the following:

Nature of the dues	Nature of the dues	Amount Rs. In million	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
The Income Tax Act, 1961	Advance Tax	2.23	June, 2018	15-July-18	NA	Not paid yet
The Income Tax Act, 1961	Advance Tax	4.46	September, 2018	15-Oct-18	NA	Not paid yet

In addition to the above, there are various dues outstanding for a period of more than six months from the date they became payable as at March 31, 2019 in respect of Provident Fund, Employees State Insurance, Labor welfare fund and Profession Tax. In the opinion of the management, in most cases, the same are outstanding on account of payment of arrears or on account of non-generation of UAN. In view of the voluminous data, the same has not been disclosed separately.

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(c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs. in millions	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	1,195.02	2011-2016	Customs Excise Service Tax Appellate Tribunal	-
Income Tax Act, 1972	Income Tax	31.12	AY 2014-15	CIT (Appeals)	The Company has paid Rs. 6.23 million under protest against the said demand

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution or bank. The Company does not have any outstanding dues to government or debenture holders during the year.

ix. In our opinion, according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177

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xiv. According to the information and explanations given 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. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & Associates ★ Chartered Accountants ★

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN : 19111700AAAAFE8784

Place: Pune
Date: November 22, 2019

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BVG INDIA LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to standalone financial statements of BVG India limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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 (ICAI) (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 Act.

Auditors' Responsibility

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

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

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Meaning of Internal Financial Controls With Reference to Standalone financial statements

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & Associates Chartered Accountants

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN : 19111700AAAAFE8784

Place: Pune
Date: November 22, 2019

BVG India Limited
Standalone Balance Sheet
as at 31 March 2019
(All amounts are in Indian rupees million)

	Notes	31 March 2019	31 March 2018	1 April 2017
ASSETS				
Non-current assets				
Property, plant and equipment	3	**1,520.00**	1,396.82	1,289.79
Capital work-in-progress	3	**-**	7.16	20.19
Investment property	4	**35.05**	35.45	35.87
Goodwill	5	**-**	-	-
Other intangible assets	5	**51.42**	14.51	11.66
Intangible assets under development	5	**-**	128.71	98.47
Financial assets				
Investments	6	**1.26**	0.36	0.21
Loans	7	**290.52**	172.10	164.29
Other financial assets	8	**1,638.27**	625.99	1,832.74
Other tax assets (net)		**68.06**	60.98	54.39
Deferred Tax assets (net)	31	**46.99**	-	-
Other non-current assets	9	**267.89**	245.61	143.31
Total non-current assets		**3,919.46**	2,687.69	3,650.92
Current assets				
Inventories	10	**1,821.76**	5,954.51	5,759.63
Financial assets				
Trade receivables	11	**7,341.24**	8,179.87	5,364.65
Cash and cash equivalents	12	**628.15**	807.98	803.01
Other bank balances	13	**371.13**	520.87	459.36
Loans	7	**27.39**	28.72	52.11
Other financial assets	8	**2,337.74**	3,214.04	3,026.29
Contract assets	14	**36.21**	59.56	38.63
Other current assets	9	**603.81**	626.44	314.97
Assets classified as held for sale	15	**122.20**	-	-
Total current assets		**13,289.63**	19,391.99	15,818.65
TOTAL ASSETS		**17,209.09**	22,079.68	19,469.57
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	**257.10**	257.10	187.94
Instruments entirely equity in nature	16	**148.35**	148.35	-
Other equity	17	**5,383.79**	4,596.21	(6,139.03)
Total equity		**5,789.24**	5,001.66	(5,951.09)

MSKA & Associates Chartered Accountants

BVG India Limited Pune

BVG India Limited
Standalone Balance Sheet *(continued)*
as at 31 March 2019
(All amounts are in Indian rupees million)

	Notes	31 March 2019	31 March 2018	1 April 2017
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	18	**727.38**	507.26	578.10
Provisions	19	**239.20**	181.69	127.57
Deferred tax liabilities (Net)	31	-	553.51	600.65
Total non-current liabilities		**966.58**	1,242.46	1,306.32
Current liabilities				
Financial liabilities				
Borrowings	18	**4,760.18**	4,463.53	4,435.99
Trade payables				
(a) Dues of micro and small enterprises	20	**0.66**	5.40	9.50
(b) Dues of other than micro and small enterprises	20	**1,627.59**	1,360.00	1,484.38
Other financial liabilities	21	**1,565.77**	1,505.27	11,114.02
Contract liabilities	22	**1,699.21**	7,113.25	6,283.62
Other current liabilities	23	**639.48**	950.10	454.18
Provisions	19	**47.89**	22.74	16.73
Current tax liabilities (net)		**72.49**	415.27	315.93
Liabilities directly associated with assets held for sale	24	**40.00**	-	-
Total current liabilities		**10,453.27**	15,835.56	24,114.35
Total liabilities		**11,419.85**	17,078.02	25,420.67
TOTAL EQUITY AND LIABILITIES		**17,209.09**	22,079.68	19,469.58

Summary of significant accounting policies 2
Notes to the financial statements 3-46
The notes referred above form an integral part of the financial statements

As per our report of even date attached
For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

Nitin Manohar Jumani
Partner
Membership No: 111700

Pune, 22 November 2019

For and on behalf of the Board of Directors of
BVG India Limited

Hanmantrao Gaikwad
Chairman &
Managing Director
DIN: 01597742

Umesh Mane
Vice Chairman &
Jt. Managing Director
DIN: 01597365

Niraj Kedia
Chief Financial Officer

Rajni Pamnani
Company Secretary
Regs. No. A-8956

Pune, 22 November 2019

MSKA & Associates * Chartered Accountants *

BVG INDIA LIMITED PUNE

BVG India Limited
Standalone Statement of Profit and Loss
for the year ended 31 March 2019
(All amounts are in Indian rupees million)

	Notes	31 March 2019	31 March 2018
Continuing operations			
Income			
Revenue from operations	25	**18,175.91**	16,935.84
Other income	26	**115.54**	533.85
Total income		**18,291.45**	17,469.69
Expenses			
Cost of materials consumed	27	**1,284.47**	1,724.57
Purchases of stock-in-trade		-	553.40
Employee benefits expense	28	**11,026.10**	9,663.18
Finance costs	29	**851.71**	964.90
Depreciation and amortisation expense	3,4,5	**183.24**	134.45
Other expenses	30	**4,177.95**	2,649.56
Total expenses		**17,523.47**	15,690.06
Profit before tax from continuing operations		**767.98**	1,779.63
Tax expenses	31		
Current tax		**(216.41)**	(353.29)
Tax relating to earlier periods		**(29.99)**	-
Deferred tax (including MAT credit utilisation of NIL {2018: INR 59.20 million})		**140.32**	15.42
Profit from continuing operations		**661.90**	1,441.76
Discontinued operations			
Profit from discontinued operations before tax	42	**(154.80)**	176.88
Tax expense of discontinued operations	31, 42	**307.76**	(20.56)
Profit from discontinued operations		**152.96**	156.32
Profit for the year		**814.86**	1,598.08
Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit and Loss			
Re-measurement of defined benefit plan	39	**(41.71)**	(11.14)
Income tax effect relating to above item	31	**14.43**	3.85
Other comprehensive income for the year (net of tax)		**(27.28)**	(7.29)
Total comprehensive income for the year		**787.58**	1,590.79
Earnings per equity share for profit from continuing operations	32		
Basic (INR)		**25.50**	55.53
Diluted (INR)		**24.85**	54.11
Earnings per equity share for profit from discontinued operations	32		
Basic (INR)		**5.89**	6.02
Diluted (INR)		**5.75**	5.87
Earnings per equity share for profit from continuing and discontinued operations	32		
Basic (INR)		**31.39**	61.55
Diluted (INR)		**30.60**	59.98
Summary of significant accounting policies	2		
Notes to the financial statements	3-46		

The notes referred above form an integral part of the financial statements

As per our report of even date attached
For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

MSKA & Associates Chartered Accountants

Nitin Manohar Jumani
Partner
Membership No: 111700

Pune, 22 November 2019

For and on behalf of the Board of Directors of
BVG India Limited

Hanmantrao Gaikwad
Chairman &
Managing Director
DIN: 01597742

Umesh Mane
Vice Chairman &
Jt. Managing Director
DIN: 01597365

Niraj Kedia
Chief Financial Officer

Rajni Pamnani
Company Secretary
Regs. No. A-8956

BVG INDIA LIMITED PUNE

Pune, 22 November 2019

BVG India Limited
Cash Flow Statement
for the year ended 31 March 2019
(All amounts are in Indian rupees million)

	31 March 2019	31 March 2018
A Cash flows from operating activities		
Net profit before tax		
Continuing operations	767.98	1,779.63
Discontinued operations	(154.80)	176.88
Profit before tax including discontinued operations	613.18	1,956.51
Adjustments :		
Depreciation and amortization	183.24	134.45
Profit / Loss on sale of assets	(0.38)	0.73
Change in fair value of financial liability	-	(368.53)
Impairment loss on investment	-	1.90
ECL Provision	1,022.25	155.13
Balances written off	582.33	1.43
Impairment loss on Intangibles	98.57	-
Interest income	(41.18)	(80.20)
Interest expense	891.27	964.90
Operating Profit before working capital changes	3,349.28	2,766.32
Movements in working capital :		
Decrease / (Increase) in inventories	3,999.24	(194.88)
Increase in trade receivables	(292.35)	(2,971.78)
Increase in loans	(529.66)	15.58
Decrease / (Increase) in other financial assets	(3.77)	983.92
(Increase) / Decrease in other assets	24.82	(391.76)
(Decrease) / Increase in trade payables	267.67	478.97
Increase in other financial liabilities	231.35	(290.84)
Increase in other current liabilities	(315.44)	474.51
Increase in contract liabilities	(5,414.04)	829.63
Decrease / (Increase) in contract assets	23.35	(20.93)
Increase in liabilities associated with Assets held for sale	40.00	-
Increase in provision	40.95	48.99
Working capital changes	(1,927.88)	(1,038.59)
Cash generated from operations	1,421.40	1,727.73
Direct taxes paid (net of tax deducted at source and MAT credit utilisation), net of refunds	(661.77)	(307.53)
Net cash flows from operating activities	759.63	1,420.20
B Cash flows from investing activities		
Purchase of fixed assets (tangible and intangible fixed assets, capital work-in-progress, intangible assets under development)	(441.94)	(281.34)
Proceeds from sale of fixed assets	1.02	5.70
Purchase of non current investments	(0.90)	(2.10)
Sale of non current investments	-	0.05
Maturity of bank deposits (having original maturity of more than three months) (net)	16.86	11.74
Interest received	41.85	42.03
Net cash used in investing activities	(383.11)	(223.92)
C Cash flows from financing activities		
Proceeds from long term borrowings (Net)	570.92	423.45
Increase in long term borrowings	(493.80)	(474.62)
Proceeds from short term borrowings (net)	296.65	27.54
Dividends paid / returns	0.65	(165.61)
Tax on dividends paid	-	(33.13)
Interest paid	(930.77)	(968.94)
Net cash used in financing activities	(556.35)	(1,191.31)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(179.83)	4.97
Cash and cash equivalents at beginning of the year	807.98	803.01
Cash and cash equivalents at the end of the period	628.15	807.98

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BVG INDIA LIMITED PUNE ★

BVG India Limited
Cash Flow Statement
for the year ended 31 March 2019
(All amounts are in Indian rupees million)

	31 March 2019	31 March 2018
Components of cash and cash equivalents		
Cash on hand	**0.61**	0.91
Cheques in hand	**229.63**	106.47
Balances with banks:		
On current accounts (Includes unclaimed dividend of INR 0.80 million; 2018: 0.15 million; 2017: INR 1.58 million)	**156.75**	141.08
In deposit accounts (with original maturity of 3 months or less)	**-**	11.00
Debit balances in cash credit accounts	**241.16**	548.52
Total cash and cash equivalents *(also refer note 12)*	**628.15**	807.98

Summary of significant accounting policies	2
Notes to the financial statements	3-46

The notes referred above form an integral part of the financial statements

As per our report of even date attached
For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

Nitin Manohar Jumani
Partner
Membership No: 111700

MSKA & Associates Chartered Accountants

Pune, 22 November 2019

For and on behalf of the Board of Directors of
BVG India Limited

Hanmantrao Gaikwad
Chairman &
Managing Director
DIN: 01597742

Umesh Mane
Vice Chairman &
Jt. Managing Director
DIN: 01597365

Niraj Kedia
Chief Financial Officer

Rajni Pamnani
Company Secretary
Regs. No. A-8956

BVG INDIA LIMITED PUNE

Pune, 22 November 2019

BVG India Limited
Standalone Statement of Changes in Equity
for the year ended 31 March 2019
(All amounts are in Indian rupees million)

A. Equity share capital

	Notes	
Balance as on 1 April 2017		**187.94**
Changes in equity share capital during 2017-18	16	69.16
Balance as on 31 March 2018		**257.10**
Changes in equity share capital during 2018-19	16	-
Balance as on 31 March 2019		**257.10**

