Western India Regional Council of
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

Illustrative Ind AS Financial Statements

Powered by Professionalism
Driven by Values

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CA. Priti Paras Savla,
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Foreword

We are proud to present the WIRC publication on “Illustrative Financial Ind AS Statements. It is our endeavour to serve our members and we have been continuously adding to professional knowledge through our innovative and relevant publications. This is WIRC’s eighth publication of this term and today, I am proud to say that WIRC has created a treasure trove of knowledge on a vast range of subjects reflecting the varied areas of practice.

Looking at the vast literature of the Indian Accounting Standards and the practical problems of skimming through the entire literature when in need of an aspect to be looked upon, this publication will provide a glance on the basic aspects of applicable standards in a summarised manner with an objective to provide a basic understanding of Ind AS to the members and stakeholders.

With the beginning of Financial Year 2016-17, the era of implementation of Ind AS has begun in India. In this regard, a number of issues are constantly being faced by the Small and Medium Practitioners (SMPs) and companies in the implementation of Ind AS. This publication will address the difficulties faced by the members and stakeholders.

I am confident that this e-publication will go far towards updating members and students in preparing Consolidated Financials, Extract of peculiar notes and list of useful Ind AS Resources. This publication also covers Illustrative Format of Standalone Financials and additional notes issued by Ministry of Corporate Affairs (MCA) which are applicable to all listed companies in a phased manner.

I sincerely thank CA Chintan Patel, Chairman, Ind AS Committee, WIRC, for his efforts in producing this e-publication. I also appreciate the dedicated efforts of all the contributors who have devoted their valuable time and meticulously gathered, documented and collated updated information validated with insightful analysis.

I am confident that all members and other professionals would derive maximum benefit from this publication, enabling them to stay current, relevant and ahead of the curve in the present fluid scenario as well as providing excellent service to all clients and stakeholders.

20th November, 2019
Mumbai

CA. Priti Paras Savla
Chairperson, WIRC of ICAI

Message

It gives me immense pleasure to come out with Publication on 'Illustrative Ind AS Financial Statements'. As per roadmap issued by Ministry of Corporate Affairs (MCA), IFRS converged Indian Accounting Standards (Ind AS) are applicable to all listed companies in phased manner.

The preparation of financials in Ind AS has become momentous task with extensive disclosure requirements. The preparation of Financials Format as per Division II of Schedule III of Companies Act, 2013 and Notes in accordance with Ind ASs are essential attributes for Ind AS compliance. The publication ***aims to support medium size companies who are required to prepare its financials under Indian Accounting Standards (Ind AS).***

The publication covers Illustrative format of Standalone Financials, Illustrative format and additional notes required to prepare Consolidated Financials, Extract of peculiar notes and list of useful Ind AS resources.

The publication also aims to provide ***training tool*** for Chartered Accountants who want to learn, understand and interpret Ind AS Financials.

I am thankful to team of ***contributors who have put their sincere and hard efforts*** in bringing out this publication. The attempt is made for ease of reading and understanding so that can be used as training material.

I am confident that this publication would be useful to members, students and other stakeholders.

20th November, 2019
Ahmedabad

CA. Chintan N. Patel
Chairman,
Indian Accounting Standards (Ind AS)
Committee, WIRC of ICAI

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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

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Contents

Illustrative Ind AS Financial Statements

Contributors

CA Amit Darekar

CA Chinmaya Deval

CA Hardik Mehta

CA Harsh Dedhia

CA Heneel Patel

CA Jitendra Karamchandani

CA Mayur Choksi

CA Rishabh Jain

CA Samir