B. Instruments entirely equity in nature

Compulsorily convertible preference shares ('CCPS')		
Balance as on 1 April 2017		-
Changes in share capital during 2017-18	16	148.35
Balance as on 31 March 2018		**148.35**
Changes in share capital during 2018-19	16	-
Balance as on 31 March 2019		**148.35**

C. Other equity

	Equity component of compound financial instrument	Reserves and Surplus		Other comprehensive income	Total
		General reserve	Retained earnings	Remeasurement of defined benefit plan	
Balance at 1 April 2017	**4.20**	**1,672.40**	**(7,811.46)**	**(4.17)**	**(6,139.03)**
Profit for the year	-	-	1,598.08	-	1,598.08
Reclassification of Equity shares and CCPS previously classified as financial liability (Refer note 14.5)	-	-	9,340.33	-	9,340.33
Other comprehensive income (net of tax)	-	-	-	(7.29)	(7.29)
Dividends	-	-	(162.75)	-	(162.75)
Dividend distribution tax	-	-	(33.13)	-	(33.13)
Balance at 31 March 2018	**4.20**	**1,672.40**	**2,931.07**	**(11.46)**	**4,596.21**
Profit for the year	-	-	814.86	-	814.86
Other comprehensive income (net of tax)	-	-	-	(27.28)	(27.28)
Balance at 31 March 2019	**4.20**	**1,672.40**	**3,745.93**	**(38.74)**	**5,383.79**

Summary of significant accounting policies 2

Notes to the financial statements 3-46

The notes referred above form an integral part of the financial statements

As per our report of even date attached

For MSKA & Associates

Chartered Accountants

Firm Registration Number: 105047W

Nitin Manohar Jumani

Partner

Membership No: 111700

MSKA & Associates ★ Chartered Accountants ★

Pune, 22 November 2019

For and on behalf of the Board of Directors of

BVG India Limited

Hanmantrao Gaikwad

Chairman &

Managing Director

DIN: 01597742

Umesh Mane

Vice Chairman &

Jt. Managing Director

DIN: 01597365

Niraj Kedia

Chief Financial Officer

Rajni Pamnani

Company Secretary

Regs. No. A-8956

Pune, 22 November 2019

BVG INDIA LIMITED PUNE ★

1 The corporate overview

BVG India Limited ('BVG' or 'the Company') was incorporated on 20 March 2002 as Bharat Vikas Utility Services Limited. The name of the Company was subsequently changed to BVG India Limited on 7 July 2004.

The registered office of the Company is in Pune. The Company is engaged in providing and undertaking facility management, mechanised housekeeping, emergency medical services (ambulance), emergency police services (Dial 100), solid waste management, transportation, plant relocations, attendant services and labour supply.

The Company also undertakes various projects for garden development, landscaping, beautification projects, rural electrification, engineering and other contracts for Government and private organisations.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of preparation

a. Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016

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

b. New and amended standards adopted by the company

The Company has applied following standards and amendments for the first time for its annual reporting period commencing from 1 April 2018:

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 is effective for annual periods beginning on or after 1 April 2018. Ind AS 115 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard permits the use of either the retrospective or cumulative effect transition method.

Company has carried out an assessment for the accounting implication on the above contracts and based on its assessment, the Company has changed the accounting policy for revenue recognition in respect of RE contracts from Percentage of Completion (PoC) method i.e. "over the period" to "at a point of time". The impact of this amendment on the financial statements has been detailed in note 46 – Change in accounting policy: Adoption of Ind AS 115 – Revenue from contracts with customers.

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BVG INDIA LIMITED PUNE

(All amounts are in Indian rupees million)

The Company does not expect this amendment to have any significant impact in respect of other revenue contracts.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured on an alternative basis on each reporting date:

Items	Measurement basis
Certain non-derivative financial instruments at fair value through profit or loss	Fair value
Assets held for sale	Lower of carrying value as per the respective Ind AS and Fair value less cost to sell
Defined benefit plan assets	Fair value

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All amounts have been rounded-off to the nearest million, as per the requirements of Schedule III, unless otherwise stated.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

Detailed information about each of these estimates and judgements is included in relevant notes.

The areas involving critical estimates and judgements are:

- Estimation of current tax expense and payable – Note 31
- Estimation of defined benefit obligation – Note 39
- Leases: Arrangement containing a lease – Note 38
- Recognition of deferred tax assets/ liabilities and MAT credit entitlement – Note 31
- Impairment of financial assets – Note 8 and Note 11
- Impairment of intangibles assets under development – Note 5
- Valuation of financial liability – Note 21
- Property, plant and equipment: useful lives and residual values – Note 3
- Assets held for sale – Note 15

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2.5 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless 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 current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle
Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle for its facility and project businesses to be less than 12 months for the purpose of current – non-current classification of assets and liabilities.

2.6 Property, plant and equipment

- **Recognition and measurement**

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any 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. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as 'Capital work-in-progress'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under 'Other non-current assets'.

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- **Subsequent expenditure**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

- **Disposal**

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the statement of profit and loss.

- **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013.

Freehold land is not depreciated. Acquired assets consisting of leasehold improvements are recorded at acquisition cost and amortised on straight-line basis based over the leased term of 9 years.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income' / 'Other Expenses'.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

2.7 Investment properties

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 the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

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The Company depreciates investment property over 86 years from the date of original purchase

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model.

Investment properties are derecognized 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 recognized in profit or loss in the period of derecognition.

2.8 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer Note 2.10 for a description of impairment testing procedures.

2.9 Other Intangible assets

- **Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

- **Subsequent measurement**

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

- **Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful life for current and comparative periods is 3 years.

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2.10 Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.11 Assets classified as held for sale and discontinued operations

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.
The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programmed to locate a buyer and complete the plan has been initiated (if applicable)
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as

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held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from the other liabilities in the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in statement of profit or loss.

2.12 Joint arrangements

Under Ind AS 111, Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor rather than the legal structure of the joint arrangement. The Company has only joint operations.

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 6 – Investments.

2.13 Inventories

Inventories are measured at lower of cost and net realisable value. Cost is determined on the basis of first-in first-out (FIFO) method and includes expenditure in acquiring the inventories and bringing them to the present location and condition.

Cost comprises of purchase cost, duties and other direct expenses incurred in bringing the inventory to the present location and condition.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
The comparison of cost and net realizable value is made on item by item basis.

2.14 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 subject to an insignificant risk of changes in value.

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For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable. Amounts included in revenue are inclusive of excise duty (if any) and net of returns, trade allowances, rebates, Goods and Service Tax and amounts collected on behalf of third parties.

Revenue from contract with customer is recognized, when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Revenue is recognised as follows:

- **Sale of goods**

Revenue from sale of goods in the course of ordinary activities is recognized when control of the goods has been transferred, being when the goods are delivered to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

- **Rendering of services**

Revenue on service/maintenance contracts is recognized on straight-line basis over the period of the contract on performance of the services.

- **Revenue from RE contracts**

The Company recognizes revenue at the transaction price which is determined on the basis of agreement entered into with or letter of intent issued by the customer. Revenue from RE contracts is recognized at the point in time, when the control of the asset is transferred to the customer, which generally coincides with the receipt of Certificate of work completion. Until the time the control of the asset is transferred to the customer, the cost incurred to date in respect of such contracts is accounted as 'Work in progress'.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the control of the asset is transferred to the customer. A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

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2.16 Interest income

Interest income is recognised using effective interest rate method (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.

2.17 Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

2.18 Employee benefits

- **Short-term employee benefits**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service. These benefits include salaries and wages, bonus and compensated absences. The undiscounted amount of short-term employee services is recognised as an expense as the related service is rendered by the employees.

- **Post-employment benefits**

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity (regulatory authority) and will have no legal or constructive obligation to pay any further amounts. The Company makes specified monthly contribution towards employee provident fund scheme and employees' state insurance scheme the regulatory authorities. The Company's contribution is recognised as an employee benefit expense in the statement of profit and loss in the period in which the employee renders the related service.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan, the present value of the obligation under which is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Re-measurement of the net defined benefit liability, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (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 (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

The liability for gratuity with respect to certain staff and workers is funded annually through a gratuity fund maintained with the Life Insurance Corporation of India.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

The Company's liability is determined on actual basis at the end of each year.

2.19 Contributed equity

Equity shares are classified as equity share capital. 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.

2.20 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.

- **Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available.

- **Company as lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. 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.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.21 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.22 Government Grants

Grants from government are recognized when there is reasonable assurance that the Company will comply with the specified conditions and that the Grant will be received.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

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Government grants relating to the purchase of property, plant and equipment are deducted from the carrying value of property, plant and equipment.

2.23 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- **Current tax**

Current tax or liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the MAT credit entitlement at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

- **Deferred tax**

Deferred tax is recognised using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

- 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 and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- Taxable temporary differences arising on the initial recognition of goodwill.

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:

- 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 and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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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 re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

2.24 Provisions and contingencies

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.
Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

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2.25 Earnings per share ('EPS')

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

To fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.27 Financial instruments

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

a) Financial assets

i. Initial recognition and measurement: At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

ii. Subsequent measurement: For purposes of subsequent measurement, financial assets are classified in following categories:
- at amortized cost; or
- at fair value through other comprehensive income; or
- at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: 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 AS103 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 FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, 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 all changes recognized in the profit and loss.

iii. Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

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

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

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ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For trade receivables only, the Company applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv. Derecognition of financial assets: A financial asset is derecognized only when:

a. the rights to receive cash flows from the financial asset is transferred or
b. retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.
c. Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

b) Financial liabilities

i. Initial recognition and measurement: Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

ii. 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. 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 recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

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iii. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

c) 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 standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

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.

d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.28 Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.29 Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability portion of a compulsorily convertible preference shares is determined using a market interest rate for an equivalent non-convertible bonds. 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 instrument since it meets Ind AS 32, Financial Instruments: Presentation, criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not subsequently re-measured.

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Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

2.30 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

2.31 Recent accounting pronouncements - Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

a) Ind AS 116 Leases

Ind AS 116 Leases was notified by Ministry of Corporate Affairs ("MCA") on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-Balance Sheet model similar to the accounting for finance leases under Ind AS 17. The standard requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying lease is of low value. Currently, operating lease expenses are charged to Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17.

The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. 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 effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

The Company does not expect this amendment to have any impact on its financial statements.

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c) Amendment to Ind AS 12 - Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not expect this amendment to have any impact on its financial statements.

d) Amendment to Ind AS 19 - plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement;
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling;

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not expect this amendment to have any impact on its financial statements.

e) Ind AS 109 - Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not expect this amendment to have any impact on its financial statements.

f) Ind AS 23 - Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not expect this amendment to have any impact on its financial statements.

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g) Ind AS 28 - Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not currently have any long-term interests in associates and joint ventures.

h) Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

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Notes forming part of the standalone financial statements *(continued)*
for the year ended 31 March 2019

(All amounts are in Indian rupees million)

3. Property, plant and equipment and Capital work-in-progress

	Land- Freehold	Leasehold Improvements	Buildings	Office equipment	Plant and equipment	Computers & peripherals	Furniture and fixtures	Vehicles	Total (A)	Capital work-in-progress (B)
Gross carrying amount										
Balance as at 1 April 2017	**25.51**	**0.49**	**431.42**	**21.17**	**896.83**	**27.18**	**18.09**	**117.84**	**1,538.53**	**20.19**
Additions	-	-	-	9.58	133.25	11.93	2.14	82.59	**239.49**	7.16
Disposals/capitalised during the year	-	-	-	-	6.23	-	-	0.73	**6.96**	20.19
Balance as at 31 March 2018	**25.51**	**0.49**	**431.42**	**30.75**	**1,023.85**	**39.11**	**20.23**	**199.70**	**1,771.06**	**7.16**
Balance as at 1 April 2018	25.51	0.49	431.42	30.75	1,023.85	39.11	20.23	199.70	**1,771.06**	7.16
Additions	-	-	-	8.10	102.58	32.35	0.92	141.98	**285.93**	(7.16)
Disposals during the year	-	-	-	-	2.42	-	-	-	**2.42**	-
Balance as at 31 March 2019	**25.51**	**0.49**	**431.42**	**38.85**	**1,124.01**	**71.46**	**21.15**	**341.68**	**2,054.57**	**-**
Accumulated depreciation										
Balance as at 1 April 2017	-	0.49	14.81	5.43	189.12	15.79	2.91	20.19	**248.74**	-
Charge for the year	-	-	15.09	5.27	72.28	6.29	2.48	26.56	**127.97**	-
On disposals	-	-	-	-	1.78	-	-	0.69	**2.47**	-
Balance as at 31 March 2018	**-**	**0.49**	**29.90**	**10.70**	**259.62**	**22.08**	**5.39**	**46.06**	**374.24**	**-**
Balance as at 1 April 2018	-	0.49	29.90	10.70	259.62	22.08	5.39	46.06	**374.24**	-
Charge for the year	-	-	14.36	6.60	87.13	12.99	2.53	36.72	**160.33**	-
Balance as at 31 March 2019	**-**	**0.49**	**44.26**	**17.30**	**346.75**	**35.07**	**7.92**	**82.78**	**534.57**	**-**
Net block										
As at 1 April 2017	25.51	-	416.61	15.74	707.71	11.39	15.18	97.65	1,289.79	20.19
As at 31 March 2018	25.51	-	401.52	20.05	764.23	17.03	14.84	153.64	1,396.82	7.16
As at 31 March 2019	**25.51**	**-**	**387.16**	**21.55**	**777.26**	**36.39**	**13.23**	**258.90**	**1,520.00**	**-**

Note:

(i) Refer note 18 for details of Property, plant and equipment pledged as security for borrowings.

(ii) The Company has acquired certain plant and equipment, office equipment, computers and peripherals and vehicles under finance lease arrangement. The total minimum future lease payments at the Balance Sheet date is equal to the fair value of the assets acquired. The net carrying amount of such assets as on 31 March 2019 is 32.77 million (31 March 2018: 29.65 million, 1 April 2017: NIL)

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(All amounts are in Indian rupees million)

4. Investment property

Gross carrying amount	
Balance as at 1 April 2017	36.05
Additions	-
Balance as at 31 March 2018	**36.05**
Balance as at 1 April 2018	**36.05**
Additions	-
Balance as at 31 March 2019	**36.05**
Accumulated depreciation	
Balance as at 1 April 2017	0.18
Charge for the year	0.42
Balance as at 31 March 2018	0.60
Balance as at 1 April 2018	0.60
Charge for the year	0.40
Balance as at 31 March 2019	1.00
Carrying amounts (net)	
As at 1 April 2017	35.87
As at 31 March 2018	**35.45**
As at 31 March 2019	**35.05**
Fair value	
As at 1 April 2017	35.87
As at 31 March 2018	**35.45**
As at 31 March 2019	**36.92**

The above property has been acquired under a finance lease arrangement. The lease term of the arrangement is for the major economic life of the asset.

Measurement of fair values

Fair value hierarchy

Investment property comprised of commercial property for the purpose of leasing out to third parties.

The fair value of investment property has been determined by an external independent external valuer, having appropriate recognised professional qualifications and experience in the location and category of property being valued. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique

The valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

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Notes forming part of the standalone financial statements *(continued)*
for the year ended 31 March 2019
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5. Goodwill , Other Intangible assets and Intangible assets under development

	Software	Goodwill	Total	Intangible assets under development
Gross carrying amount				
Balance at 1 April 2017	**17.64**	**68.89**	**86.53**	**98.47**
Additions	8.91	-	8.91	30.24
Balance as at 31 March 2018	**26.55**	**68.89**	**95.44**	**128.71**
Balance as at 1 April 2018	**26.55**	**68.89**	**95.44**	**128.71**
Additions	58.96	-	58.96	-
Capitalised during the year	-	-	-	(30.24)
Balance as at 31 March 2019	**85.51**	**68.89**	**154.40**	**98.47**
Accumulated amortisation and impairment losses				
Balance as at 1 April 2017	5.98	68.89	74.87	-
Amortisation charge for the year	6.06	-	6.06	-
Balance as at 31 March 2018	**12.04**	**68.89**	**80.93**	**-**
Balance as at 1 April 2018	12.04	68.89	80.93	-
Amortisation charge for the year	22.05	-	22.05	-
Written off during the year (Refer note below)		-	-	98.47
Balance as at 31 March 2019	**34.09**	**68.89**	**102.98**	**98.47**
Net block				
As at 1 April 2017	11.66	-	11.66	98.47
As at 31 March 2018	14.51	-	14.51	128.71
As at 31 March 2019	**51.42**	**-**	**51.42**	**-**

(i) In December 2010, the Company acquired certain advertising rights in lieu of construction of bus stops. The right were to be effective for a period of 5 years from commencement of the bus routes. However, due to non-commencement of the bus routes, the right had not vested into the Company. The Company had been in discussions with the customer for extension of the period of advertising rights. Based on the management assessment in the current year, the Company is of the view that the period of the advertising rights will not be further extended, and no economic benefits will flow to the Company. Hence, the asset amounting to INR 98.47 million has been written off during the during the current year.

6. Investments

	31 March 2019	31 March 2018	1 April 2017
Non-current			
Investments measured at fair value through other comprehensive income			
Non-trade investments in equity instruments (unquoted)			
- Rupee Co-operative Bank Limited	**0.03**	0.03	0.03
1,000 (2018: 1,000 ; 2017: 1,000) equity shares of Rs. 25 each fully paid			
- Saraswat Co-operative Bank Limited	**0.03**	0.03	0.03
1,000 (2018: 1,000 ; 2017: 1,000) equity shares of Rs. 25 each fully paid			
- Thane Janta Sahakari Bank Limited	**0.00***	0.00*	0.00*
10 (2018: 10 ; 2017: 10) equity shares of Rs. 50 each fully paid			
- Vighnahar Pest Control Private Limited	-	-	-
NIL (2018: NIL ; 2017: 5,000) equity shares of Rs. 10 each fully paid			
- The Cosmos Co-Operative Bank Limited			
10,000 (2018: 1,000 ; 2017: Nil) equity shares of Rs. 25 each fully paid	**1.00**	0.10	-
Investments measured at amortised cost			
Investments in Government or trust securities			
- National Saving Certificates	**0.00***	0.00*	0.00*
Investments measured at cost (Unquoted)			
Investments in equity instruments of joint venture			
- BVG-UKSAS EMS Private Limited	**0.05**	0.05	0.05
4,900 (2018: 4,900 ; 2017: 4,900) equity shares of Rs. 10 each fully paid			
Investments in equity instruments of subsidiary			
- BVG Kshitij Waste Management Services Private Limited	**0.07**	0.07	0.07
7,400 (2018: 7,400 ; 2017: 7,400) equity shares of Rs. 10 each fully paid			
- Out-of-Home Media (India) Private Limited	-	-	-
36,599,062 (2018: 36,599,062 ; 2017: NIL) equity shares of INR 10 each fully paid			
- BVG Skill Academy	**0.08**	0.08	0.03
7,500 (2018: 7,500 ; 2017: 2,500) equity shares of Rs. 10 each fully paid			
	1.26	0.36	0.21
Aggregate value of unquoted investments	**1.26**	0.36	0.21
Aggregate amount of impairment in value of investments	**1.90**	1.90	1.90
Investments measured at cost	**0.20**	0.20	0.15
Investments measured at amortised cost	**0.00***	0.00*	0.00*
Investments measured at fair value through other comprehensive income	**1.06**	0.16	0.06

a) Equity shares designated as at fair value through other comprehensive income

The above amounts represent the fair values of the designated investments as at the respective reporting dates.

b) Investment in BVG Krystal Joint Venture

BVG Krystal Joint Venture (BVG Krystal) is a joint arrangement in which the Company has a right of 51% share in profits. BVG Krystal is a partnership firm registered on 2 June 2009, having its principal place of business at Mumbai. The firm was set up for providing all types of security solutions, including supply of security personnel, protection of property, house-keeping and all other relevant and incidental work.
Based on the nature of arrangement, it has been treated as a jointly controlled operation in these standalone financial statements. The following table summarises the financial information of BVG Krystal.

* Since denominated in INR million

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(All amounts are in Indian rupees million)

6. Investments *(continued)*

	31 March 2019	31 March 2018	1 April 2017
Share in profits (%)	**51%**	51%	51%
Non current assets	**28.89**	28.89	28.89
Current Assets			
Trade receivables	**79.51**	79.51	79.51
Cash and cash equivalents	**0.01**	0.01	0.01
Current Liabilities			
Trade payables	**(108.55)**	(108.54)	(108.54)
Net Assets	**(0.14)**	(0.13)	(0.13)
Company's share of net assets of joint operation	**(0.07)**	(0.07)	(0.07)

7. Loans
(Unsecured, considered good unless otherwise stated)

	31 March 2019	31 March 2018	1 April 2017
Non-current			
Security deposits	**290.52**	172.10	164.29
	290.52	172.10	164.29
Current			
Loans and advances to employees	**3.39**	4.72	28.11
Security deposits	**24.00**	24.00	24.00
	27.39	28.72	52.11

Note: Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 44

8. Other financial assets
(Unsecured, considered good unless otherwise stated)

	31 March 2019	31 March 2018	1 April 2017
Non-current			
Lease receivables (Refer note 38)	**367.39**	542.35	699.78
Deposits with banks (*with remaining maturity more than twelve months)*	**216.52**	83.64	156.89
Retention money	**1,054.36**	-	977.12
Less: Loss allowance	-	-	(1.05)
	1,638.27	625.99	1,832.74
Current			
Lease receivables (Refer note 38)	**174.96**	157.42	141.68
Interest accrued on fixed deposits	**11.12**	11.79	9.66
Unbilled revenue	**1,952.12**	1,246.24	1,990.91
Other receivables	-	-	74.83
Retention money	**215.59**	1,814.64	810.20
Less: Loss allowance	**(16.05)**	(16.05)	(0.99)
	2,337.74	3,214.04	3,026.29

Note: Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 44.

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(All amounts are in Indian rupees million)

9. Other assets	**31 March 2019**	31 March 2018	1 April 2017
(Unsecured, considered good unless otherwise stated)			
Non-current			
Capital advances (Refer note 33)	**184.88**	160.41	138.40
Other loans and advances	**83.01**	85.20	4.91
	267.89	245.61	143.31
Current			
Advances for supply of goods and services	**541.30**	533.73	227.07
Other loans and advances			
Considered good	**62.51**	92.71	87.90
Considered doubtful	**-**	-	27.76
	62.51	92.71	115.66
Less: Loss allowance	**-**	-	(27.76)
	62.51	92.71	87.90
	603.81	626.44	314.97

10. Inventories

At lower of cost and net realisable value			
Stores and spares	**233.94**	430.75	661.54
Work in Progress relating to discontinued operations	**1,587.82**	5,523.76	5,098.09
	1,821.76	5,954.51	5,759.63

11. Trade receivables

Trade receivables			
Unsecured, considered good	**7,341.24**	8,179.87	5,364.65
Doubtful	**1,354.79**	466.04	324.93
	8,696.03	8,645.91	5,689.58
Loss allowance			
Doubtful	**(1,354.79)**	(466.04)	(324.93)
	(1,354.79)	(466.04)	(324.93)
Net trade receivables	**7,341.24**	8,179.87	5,364.65

Note:

(i) Refer note 36 for amounts due from related parties.

(ii) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in Note 44.

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12. Cash and cash equivalents	**31 March 2019**	31 March 2018	1 April 2017
Cash on hand	**0.61**	0.91	0.53
Cheques in hand	**229.63**	106.47	745.63
Balances with banks:			
On current accounts (includes unclaimed dividend of INR 0.80 million; 2018: 0.15 million; 2017: INR 1.58 million)	**156.75**	141.08	39.37
In deposit accounts *(with original maturity of 3 months or less)*	-	11.00	1.46
Debit balances in cash credit accounts	**241.16**	548.52	16.02
	628.15	807.98	803.01

13. Other bank balances

Margin money deposits with original maturity more than three months and remaining maturity less than twelve months	**322.67**	492.46	424.48
On deposit account with original maturity more than three months and remaining maturity less than twelve months	**48.46**	28.41	34.88
	371.13	520.87	459.36

14. Contract assets

Contract Assets relating to training business	**36.21**	59.56	38.63
	36.21	59.56	38.63

15. Assets classified as held for sale

Freehold land held for sale (Refer note 43)	**122.20**	-	-
	122.20	-	-

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(All amounts are in Indian rupees million)

	31 March 2019	31 March 2018	1 April 2017
16. Equity share capital			
Authorized:			
Equity share capital			
27,164,861 (2018: 27,164,861 ; 2017: 27,164,861) equity shares of Rs. 10 each	**271.65**	271.65	271.65
Preference share capital			
14,835,139 (2018: 14,835,139 ; 2017: 14,835,139) compulsorily convertible cumulative preference shares ('CCPS') of Rs. 10 each	**148.35**	148.35	148.35
	420.00	420.00	420.00
Issued, subscribed and fully paid-up:			
A. Equity share capital			
25,710,388 (2018: 25,710,388 ; 2017: 18,794,358) equity shares of Rs. 10 each	**257.10**	257.10	187.94
B. Instruments entirely equity in nature			
Preference share capital			
14,835,139 (2018: 14,835,139 ; 2017: NIL) compulsorily convertible cumulative preference shares of Rs. 10 each	**148.35**	148.35	-
	405.45	405.45	187.94

16.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

	31 March 2019		31 March 2018		1 April 2017	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
A. Equity share capital *(also refer note 14.2 below)*						
At the beginning of the year	**2,57,10,388**	**257.10**	1,87,94,358	187.94	1,87,94,358	187.94
Increase due to reclassification of Equity shares previously classified as financial liability (Refer note 14.5)	-	-	69,16,030	69.16	-	-
Outstanding at the end of the year	**2,57,10,388**	**257.10**	2,57,10,388	257.10	1,87,94,358	187.94
B. Instruments entirely equity in nature *(also refer note 14.3 below)*						
Preference share capital						
At the beginning of the year	**1,48,35,139**	**148.35**	-	-	-	-
Increase due to reclassification of CCPS previously classified as financial liability (Refer note 14.5)	-	-	1,48,35,139	148.35	-	-
Outstanding at the end of the year	**1,48,35,139**	**148.35**	1,48,35,139	148.35	-	-

16.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors, in their meeting on 22 November 2019 proposed a final dividend of NIL (2018 : NIL ; 2017 : INR 0.60) per equity share. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding.

16.3 Rights, preferences and restrictions attached to preference shares (Instruments entirely equity in nature)

The Compulsory Convertible Cumulative Preference Shares (CCPS) that were privately placed with Strategic Investments FM (Mauritius) B Limited and Strategic Investments FM (Mauritius) Alpha Limited are convertible into equity shares of the Company, at a predetermined rate pursuant to the Investment Agreement. The holders of CCPS shall be entitled to an annual per share dividend equal to 0.001% of the consideration paid for the preference shares. The preference shareholders are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. In the event of winding up up, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

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16.Equity share capital (continued)

16.4 Details of shareholders holding more than 5% shares is set out below:

Name of the shareholder	31 March 2019		31 March 2018		1 April 2017	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
A. Equity share capital						
Hanmantrao Gaikwad	**1,34,74,912**	**52.41%**	1,34,74,912	52.41%	1,34,74,912	71.70%
Umesh Mane	**21,49,092**	**8.36%**	21,49,092	8.36%	21,49,092	11.43%
Strategic Investments FM (Mauritius) Alpha Ltd.	**56,28,249**	**21.89%**	56,28,249	21.89%	-	-
Strategic Investments FM (Mauritius) B Ltd.	**12,87,781**	**5.01%**	12,87,781	5.01%	-	-
B. Instruments entirely equity in nature						
Preference share capital						
Strategic Investments FM (Mauritius) Alpha Ltd.	**1,20,72,804**	**81.38%**	1,20,72,804	81.38%	-	-
Strategic Investments FM (Mauritius) B Ltd.	**27,62,335**	**18.62%**	27,62,335	18.62%	-	-

16.5 Classification of equity shares and CCPS ('Investor shares') as financial liability:

Under the provisions of Ind AS 32 "Financial Instruments - Presentation", the issuer of a financial instrument shall classify the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance (and not the legal form) of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

A financial liability is defined as a liability that is a contractual obligation to deliver cash or any other financial asset or another entity.

In accordance with the Share holders' agreement, all CCPS series are cumulative, mandatorily and fully convertible. Further, with respect to the exit options available to the investors, the Company is liable to buy back all or any portion of the Investor Shares at fair market value determined by a valuer as per the investor agreement at the time of buy back, if certain conditions are not fulfilled by the Company.

Since there is an unavoidable obligation to pay cash in case of buy back of shares by the Company, these have been classified as a financial liability at fair value through Profit & Loss account (Refer Note 21). Any directly attributable transaction cost are recognised in Profit & Loss account as incurred.

Based on the addendum to the shareholders agreement, the said liability was restated back to equity in the financial year 2017-18.

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17. Other equity	31 March 2019	31 March 2018
Equity component of compound financial instrument		
As at the beginning of the year	**4.20**	4.20
Changes during the year	-	-
As at the end of the year	**4.20**	4.20
General reserve		
As at the beginning of the year	**1,672.40**	1,672.40
Add: Transferred from surplus in the Statement of Profit and Loss	-	-
As at the end of the year	**1,672.40**	1,672.40
Retained earnings		
As at the beginning of the year	**2,931.07**	(7,811.46)
Add: Net profit after tax transferred from Statement of Profit and Loss	**814.86**	1,598.08
Add: Reclassification of Equity shares and CCPS previously classified as financial liability (Refer note 16.5)	-	9,340.33
Appropriations:		
Dividend on equity shares	-	(162.75)
Dividend distribution tax on dividend	-	(33.13)
Dividend and dividend distribution tax on preference shares	**(0.00)***	(0.00)*
Balance as at the end of the year	**3,745.93**	2,931.07
Other comprehensive		
As at the beginning of the year	**(11.46)**	(4.17)
Re-measurement of defined benefit plan	**(41.71)**	(11.14)
Income tax effect relating to above item	**14.43**	3.85
As at the end of the year	**(38.74)**	(11.46)
	5,383.79	4,596.21

* Since denominated in INR million

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18. Borrowings

	Non-current portion			Current portion		
	31 March 2019	31 March 2018	1 April 2017	**31 March 2019**	31 March 2018	1 April 2017
Non-current borrowings						
Secured:						
Term loans:						
From banks						
in Indian Rupees *(also refer notes 'a & f' below)*	**303.45**	164.89	330.22	**116.67**	283.15	322.48
From other parties						
in Indian Rupees *(also refer note 'b & f' below)*	**360.57**	319.93	246.90	**78.02**	122.59	76.12
	664.02	484.82	577.12	**194.69**	405.74	398.60
Finance lease obligation *(also refer note 'c' and 'f')*	**30.36**	21.29	-	**27.90**	14.34	1.82
	30.36	21.29	-	**27.90**	14.34	1.82
Unsecured:						
Optionally convertible interest free debentures of Rs. 10 each 682,977 (2018: 682,977 ; 2017: 682,977) *(also refer note 'd')*	**1.34**	1.15	0.98	-	-	-
From other parties *(also refer note 'e')*	**31.66**	-	-	**54.43**	-	-
	33.00	**1.15**	**0.98**	**54.43**	-	-
	727.38	507.26	578.10	**277.02**	420.08	400.42
Current borrowings						
From banks (Secured) :						
Cash credit facilities *(also refer note 'g' below)*				**4,620.18**	4,323.53	4,097.36
Loan repayable on demand *(also refer note 'h' below)*				**140.00**	140.00	338.63
				4,760.18	4,463.53	4,435.99

Information about the Company's exposure to Interest rate risk, foreign currency risk and liquidity risk is disclosed in Note 39.

Securities

a) For term loans from banks in Indian rupees

1) The loans are from multiple banks under a consortium banking arrangement with the securities being under the charge of a security trustee Company (SBICAP trustee Company Limited). Total outstanding balance of such loans as on 31 March 2019 is 332.14 million (31 March 2018: 198.43 million; 1 April 2017: 183.91 million). The securities offered under the said arrangement are as under:

i) First charge ranking pari passu on the Company's entire current assets (present and future) including stocks of consumables, stores and spares, work in progress and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future in form and manner satisfactory to the lenders.
ii) Unconditional and irrevocable personal guarantees of Hanmantrao Gaikwad and Umesh Mane.
iii) Corporate guarantee of Aarya Agro-Bio and Herbals Private Limited.

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18. Borrowings (continued)

iv) First charge ranking pari passu on land situated at Village Bibi, Taluka Phaltan owned by company together with all buildings and structures which are standing, erected and permanently attached or shall at any time constituted be erected, standing and permanently attached thereto.

v) First charge ranking pari passu on all that pieces and parcels of land situated at Pandharpur owned by the Company, together with all buildings and structures which are standing, erected and permanently attached or shall at any time constituted be erected, standing and permanently attached thereto.

vi) First charge ranking pari passu on all pieces and parcels of immovable property consisting of first, second and third floor situated at Premier Plaza, Chinchwad owned by the Aarya Agro-Bio and Herbals Private Limited.

vii) First charge ranking pari passu on all that pieces and parcels of garage & shed areas situated at Bhosari owned by Aarya Agro-Bio and Herbals Private Limited.

viii) First charge ranking pari passu on all pieces and parcels of immovable property in Chinchwad and Shivajinagar, Pune, owned by Mr. Hanmantrao Gaikwad.

ix) First charge ranking pari passu on agriculture land situated at Koregaon, District Satara owned by Mr. Hanmantrao Gaikwad.

x) Second charge on ranking pari passu on the immovable property situated at Sagar complex , Kasarwadi.

xi) Second charge on ranking pari passu on Company's movable fixed assets.

2) Long term loan from bank includes vehicle loan which is secured by way of hypothecation of vehicles. Total outstanding balance of such loans as on 31 March 2019 is 78.86 million (31 March 2018: 240.05 million; 1 April 2017: 458.87 million).

3) Long term loan from bank includes property loan, which is secured by way of mortgage of property at Balewadi, Pune. Total outstanding balance of such loans as on 31 March 2019 is 9.12 million (31 March 2018 :9.57 million;1 April 2017: 9.92 million).

4) The term loans from banks carry interest rate ranging from 8.25% to 12.50% p.a. The number of monthly installments payable for these are ranging from 36 to 140.

b) For term loans from others in Indian rupees

1) The term loan from others include loans taken from Capital First Limited which are secured by way of first charge on ranking pari passu on the immovable property situated at Sagar complex, Kasarwadi. Total outstanding balance of such loan as on 31 March 2019 is 238.65 million (31 March 2018: 250.39 million; 1 April 2017: 187.66 million). The loans were sanctioned in the years 2014 and 2018 and carry interest rate of 9.50% to 12.5% p.a. The monthly installments payable for these loans end in December 2029.

2) The term loan from others include vehicle loans taken from Tata Motors Finance Limited & Tata Motors Finance Solutions Limited which is secured by of hypothecation of vehicles. The total outstanding balance of such loans as on 31 March 2019 is 194.65 million (31 March 2018: 78.37 million; 1 April 2017: 96.97 million). The interest rate for these loans are ranging from 8.75% to 11.34% p.a. The number of monthly installments payable for these are ranging from 51 to 60.

3) The term loan from others include loan taken from SREI which is secured by hypothecation of plant and machinery. Total outstanding balance of such loan as on 31 March 2019 is NIL (31 March 2018: 113.77 million; 1 April 2017: 0.58 million). The interest rate for this loan was 10.25% p.a.

4) The term loan from others include working capital term loan taken from Tata Capital Financial Services Limited. Total outstanding balance of such loan as on 31 March 2019 is 5.56 million (31 March 2018: 72.20 million; 1 April 2017:37.5 million). The interest rate for this loan is 11.% p.a. This loan is due to be repaid by April 2019.

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(All amounts are in Indian rupees million)

18.Borrowings (continued)

c) Certain assets have been obtained on finance lease basis. The legal title of those assets vests with the lessor. The lease term for such assets is 36 to 48 months, with equated monthly payments beginning from the month subsequent to the commencement of the lease. The total minimum future lease payments at the Balance Sheet date, element of interest included in such payments, and present value of these minimum lease payments are as follows:

Particulars	31 March 2019	31 March 2018	1 April 2017
Total future minimum lease payments (MLP)	**65.74**	40.73	1.86
Future interest included in above MLP	**7.48**	5.10	0.04
Present value of future MLP	**58.26**	35.63	1.82

The rate of interest implicit above is 11.15% p.a.

The maturity profile of finance lease obligations is as follows:

Period	31 March 2019		31 March 2018		1 April 2017	
	Minimum lease payments	Present value	Minimum lease payments	Present value	Minimum lease payments	Present value
Payable within one year	**32.86**	**27.90**	17.38	14.34	1.86	1.82
Payable between 1-5 years	**32.88**	**30.36**	23.35	21.29	-	-

Finance lease obligations are secured against the respective assets taken on lease.

d) The Company had issued 682,977 unsecured, non-interest bearing optionally convertible debentures (OCD) of INR 10 each. The OCDs can be converted to 682,977 equity shares of the Company.

	31 March 2019	31 March 2018	1 April 2017
Opening balance	**1.15**	0.98	0.84
Add: Accrued interest	**0.19**	0.17	0.14
Carrying amount of liability as at the Balance Sheet date	**1.34**	1.15	0.98

(e) The unsecured loan from others include term loans from IBM India Private Limited. Total outstanding balance of such loans as on 31 March 2019 is 86.09 million (31 March 2018: NIL; 1 April 2017: NIL). The loans carry interest rate of 10.70% p.a. The number of quarterly installment payable for these are ranging from 4 to 7 quarters.

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18.Borrowings (continued)

f) Maturity profile of loans other than finance lease obligation and debentures -

	Maturity profile					
	Upto 1 year*	**1-2 Years**	**2-3 Years**	**3-4 Years**	**Beyond 4 years**	**Total**
Term loans						
as on 31 March 2019	**249.12**	**209.85**	**151.10**	**113.52**	**221.21**	**944.80**
as on 31 March 2018	405.74	125.48	85.36	58.29	215.69	890.56
as on 1 April 2017	398.59	308.76	62.20	36.76	169.40	975.71

* disclosed under other current liabilities *(also refer note 23)*

g) The cash credit facilities carry interest ranging between 10.15% to 11.50% p.a. Refer note (a) for security provided.

h) The working capital demand loans are repayble on demand at interest rate of 10.85%. Refer note (a) for security provided.

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(All amounts are in Indian rupees million)

18.Borrowings (continued)

g) Net debt reconcilliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

	31 March 2019	31 March 2018	1 April 2017
Cash and cash equivalents	**628.15**	807.98	803.01
Other bank balances	**371.13**	520.87	459.36
Book overdraft	**(26.23)**	(21.41)	-
Non-current borrowings	**(727.38)**	(507.26)	(578.10)
Current maturities of long term debt	**(277.02)**	(420.08)	(400.42)
Current borrowings	**(4,760.18)**	(4,463.53)	(4,435.99)
Accrued interest (Classified in current liabilities)	**(5.21)**	(5.15)	(9.19)
	(4,796.74)	(4,088.58)	(4,161.33)

	Current assets		Liabilities from financing activities				
	Cash and cash equivalents	Other bank balances	Term loans	Finance lease obligations	Unsecured loans	Other current borrowings	Total
Net debt as at 1 April 2017	803.01	459.36	(984.91)	(1.82)	(0.98)	(4,435.99)	**(4,161.33)**
Cash flows	(16.44)	61.51	89.20	(33.81)	(0.17)	(27.54)	**72.75**
Net debt as at 31 March 2018	**786.57**	**520.87**	**(895.71)**	**(35.63)**	**(1.15)**	**(4,463.53)**	**(4,088.58)**
Cash flows	(184.65)	(149.74)	31.79	(22.63)	(86.28)	(296.65)	**(708.16)**
Net debt as at 31 March 2019	**601.92**	**371.13**	**(863.92)**	**(58.26)**	**(87.43)**	**(4,760.18)**	**(4,796.74)**

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BVG India Limited
Notes forming part of the standalone financial statements *(continued)*
for the year ended 31 March 2019
(All amounts are in Indian rupees million)

19. Provisions

	31 March 2019	31 March 2018	1 April 2017
Non-current			
Provision for employee benefits			
Gratuity (also refer note 39)	**239.20**	181.69	127.57
	239.20	181.69	127.57
Current			
Provision for employee benefits			
Gratuity (also refer note 39)	**47.89**	22.74	16.73
Others			
Dividend on preference shares (including taxes)	**0.00***	0.00*	0.00*
	47.89	22.74	16.73

* Since denominated in INR million

20. Trade payables

Outstanding dues of micro enterprises & small enterprises (Refer note 41 for details of dues to micro and small enterprises)	**0.66**	5.40	9.50
Outstanding dues of creditors other than micro enterprises & small enterprises (Refer note (ii) below)	**1,627.59**	1,360.00	1,484.38
	1,628.25	1,365.40	1,493.88

(i) Refer note 36 for amounts due to related parties
(ii) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in Note 44

21. Other financial liabilities

Current maturities of long-term debt (also refer note 18)	**249.12**	405.74	398.59
Current maturities of long-term debt pertaining to finance lease obligation (also refer note 18)	**27.90**	14.34	1.82
Fair value of Equity shares and CCPS classified as financial liability (Refer note 16.5)	-	-	9,926.37
Interest accrued but not due on borrowings	**5.21**	5.15	9.19
Interim dividend payable	**0.80**	0.15	1.58
Accrued employee liabilities	**1,225.84**	1,034.29	739.09
Capital creditors	**56.90**	45.60	37.38
	1,565.77	1,505.27	11,114.02

22. Contract liabilities

Contract liablities relating to discontinued operations	**1,577.57**	7,003.12	6,234.58
Contract liabilities relating to training business	**121.64**	110.13	49.04
	1,699.21	7,113.25	6,283.62

(i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in Note 44

23. Other current liabilities

Statutory liabilities	**613.12**	871.59	438.13
Advance from customers	**0.13**	57.10	16.05
Book overdraft	**26.23**	21.41	-
	639.48	950.10	454.18

24. Liabilities directly associated with assets held for sale

Advances received (Refer note 43)	**40.00**	-	-
	40.00	-	-

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25. Revenue from operations

	31 March 2019	31 March 2018
Facility services revenue	**18,153.73**	15,679.90
Facility projects revenue	**22.18**	658.11
Sale of traded goods	-	597.83
	18,175.91	16,935.84

26. Other income

Interest income under effective interest method on deposits with banks and others	**41.18**	44.16
Foreign exchange fluctuation gain (net)	**7.17**	-
Finance income on lease receivables	**66.10**	81.84
Interest income on financial assets at amortised cost	-	36.04
Change in fair value of financial liability	-	368.53
Miscellaneous income	**1.09**	3.28
	115.54	533.85

27. Cost of materials consumed

Inventory at the beginning of the year	**430.75**	661.54
Add: Purchases	**1,087.66**	1,493.78
Less: Inventory at the end of the year	**233.94**	430.75
	1,284.47	1,724.57
Break up of materials consumed		
Electrical material	**2.75**	-
Project material	**45.35**	989.98
Others	**1,236.37**	734.59
	1,284.47	1,724.57
Break up of closing stock		
Electrical material	**100.37**	231.32
Construction material	**27.00**	107.95
Others	**106.57**	91.48
	233.94	430.75

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(All amounts are in Indian rupees million)

	31 March 2019	31 March 2018
28. Employee benefits expense		
Salaries, wages and allowances	**9,805.05**	8,556.16
Contribution to provident and other funds (refer note 39)	**1,080.66**	1,017.05
Staff welfare expenses	**140.39**	89.97
	11,026.10	9,663.18

	31 March 2019	31 March 2018
29. Finance costs		
Interest expense		
On borrowings from banks	**685.08**	752.87
On borrowings from others	**63.06**	40.83
On optionally convertible debentures	**0.20**	0.17
Other borrowing costs*	**103.37**	171.03
	851.71	964.90

*Includes charges on account of guarantee commission, LC and renewal of credit facilities.

	31 March 2019	31 March 2018
30. Other expenses		
Subcontracting charges	**745.61**	357.52
Freight, octroi and transportation	**19.57**	9.80
Equipment hiring charges	**102.42**	98.43
Retainership fees	**612.14**	589.80
Power and fuel	**840.88**	551.19
Rent (refer note 38)	**131.33**	112.51
Rates and taxes	**38.48**	90.00
Repairs and maintenance:		
- on machinery	**10.86**	20.84
- others	**384.67**	224.75
Insurance	**64.18**	38.92
Travelling and conveyance	**140.55**	107.57
Communication	**42.33**	44.73
Advertisement and sales promotions	**16.35**	17.21
Printing and stationery	**27.66**	12.94
Legal and professional charges	**190.34**	189.61
Auditors' remuneration (refer note below)	**3.30**	4.37
Impairment loss	**98.57**	-
Corporate social responsibility expenses (Refer note 40)	**30.00**	20.00
Bad debts and deposits written off	-	1.43
Provision for expected credit loss	**227.05**	122.28
Balances written off	**412.57**	-
Loss on sale of assets	-	0.73
Miscellaneous expenses	**39.09**	34.93
	4,177.95	2,649.56
Payments to auditors (Refer note below)		
As an auditor		
Statutory audit fees	**3.30**	3.80
Reimbursement of expenses	-	0.57
	3.30	4.37

(i) The fees disclosed above in respect of the FY 2017-18 represents the fees paid to the erstwhile auditors.

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(All amounts are in Indian rupees million)

31. Tax expenses

		31 March 2019	31 March 2018
A	**Recognised in Statement of Profit and Loss:**		
	Current income tax:		
	Current income tax charge	**354.41**	460.92
	Tax relating to earlier periods	**29.99**	-
	Deferred tax:		
	Relating to origination and reversal of temporary differences (including MAT credit utilisation of NIL (31 March 2018: 59.20 million))	**(586.08)**	(102.49)
	Income tax expense reported in the statement of profit and loss	**(201.68)**	358.43
	Tax expense of the year attributable to:		
	Continuing operations	**(106.08)**	(337.87)
	Discontinued operations	**307.76**	(20.56)
		201.68	(358.43)
B	**Recognised in Statement of Other comprehensive income:**		
	Deferred tax:		
	Remeasurement of defined benefit plan	**14.43**	3.85
	Income tax expense reported in the statement of other comprehensive income	**14.43**	3.85
C	**Reconciliation of effective tax rate**		
	Accounting profit before tax	**613.18**	1,956.51
	Tax using the Company's domestic tax rate (34.944%)	**214.27**	677.11
	Adjustments in respect of current income tax of previous years (including MAT credit)	**29.99**	-
	Tax effect of:		
	Impact on account of change in accounting policy- Ind AS 115	**(697.99)**	30.99
	MAT credit and deferred tax on income tax loss not recognised	**445.09**	-
	Disallowance for donation	**11.37**	1.22
	Interest and penalties on statutory dues	**-**	5.91
	Deduction under section 80JJAA of Income Tax Act	**(157.97)**	(112.89)
	Deduction under section 80IA of Income Tax Act	**(53.78)**	(115.90)
	Fair valuation of financial liability	**-**	(127.54)
	Others	**7.34**	(0.47)
	Total	**(201.68)**	358.43
	Income tax expense reported in the statement of profit and loss	**(201.68)**	358.43

D **Deferred tax**

Deferred tax relates to the following: **Deferred tax asset / (liability)**	**Balance sheet**			**Statement of profit and loss & other comprehensive income**	
	31-Mar-19	31-Mar-18	01-Apr-17	**31-Mar-19**	31-Mar-18
Deferred tax asset					
Minimum alternate tax (MAT) credit	**-**	-	59.20	**-**	-
Expected credit loss and discounting of retention money	**599.25**	225.85	257.20	**(373.40)**	31.35
Provision for employee benefits	**231.01**	175.33	94.39	**(55.68)**	(80.94)
Others	**3.28**	13.05	19.01	**9.77**	5.96
Total	**833.54**	414.23	429.80	**(419.31)**	(43.63)
Deferred tax liability					
Property, plant & equipment and intangible assets (including intangible assets under development)	**(260.69)**	(260.68)	(245.68)	**0.01**	15.00
Arrangements that contain a lease	**(4.84)**	(18.08)	(20.15)	**(13.24)**	(2.07)
Claim of deduction on account of retention money	**(519.12)**	(687.01)	(762.60)	**(167.89)**	(75.59)
Others	**(1.90)**	(1.97)	(2.02)	**(0.08)**	(0.05)
Total	**(786.55)**	(967.74)	(1,030.45)	**(181.20)**	(62.71)
Net deferred tax asset / (liability)	**46.99**	(553.51)	(600.65)	**(600.51)**	(106.34)

Deferred tax expense/(income)		
Recognised in the statement of profit and loss (Expense / (income)) (excluding MAT credit utilisation)		
- Attributable to continuing operations	**(140.32)**	(15.42)
- Attributable to discontinued operations (Refer Note 42)	**(445.76)**	(87.07)
Recognised in the statement of other comprehensive income (Expense / (income))		
- Attributable to continuing operations	**(14.43)**	(3.85)

(All amounts are in Indian rupees million)

32 Earnings per share

		31 March 2019	31 March 2018
(a) Basic earnings per equity share of face value Rs. 10 each (in Rupees)			
- From continuing operations	A (G/N)	**25.50**	55.53
- From discontinued operations	B (H/N)	**5.89**	6.02
- Total basic earnings per share	C (I/N)	**31.39**	61.55
(b) Diluted earnings per equity share of face value Rs. 10 each (in Rupees)			
- From continuing operations	D (K/O)	**24.85**	54.11
- From discontinued operations	E (L/O)	**5.75**	5.87
- Total diluted earnings per share	F (M/O)	**30.60**	59.98
(c) Reconcilliation of earnings used in calculating earnings per year			
Net profit for the year attributable to equity shareholders (Basic)			
- From continuing operations	G	**661.90**	1,441.76
- From discontinued operations	H	**152.96**	156.32
- Total net earnings	I	**814.86**	1,598.08
Add: Interest on compound financial instrument (after tax)	J	**0.13**	0.11
Net profit after tax available for equity share holders (Diluted)			
- From continuing operations	K	**662.03**	1,441.87
- From discontinued operations	L	**153.09**	156.43
- Total net earnings (diluted)	M	**814.99**	1,598.19
(d) Weighted average number of shares used as the denominator			
Weighted average number of equity shares of face value of INR 10 each outstanding during the year	N	**2,59,61,831**	2,59,61,831
Weighted average number of equity shares of INR 10 each considered as equity shares and potential equity shares outstanding	O	**2,66,44,808**	2,66,44,808

Reconciliation of weighted average number of equity shares:		
Equity shares	**2,57,10,388**	2,57,10,388
Effect of compulsorily convertible preference shares	**2,51,443**	2,51,443
Weighted average number of equity shares: Basic	**2,59,61,831**	2,59,61,831
Effect of optionally convertible debentures	**6,82,977**	6,82,977
Weighted average number of equity shares: Diluted	**2,66,44,808**	2,66,44,808

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33 Contingent liabilities and commitments

	31 March 2019	31 March 2018
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**66.98**	161.77
	66.98	161.77
Contingent liabilities		
I - Guarantees extended by the Company *(refer note a below)*	**85.50**	85.50
II - Value added tax claims *(Refer note b below)*	**-**	22.80
III - Employee dues on account of amendment to Payment of Bonus Act, 1965 *(Refer note c below)*	**57.52**	57.52
IV - Service tax claims *(Refer note d below)*	**1,195.03**	1,195.03
	1,338.05	1,360.85

(a) Guarantees disclosed above excludes performance guarantee amounting to 3,092.53 million (31 March 2018: 2,397.14 million) towards bid security, earnest money deposit and security deposit.

(b) The Value added tax claim pertains to disallowance of input tax credit of various assessment years. The Company had filed an appeal with Deputy Commissioner of Sales Tax, Appeals. During the financial year 2018-19, the Company has withdrawn the appeal and settled the matter under Maharashtra Settlement of Arrears in Dispute Act 2016.

(c) Since the decision for retrospective application of the amendment in Payment of Bonus Act, 1965 is pending with Hon'ble Bombay High Court, the Company has considered the amendment prospectively from FY 2015-16.

(d) The service tax claim is on account of exemption on certain services disallowed by the Service tax department for the period of financial years 2012-16. The Company has filed an appeal with CESTAT against the order.

34 On 6 November 2019, a search/survey was conducted on the Company by the Income Tax Department pursuant to the provisions of section 132/133 of the Income Tax Act, 1961 ("the IT Act"). The proceedings covered various office locations, and residences of certain directors and employees of the Company. The Company has not yet received any demand notice with respect to these proceedings. During these proceedings, the Income Tax department had requisitioned books of accounts and other documents under section 132A/133 of the IT Act for AY 2013-14 to AY 2019-20. Currently, the Company is in the process of providing information and explanations sought by the tax authority.

In the absence of any appraisal or demand order, management is currently unable to quantify any possible tax obligation that may arise out of the said search/survey proceedings. Accordingly, no provision has been made pursuant to above matter in the current year.

35 The Honorable Supreme court gave a judgement dated February 28, 2019 on certain aspects related to Provident Fund. The question before the Supreme Court was whether certain allowances payable to all employees generally or to all employees engaged in a particular category would also fall within the purview of 'basic wages' for the purpose of determining the amount of EPF Contribution payable by the employer.

In reference to the above judgement, the Company is of the view that it is highly unlikely that the judgment of the Supreme Court would call for retrospective application. Further, the Company is also of the view that there are interpretation challenges and considerable uncertainty, including estimating the amount retrospectively.

Consequently, no financial effect has been provided in the financial statements towards any potential retrospective application of the above Supreme court judgement. However, as a matter of abundant caution, the Company has made a provision on a prospective basis and the amount is not material.

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36 Related party transactions

List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

a) Related parties where control exists	
Subsidiaries	BVG Kshitij Waste Management Services Private Limited
	Out of Home Media India Private Limited
	BVG Skill Academy
b) Joint venture	BVG-UKSAS EMS Private Limited
c) Joint operation	BVG Krystal Joint Venture
d) Key management personnel	
Chairman and Managing Director	Hanmantrao Ramdas Gaikwad
Vice Chairman and Whole time Director	Umesh Gautam Mane
Whole time Director (upto 30 June 2019)	Ganesh Shripad Limaye
Whole time Director	Swapnali Dattatray Gaikwad
Chief Financial Officer (upto 30 November 2018)	Akshay Deodhar
Chief Financial Officer (from 2 January 2019)	Niraj Kedia
Company Secretary	Rajni Pamnani

e) Enterprises over which key management personnel and the relatives of such personnel exercise control / significant influence :
BVG Energy Efficiency Private Limited
BVG Life Sciences Limited
BVG Hi-Tech Agro Limited (formerly known as BVG Sugars Limited)
BVG Jal Private Limited (formerly known as Hilltop Developers Limited)
Livestock and Crop Registry India Limited
Satara Mega Food Park Private Limited
BVG Clean Energy Limited
BVG Security Services Private Limited
Bharat Vikas Pratishthan
BVG Clean Technologies Limited
Aadiarya Agrotech Services LLP (formerly known as BVG Agrotech Services LLP)
Intertech Electro Controls Private Limited

Transactions with related parties:

Nature of transaction	Name of the related party	Year ended March 31, 2019	Year ended March 31, 2018
Compensation paid to Key Management Personnel	Hanmantrao Ramdas Gaikwad	**7.80**	7.80
	Umesh Gautam Mane	**10.20**	10.20
	Ganesh Shripad Limaye	**3.50**	3.28
	Swapnali Dattatray Gaikwad	**1.20**	1.20
	Akshay Deodhar	**2.02**	3.21
	Niraj Kedia	**1.46**	-
	Rajni Pamnani	**2.33**	1.18
		28.51	26.87
Rent paid	Umesh Gautam Mane	**0.85**	0.85
	BVG Hi-Tech Agro Limited (formerly known as BVG Sugars Limited)	-	24.00
		0.85	24.85
Sale of services	Bharat Vikas Pratishan	**43.60**	50.57
	BVG Security Services Private Limited	**64.15**	31.44
	BVG Jal Private Limited (formerly known as Hilltop Developers Limited)	**1.11**	5.65
	BVG Kshitij Waste Management Services Private Limited	**149.13**	128.78
	BVG Life Sciences Limited	**9.77**	2.33
	BVG Hi-Tech Agro Limited (formerly known as BVG Sugars Limited)	**2.26**	4.87
	Livestock and Crop Registry India Limited	**12.98**	15.43
	Satara Mega Food Park Private Limited	**30.58**	17.77
	Aadiarya Agrotech Services LLP (formerly known as BVG Agrotech Services LLP)	**1.56**	0.52
	BVG-UKSAS EMS Private Limited	**471.80**	407.88
	Intertech Electro Controls Private Limited	-	13.53
	BVG Clean Energy Limited	-	9.43
		786.94	688.20
Purchases of goods and services	BVG Energy Efficiency Private Limited	-	525.47
	BVG Life Sciences Limited	**0.76**	-
	Intertech Electro Controls Private Limited	**14.50**	9.35
	BVG Jal Private Limited	**0.28**	-
		15.54	534.82

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Amounts due to/from related parties

Nature of outstanding *(net balances reported)*	Name of the related party	March 31, 2019	March 31, 2018	April 1, 2017
Trade receivables	BVG Krystal Joint Venture	2.86	2.86	5.85
	Bharat Vikas Pratishthan	8.11	9.63	-
	BVG Hi-Tech Agro Limited (formerly known as BVG Sugars Limited)	8.78	6.12	143.34
	BVG Kshitij Waste Management Services Private Limited	-	4.86	5.83
	BVG Security Services Private Limited	5.91	13.58	21.81
	BVG Life Sciences Limited	9.71	3.74	0.96
	Satara Mega Food Park Private Limited	18.74	-	1.10
	BVG-UKSAS EMS Private Limited	702.76	439.00	193.34
	Livestock and Crop Registry India Limited	28.04	12.45	0.13
	Intertech Electro Controls Private Limited	42.20	44.39	39.63
	Aadiarya Agrotech Services LLP (formerly known as BVG Agrotech Services LLP)	0.54	0.47	-
	BVG Clean Energy Limited	4.86	4.86	-
		832.51	541.96	411.99
Trade payables	BVG Energy Efficiency Private Limited	62.91	65.02	-
	BVG Clean Technologies Limited	0.50	0.50	-
	BVG Jal Private Limited	0.49	0.09	-
		63.90	65.61	-
Capital advance	BVG Clean Energy Limited	18.09	18.07	17.47
	Satara Mega Food Park Private Limited	99.26	-	-
		117.35	18.07	17.47
Advances to suppliers	BVG Hi-Tech Agro Limited (formerly known as BVG Sugars Limited)	54.51	33.12	-
		54.51	33.12	-
Advances from customer	BVG Kshitij Waste Management Services Private Limited	6.24	-	-
		6.24	-	-
Deposits receivable	BVG Hi-Tech Agro Limited (formerly known as BVG Sugars Limited)	24.00	24.00	24.00
	BVG Krystal Joint Venture	20.98	20.98	42.81
		44.98	44.98	66.81
Unbilled revenue	BVG Kshitij Waste Management Service Private Limited	18.12	11.24	10.96
	Bharat Vikas Pratishthan	6.91	19.86	-
	BVG Security Services Private Limited	5.86	5.35	33.75
	Satara Mega Food Park Private Limited	2.94	0.71	0.71
	BVG Life Sciences Limited	1.03	0.04	-
	BVG Jal Private Limited	0.13	0.08	-
	Aadiarya Agrotech Services LLP (formerly known as BVG Agrotech Services LLP)	-	0.03	-
	BVG-UKSAS EMS Private Limited	47.09	35.99	25.87
	BVG Hi-Tech Agro Limited (formerly known as BVG Sugars Limited)	-	-	10.82
	Livestock and Crop Registry India Limited	-	-	12.59
		82.08	73.30	94.70
Guarantees given by the Company	BVG Kshitij Waste Management Services Private Limited	50.00	50.00	50.00
	BVG Krystal Joint Venture	35.50	35.50	35.50
		85.50	85.50	85.50

(i) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in an arm's length transaction. Outstanding balances at the year-end are unsecured and interest free.

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37 Operating segments

A. Description of segments and principal activities

The business activities of the Company from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available involve predominantly four segments.

The following summary describes the operations in each of the Company's reportable segments:

Reportable segments	Operations
1. Facility services:	The division is engaged in the business of mechanized housekeeping, transportation, labour supply, facility management, maintaining ambulances and providing support services in operating such ambulances, running vehicles on hire etc.
2. Facility projects:	The division is engaged in the business of horticultural & landscaping contracts, LED street lights installation and maintenance, etc.
3. Engineering projects (discontinued):	The division is engaged in the business of electrical erection and commissioning contracts.
4. Others:	Results from trading activities not directly related to the above segments are included in the "Others" column

B. Basis of identifying operating segments, reportable segments and segment profit

(i) Basis of identifying operating segments:

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components; (b) whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The Company has four reportable segments as described under 'Description of segments and principal activities' above. The nature of products and services offered by these businesses are different and are managed separately.

(ii) Reportable segments:

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

(iii) Segment profit:

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Company's CODM.

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

(All amounts are in Indian rupees million)

C. Information about reportable segments

	Facility services		Facility projects		Engineering projects		Others		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
External revenue recognised:										
Over time	**18,153.73**	15,679.90	**22.18**	658.11	-	-	-	597.83	**18,175.91**	16,935.84
At a point in time					**5,799.90**	28.60			**5,799.90**	28.60
Segment revenues	**18,153.73**	15,679.90	**22.18**	658.11	**5,799.90**	28.60	-	597.83	**23,975.81**	16,964.44
Segment results	**1,966.74**	2,491.01	**(465.35)**	19.36	**(154.80)**	176.88	-	44.43	**1,346.59**	2,731.68
Other unallocable income									**8.26**	3.30
Operating profit									**1,354.85**	2,734.98
Interest income									**107.28**	320.88
Finance Cost									**(812.15)**	(964.90)
Unallocated corporate expenses									**(36.81)**	(134.45)
Profit before tax									**613.17**	1,956.51
Current tax									**(216.41)**	(353.29)
Deferred tax charge									**140.32**	15.42
Short / (excess) provision of tax with respect to earlier years									**29.99**	-
Profit after tax									**659.27**	2,294.38
Segment assets	**12,624.48**	10,337.92	**1,366.29**	1,932.40	**2,664.64**	9,332.38	-	-	**16,655.41**	21,602.70
Unallocated Corporate assets									**553.63**	477.01
Total assets									**17,209.04**	22,079.71
Segment liabilities	**9,315.04**	4,490.92	**299.79**	882.02	**1,739.32**	8,255.42	**(6.79)**	-	**11,347.36**	13,628.36
Unallocated corporate liabilities									**72.49**	3,449.66
Total liabilities									**11,419.85**	17,078.02
Segment capital expenditure	**285.93**	233.82	-	-	-	-	-	-	**285.93**	233.82
Unallocated capital expenditure									**58.96**	31.79
Total capital expenditure									**344.89**	265.61
Segment depreciation and amortisation	**146.43**	103.75	-	-	-	-	-	-	**146.43**	103.75
Unallocated depreciation and amortisation									**36.81**	30.70
Total depreciation and amortisation									**183.24**	134.45

(All amounts are in Indian rupees million)

38 Leases

A. Leases as lessee

The Company has entered into operating lease arrangements for office space, equipments and residential premises for its employees expiring within 1 to 3 years. All lease arrangements provide for cancellation by either party and also contain a clause for renewal of the lease agreement. Some of these lease agreements have a price escalation clause.

	31 March 2019	31 March 2018
Lease payments recognised in Statement of Profit and Loss	**85.76**	90.14

B. Leases as lessor

The Company has leased its vehicles on finance lease basis.

	Lease receivable
Amount as at 1 April 2017	**841.46**
Add: Finance income recognised during the period	81.84
Less: Minimum lease payments received during the period	(223.53)
Amount as at 31 March 2018	**699.77**
Add: Finance income recognised during the period	66.10
Less: Minimum lease payments received during the period	(223.52)
Amount as at 31 March 2019	**542.35**

	31 March 2019	31 March 2018	1 April 2017
Gross investment in the lease			
- receivable in less than one year	**223.52**	223.52	223.52
- receivable between one and five years	**385.51**	609.03	832.55
- receivable after more than five years	-	-	-
	609.03	832.55	1,056.07
Present value of minimum lease payments			
- receivable in less than one year	**174.96**	157.42	141.68
- receivable between one and five years	**361.43**	536.39	693.81
- receivable after more than five years	-	-	-
	536.39	693.81	835.49
Unearned finance income	**66.68**	**132.78**	**214.61**
Net investment in lease	**542.35**	699.77	841.46
Unguaranteed residual value	**13.86**	13.86	13.86

During the year, there is no revenue against the investment property held by the company for the purpose of leasing out to third parties.

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(All amounts are in Indian rupees million)

39 Employee benefits

A. Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, employees state insurance corporation and labour welfare fund, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to provident fund, employee state insurance and labour welfare fund for the year amounted to 742.51 million, 335.78 million, 2.37 million (31 March 2018 : 727.26 million, 293.00 million, 3.02 million) respectively.

B. Defined benefit plan

I. For staff:
The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. The scheme is a non-contributory defined benefit arrangement providing gratuity benefits expressed in terms of final monthly salary and service. The scheme is funded with the Life Insurance Corporation of India. In accordance with the standard, the disclosures relating to the Company's gratuity plan are provided below:

	31 March 2019	31 March 2018
a) Statement showing changes in present value of obligation		
Present value of obligations at the beginning of the year	**48.55**	28.60
Interest cost	**3.58**	2.08
Current service cost	**9.70**	8.32
Benefits paid	**(0.94)**	(0.78)
Benefits payable	-	-
Actuarial loss / (gain) on obligations	**(9.95)**	10.33
Present value of obligations as at the end of the year	**50.94**	48.55
b) Table showing changes in the fair value of plan assets		
Fair value of plan assets at the beginning of year	**0.19**	0.95
Expenses deducted from the fund	-	-
Interest income	**0.28**	0.22
Return on plan assets excluding amounts included in interest income	**(0.90)**	(0.54)
Contributions	**0.65**	0.34
Benefits paid	-	(0.78)
Fair value of plan assets at the end of the year	**0.22**	0.19
c) Amounts recognised in the Balance Sheet are as follows:		
Present value of obligation as at the end of the period	**50.94**	48.55
Fair value of plan assets as at the end of the period	**-0.22**	-0.19
(Surplus) / deficit	**50.72**	48.36
d) Amounts recognised in the Statement of Profit and Loss are as follows:		
Current service cost	**9.70**	8.32
Net interest (income) / expense	**3.31**	1.86
Expenses deducted from the fund	-	-
Net periodic benefit cost recognised in the Statement of Profit and Loss at the end of the period	**13.01**	10.18

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(All amounts are in Indian rupees million)

39 Employee benefits *(continued)*

e) Amounts recognised in Other Comprehensive Income (OCI) are as follows:

Remeasurement for the year - obligation gain / (loss)		
(Gain) / loss from change in demographic assumptions	-	-
(Gain) / loss from change in financial assumptions	**(0.90)**	(0.59)
Experience (gains) / losses	**(9.04)**	10.92
Remeasurement for the year - plan assets (gain) / loss	**0.90**	0.54
Total remeasurements cost / (credit) for the year	**(9.04)**	10.87

f) Net interest (income) / expense recognised in the Statement of Profit and Loss are as follows:

Interest (income) / expense - obligation	**3.58**	2.08
Interest (income) / expense - plan assets	**(0.28)**	(0.22)
Net interest (income) / expense for the year	**3.30**	1.86

g) The broad categories of plan assets as a percentage of total plan assets are as follows:

	%	%
Funds managed by insurer	**100**	100
Total	**100**	100

h) Principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are as follows:

	%	%
Discount rate	**7.75**	7.60
Rate of increase in compensation levels	**5.00**	5.00
Expected rate of return on plan assets	**7.75**	7.60
Withdrawal rate	**3.00**	3.00
Mortality rate	Indian Assured Lives Mortality (2006-08) table	

i) A quantitative sensitivity analysis for significant assumptions is shown as follows:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 50 basis points (0.5%).

(a) Impact of change in discount rate when base assumption is decreased / increased by 50 basis points

Discount rate	**Present value of obligation**	
	31 March 2019	31 March 2018
Increase by 0.5%	**(48.10)**	(45.76)
Decrease by 0.5%	**54.05**	51.59

(b) Impact of change in compensation levels when base assumption is decreased / increased by 50 basis points

Salary increment rate	**Present value of obligation**	
	31 March 2019	31 March 2018
Increase by 0.5%	**53.87**	51.31
Decrease by 0.5%	**(48.24)**	(45.90)

(c) Impact of change in withdrawal rate when base assumption is decreased / increased by 1000 basis points

Withdrawal rate	**Present value of obligation**	
	31 March 2019	31 March 2018
Increase by 10%	**51.48**	49.06
Decrease by 10%	**(50.38)**	(48.01)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

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39 Employee benefits *(continued)*

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The average duration of the defined benefit obligation is 14.16 years (March 31, 2018 - 14.51 years).

The Company makes payment of liabilities from it's cash and cash equivalents balances whenever liability arises.

The expected maturity analysis of the undiscounted gratuity benefit is as follows:

Defined benefit obligations	Amount
Within 1 year	3.40
1-2 year	2.27
2-3 year	2.82
3-4 year	2.63
4-5 year	3.24
More than 5 year	16.62
	30.98

The future accrual is not considered in arriving at the above cash-flows.

Risk exposure
These defined benefit plans expose the Company to actuarial risks such as longevity risk, currency risk, interest rate risk and market risk.

II. For workers:

The scheme is a non-contributory defined benefit arrangement providing gratuity benefits expressed in terms of final monthly salary and service. The Company's gratuity plan is unfunded. In accordance with the Standard, the disclosures relating to the Company's gratuity plan are provided below:

	31 March 2019	31 March 2018
a) Statement showing changes in present value of obligation		
Present value of obligations at the beginning of the year	142.75	116.65
Interest cost	10.49	8.33
Current service cost	24.98	20.13
Benefits paid	(3.54)	(5.50)
Actuarial loss / (gain) on obligations	50.45	3.14
Present value of obligations as at the end of the year	225.13	142.75
b) Table showing changes in the fair value of plan assets		
Fair value of plan assets at the beginning of year	-	-
Expenses deducted from the fund	-	-
Interest income	0.38	-
Return on plan assets excluding amounts included in interest income	(0.30)	-
Contributions	2.00	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	2.08	-
c) Amounts recognised in the Balance Sheet are as follows:		
Present value of unfunded obligation as at the end of the period	225.13	142.75
Fair value of plan assets as at the end of the year	(2.08)	-
(Surplus) / deficit	223.05	142.75
d) Amounts recognised in the Statement of Profit and Loss are as follows:		
Current service cost	24.98	20.13
Net interest (income) / expense	10.11	8.33
Net periodic benefit cost recognised in the statement of profit and loss at the end of the period	35.09	28.46

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(All amounts are in Indian rupees million)

39 Employee benefits *(continued)*

e) Amounts recognised in Other Comprehensive Income (OCI) are as follows:		
Remeasurement for the year - obligation gain / (loss)		
(Gain) / loss from change in financial assumptions	**(1.19)**	(3.16)
(Gain) / loss from change in demographic assumptions	**-**	(8.77)
Experience (gains) / losses	**51.64**	15.07
Remeasurement for the year - plan assets (gain) / loss	**0.30**	-
Total remeasurements cost / (credit) for the year	**50.75**	3.14

f) Net interest (income) / expense recognised in Statement of Profit and Loss are as follows:		
Interest (income) / expense - obligation	**10.49**	8.33
Interest (income) / expense - plan assets	**(0.38)**	-
Net interest (income) / expense for the year	**10.11**	8.33

g) Principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are as follows:

	%	%
Discount rate	**7.75**	7.70
Rate of increase in compensation levels	**5.00**	5.00
Withdrawal rate		
Age upto 25 years	**8.00**	8.00
Age 26 - 35 years	**6.00**	6.00
Age 36 - 45 years	**4.00**	4.00
Age 46 - 55 years	**2.00**	2.00
Age above 56 years	**1.00**	1.00

In addition to above, 80% withdrawal rate was assumed for employees with duration of service less than 5 years

Mortality rates	Indian Assured Lives Mortality (2006-08) table

h) A quantitative sensitivity analysis for significant assumptions is shown as follows:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 50 basis points (0.5%).

(a) Impact of change in discount rate when base assumption is decreased / increased by 50 basis points

Discount rate	**Present value of obligation**	
	31 March 2019	31 March 2018
Increase by 0.5%	**(213.80)**	(135.34)
Decrease by 0.5%	**237.50**	150.87

(b) Impact of change in salary increase rate when base assumption is decreased / increased by 50 basis point

Salary increment rate	**Present value of obligation**	
	31 March 2019	31 March 2018
Increase by 0.5%	**237.78**	151.04
Decrease by 0.5%	**(213.47)**	(135.12)

(c) Impact of change in withdrawal rate when base assumption is decreased / increased by 1000 basis point

Withdrawal rate	**Present value of obligation**	
	31 March 2019	31 March 2018
Increase by 10%	**228.67**	144.78
Decrease by 10%	**(221.39)**	(140.61)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

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(All amounts are in Indian rupees million)

39 Employee benefits *(continued)*

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the defined benefit obligation is 13.97 years (March 31, 2018 - 14.11 years).

The Company makes payment of liabilities from it cash and cash equivalents balances whenever liability arises.

The expected maturity analysis of the undiscounted gratuity benefit is as follows:

Defined benefit obligations	Amount
Within 1 year	**19.78**
1-2 year	**22.04**
2-3 year	**17.06**
3-4 year	**15.54**
4-5 year	**14.54**
More than 5 year	**76.16**
	165.12

The future accrual is not considered in arriving at the above cash-flows.

Risk exposure
These defined benefit plans expose the Company to actuarial risks such as longevity risk, currency risk, interest rate risk and market risk.

40 Corporate Social Responsibility (CSR) expenditure

As per provisions of section 135 of Companies Act 2013, the Company was required to spend 38.96 million (31 March 2018: 35.94 million) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. The Company has spent 30 million (31 March 2018: 20 million) towards promotion of education in line with its CSR policy.

41 Details of dues to Micro, Small and Medium Enterprises Development Act, 2006

	31 March 2019	31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
Principal amount due to micro and small enterprises	**0.66**	5.40
Interest due on above	**0.11**	0.17
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Payment to supplier beyond the appointed date	-	-
Interest paid on above	-	-
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 as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	**0.18**	0.07

The Company has compiled this information based on intimation received from the suppliers of their status as Micro or Small Enterprises and/ or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.

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(All amounts are in Indian rupees million)

42 Discontinued operations

(a) Description

On 11 February 2019, the Board of Directors decided to discontinue the Rural Electrification (RE) projects business. While the Company shall not be taking up new RE projects, the ongoing projects shall be completed and the Company will continue to fulfill its obligations towards closed and ongoing projects.

The Company has disclosed a single amount in the statement of profit and loss comprising the total of the post-tax profit or loss of discontinued operations separately from the results from Continuing operations as per the requirements of IND AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Moreover, the Company has also re-presented the above disclosures for prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

(b) Financial performance

Financial information relating to the discontinued operation is set out below:

	31 March 2019	31 March 2018
Income		
Revenue from operations	**5,799.90**	28.60
Other income	**-**	209.67
Total Income	**5,799.90**	238.27
Expenses		
Cost of materials consumed	**4,939.36**	28.54
Operating and other expenses	**975.78**	32.85
Finance costs	**39.56**	-
Total expenses	**5,954.70**	61.39
Profit before tax from discontinued operations	**(154.80)**	176.88
Tax expenses		
Current tax	**138.00**	107.63
Deferred tax	**(445.76)**	(87.07)
Profit from discontinued operations	**152.96**	156.32
Total comprehensive income from discontinued operations	**152.96**	156.32
	-	-
(c) Net cash flow from discontinued operations		
- Net cash flow from operating activities	**752.17**	(303.82)

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43 Assets classifed as held for sale and liabilities directly associated with assets classified as held for sale

	31 March 2019	31 March 2018	1 April 2017
Assets classifed as held for sale			
Freehold land held for sale	**122.20**	-	-
Liabilities directly associated with assets classified as held for sale			
Advances received	**40.00**	-	-

In November 2013, the Company had entered into a memorandum of understanding with a third party to acquire certain parcels of land in Bengaluru, with the intention of building residential colony for its employees. Payments made were disclosed as capital advances in the financial statements of earlier years.

During the financial year, the Company decided not to proceed with construction of the colony and to sell the said parcels of land. Consequently, in September 2018, the Company entered into a memorandum of understanding to sell the same.

The land has been disclosed as assets classified as held for sale and the advances received by the Company towards sale of land has been disclosed as liabilities directly associated with assets classified as held for sale

(All amounts are in Indian rupees million)

44 Financial instruments: Fair values and risk management

A Accounting classifications and fair value measurements

As per assessments made by the management, fair values of financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short term nature or the interest rates applicable are equal to the current market rate of interest.
The Company has elected to measure certain equity instruments at 'Fair value through other comprehensive income (FVTOCI)'.

Refer note 2.26 '*Fair value measurement*' of significant accounting policies for fair value hierarchy.

Sr. No.	Particulars	Carrying value		
		31 March 2019	31 March 2018	1 April 2017
	Level 2 financial instruments			
I	**Financial asset**			
a)	**Carried at amortised cost**			
	Investments	**0.00***	0.00*	0.00*
	Loans	**317.91**	200.82	216.40
	Other financial assets	**3,976.01**	3,840.03	4,859.03
	Trade receivables	**7,341.24**	8,179.87	5,364.65
	Cash and cash equivalents	**628.15**	807.98	803.01
	Other bank balances	**371.13**	520.87	459.36
b)	**Carried at fair value through other comprehensive income (FVTOCI)**			
	Unquoted non-trade equity investments	**1.06**	0.16	0.06
II	**Financial liabilities**			
a)	**Carried at amortised cost**			
	Borrowings	**5,487.56**	4,970.79	5,014.09
	Trade payables	**1,628.25**	1,365.40	1,493.88
	Other financial liabilities	**1,565.77**	1,505.27	11,114.02

B Valuation techniques for level 2 instruments

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments measured at fair value and through Other Comprehensive Income in the Balance Sheet. Related valuation processes are described in Note 2.20.

Sr.No	Type	Valuation technique
1	Financial assets and liabilities	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using risk-adjusted discount rate

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(All amounts are in Indian rupees million)

44 Financial instruments: Fair values and risk management *(continued)*

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables
and other financial liabilities. In addition, the Company's liquidity management policy involves considering the level of liquid assets necessary to meet the expected cash flows, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to risk	**31 March 2019**	31 March 2018	1 April 2017
Borrowings			
Less than 1 year	**4,760.18**	4,463.53	4,435.99
More than 1 year	**727.38**	507.26	578.10
Total	**5,487.56**	4,970.79	5,014.09
Trade payables			
Less than 1 year	**1,628.25**	1,365.40	1,493.88
More than 1 year	-	-	-
Total	**1,628.25**	1,365.40	1,493.88
Other financial liabilities			
Less than 1 year	**1,565.77**	1,505.27	11,114.02
More than 1 year	-	-	-
Total	**1,565.77**	1,505.27	11,114.02

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44 Financial instruments: Fair values and risk management *(continued)*

C Financial risk management policy and objectives

The Company's principal financial liabilities comprise of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, loans, trade receivables, cash and cash equivalents, other bank balances and other financial assets that is derived directly from its operations.

The Company's risk management is carried out by the management under policies approved by the board of directors. The Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, credit risk, and liquidity risk. The Company, through its training and management standards and procedures, aims to maintain a discipline and constructive control environment in which all employees understand their roles and obligations. The Company is not exposed to interest rate risk since the Company has fixed interest rate borrowings.

In order to minimise any adverse effects on the financial performance of the Company, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets measured at amortised cost.	Ageing analysis, external credit rating (wherever available)	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings, trade payables and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Management follows established risk management policies.

(A) Credit risk

Credit risk in case of the Company arises from cash and cash equivalents, deposits with banks, loans, other financial assets and credit exposures to customers including outstanding trade receivables.

Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon intial recognition of asset and whether there has been a significant increase in

(i) Actual or expected significant adverse changes in business,
(ii) Actual or expected significant changes in the operating results of the counterparty,
(iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,
(iv) Significant increases in credit risk on other financial instruments of the same counterparty,
(v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

The Company provides for lifetime Expected Credit Loss (ECL) in case of trade receivables. In case of all other financials assets, the Company applies 12-month expected credit loss model. The Company uses an allowance matrix to measure the expected credit loss of trade receivables.

(All amounts are in Indian rupees million)

44 Financial instruments: Fair values and risk management *(continued)*

Expected credit loss for receivables

Under Indian GAAP, provision for doubtful debts is recognised on an incurred credit loss model. Under Ind AS, such provision is recognised on an expected credit loss model.

The Company uses a provision matrix to determine impairment loss of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. At every reporting date, the historically observed default rates are updated, and changes in estimates are analysed.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances. The Company's customer profile include state and central government bodies, public sector enterprises, state owned companies and private customers. General payment terms entail monthly progress payments with a credit period ranging from 30 to 180 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/ corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Credit risk on trade receivables and unbilled work-in-progress is limited as the customers of the Company mainly consist of the government promoted entities having a strong credit worthiness. The credit period considered in the expected credit loss model for such entities is based on the past trend of receipts. The provision matrix takes into account available external and internal credit risk factors such as Company's historical experience for customers.

Financial assets for which loss allowance is measured using expected credit loss model:

Exposure to risk	**31 March 2019**	31 March 2018	1 April 2017
Trade receivables	**8,696.03**	8,645.91	5,689.58
Less: Expected credit loss	**(1,354.79)**	(466.04)	(324.93)
	7,341.24	8,179.87	5,364.65
Retention money	**1,269.95**	1,814.64	1,787.32
Less: Expected credit loss	**(16.05)**	(16.05)	(2.04)
	1,253.90	1,798.59	1,785.28
Other loans and advances	**62.51**	92.71	115.66
Less: Expected credit loss	-	-	(27.76)
	62.51	92.71	87.90

Reconciliation of loss allowance

	Amount
Loss allowance as at 1 April 2017	**(354.73)**
Amounts written off	-
Allowance during the year	(127.36)
Loss allowance as at 31 March 2018	**(482.09)**
Amounts written off	-
Allowance during the year	(888.75)
Loss allowance as at 31 March 2019	**(1,370.84)**

44 Financial instruments: Fair values and risk management *(continued)*

C Financial risk management policy and objectives *(continued)*

(C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies to mitigate the risk.

Foreign currency exposure:

Financial assets	**Currency**	**Amount in foreign currency**			**Amount in INR**		
		31 March 2019	31 March 2018	1 April 2017	**31 March 2019**	31 March 2018	1 April 2017
Trade receivables	USD	**-**	4.56	3.33	**-**	296.67	215.97
Cash balance	USD	**0.00***	-	0.00*	**0.01**	-	0.01
	RMB	**0.00***	0.00*	0.00*	**0.03**	0.03	0.03
	HKD	**0.00***	0.00*	0.00*	**0.01**	0.01	0.01
	AED	**-**	0.00*	0.00*	**-**	0.04	0.04
	EUR	**0.00***	**0.00***	-	**0.02**	0.03	-

Financial liabilities	**Currency**	**Amount in foreign currency**			**Amount in INR**		
		31 March 2019	31 March 2018	1 April 2017	**31 March 2019**	31 March 2018	1 April 2017
Trade payables	USD	**0.08**	4.55	-	**5.82**	296.47	-
	EUR	**0.01**	-	3.67	**0.44**	-	237.77

Currency wise net exposure (assets -liabilities)

	Amount in foreign currency			**Amount in INR**		
	31 March 2019	31 March 2018	1 April 2017	**31 March 2019**	31 March 2018	1 April 2017
USD	**(0.08)**	0.01	3.33	**(5.81)**	0.20	215.98
RMB	**0.00***	0.00*	0.00*	**0.03**	0.03	0.03
HKD	**0.00***	0.00*	0.00*	**0.01**	0.01	0.01
AED	**-**	0.00*	0.00*	**-**	0.04	0.04
EUR	**0.00***	0.00*	(3.67)	**(0.42)**	0.03	(237.77)

Sensitivity analysis

Currency	**Amount in INR**		**Sensitivity %**	**Impact on profit (strengthen)**		**Impact on profit (weakening)**	
	2019	**2018**		**2019**	2018	**2019**	**2018**
USD	**(5.81)**	0.20	5.00%	**-0.29**	0.01	**0.29**	(0.01)
RMB	**0.03**	0.03	5.00%	**0.00**	0.00	**0.00**	0.00
HKD	**0.01**	0.01	5.00%	**0.00**	0.00	**0.00**	0.00
AED	**-**	0.04	5.00%	**0.00**	0.00	**0.00**	0.00
EUR	**(0.42)**	0.03	5.00%	**-0.02**	-	**0.02**	-
Total	**(6.19)**	0.31		**(0.31)**	0.01	**0.31**	(0.01)

(USD - US Dollar, RMB - Yuan, HKD - Hong Kong Dollar, AED - Arab Emirates Dirham, EUR - Euro)

* Since denominated in INR million

45 Capital management

Risk management

The Company's objectives when managing capital are to
-safeguard it's 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 reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following ratio: Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet).

	31 March 2019	**31 March 2018**	**1 April 2017**
Borrowings	**5,487.56**	4,970.79	5,014.09
Less: Cash and cash equivalents	**628.15**	807.98	803.01
Net debt	**4,859.41**	4,162.81	4,211.08
Equity	**5,789.24**	5,001.66	(5,951.09)
Debt to equity ratio	**84%**	83%	-71%

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(All amounts are in Indian rupees million)

46 Change in accounting policy: Adoption of Ind AS 115- Revenue from contracts with customers

This note explains the impact of adoption of accounting policy relating to Ind AS 115: Revenue from contracts with customers.

Ind AS 115 is effective for annual periods beginning on or after 1 April 2018. Ind AS 115 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Based on the management assessment, the Company has changed the accounting policy for revenue recognition in respect of RE contracts from Percentage of Completion (PoC) method i.e. "over the period" to "at a point of time".

A] Impact on the financial statements on account of Ind AS 115: Revenue from contracts with customers

The Company has adopted the change in accounting policy under the full retrospective method, and in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors previous periods figures have been restated wherever necessary including opening balance sheet as on 1 April 2017. The following tables show the adjustments recognised for each individual item. Line items that were not affected by the changes have not been included. The relevant extracts of balance sheet and the statement of profit and loss is stated below:

Balance sheet (extract)

	31 March 2018 (original)	Impact of change	31 March 2018 (restated #)	1 April 2017 (original)	Impact of change	1 April 2017 (restated #)
Inventories	430.75	5,523.79	5,954.54	661.54	5,098.09	5,759.63
Other financial assets	4,142.40	(928.35)	3,214.05	5,835.63	(1,181.66)	4,653.97
Other equity	7,003.93	(2,407.72)	4,596.21	(3,820.88)	(2,318.15)	(6,139.03)
Contract liabilities	-	7,003.12	7,003.12	-	6,234.58	6,234.58

In addition to the adjustments stated above, certain balances have been regrouped/reclassified, wherever necessary, to confirm with the current year.

46 Change in accounting policy: Adoption of Ind AS 115- Revenue from contracts with customers (continued)

Statement of profit and loss

	31 March 2018 (original)	Impact of change	31 March 2018 (restated*)
Income			
Revenue from operations	17,479.69	(515.25)	16,964.44
Other income	743.52	-	743.52
Total income	**18,223.21**	**(515.25)**	**17,707.96**
Expenses			
Cost of materials consumed	2,081.31	(339.19)	1,742.12
Purchases of stock-in-trade	553.40	-	553.40
Operating and other expenses	2,787.57	(80.28)	2,707.29
Employee benefits expense	9,655.50	(6.23)	9,649.27
Finance costs	964.90	-	964.90
Depreciation and amortisation expense	134.45	-	134.45
Total expenses	**16,177.13**	**(425.70)**	**15,751.43**
Profit before tax	**2,046.08**	**(89.55)**	**1,956.53**
Tax expenses			
Current tax	460.92	-	460.92
Tax relating to earlier periods	-	-	-
Deferred tax	(102.49)	-	(102.49)
Profit for the year	**1,687.65**	**(89.55)**	**1,598.10**
Other Comprehensive Income			
Items that will not be reclassified to			
Re-measurement of defined benefit plan	(11.14)	-	(11.14)
Income tax effect	3.85	-	3.85
Other comprehensive income	**(7.29)**	-	**(7.29)**
Total comprehensive income for the year	**1,680.36**	**(89.55)**	**1,590.81**

* The above is including the amounts pertaining to discontinued operations. In addition to the adjustments stated above, certain balances have been regrouped/reclassified, wherever necessary, to confirm with the current year.

Note: For disclosures relating to disaggregation of revenues, refer Note 37- Segment reporting.

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(All amounts are in Indian rupees million)

B] Impact in the current year on account of Ind AS 115: Revenue from contracts with customers

Statement of profit and loss (extract)

	31 March 2019 (pre Ind AS 115)	Impact of Ind AS 115	31 March 2019 (post Ind AS 115)
Revenue from operations	-	(5,799.90)	5,799.90
Expenses	2,152.24	(3,802.46)	5,954.70
Profit before tax from discontinued operations	**(2,152.24)**	**(1,997.44)**	**(154.80)**
Tax expense / (income)	(307.76)	-	(307.76)
Profit from discontinued operations	**(1,844.48)**	**(1,997.44)**	**152.96**
Total comprehensive income from discontinued operations	**(1,844.48)**	**(1,997.44)**	**152.96**

As per our report of even date attached
For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

Nitin Manohar Jumani
Partner
Membership No: 111700

MSKA & Associates ★ Chartered Accountants ★

Pune, 22 November 2019

For and on behalf of the Board of Directors of
BVG India Limited

Hanmantrao Gaikwad
Chairman &
Managing Director
DIN: 01597742

Umesh Mane
Vice Chairman &
Jt. Managing Director
DIN: 01597365

Niraj Kedia
Chief Financial Officer

Rajni Pamnani
Company Secretary
Regs. No. A-8956

Pune, 22 November 2019

BVG INDIA LIMITED PUNE ★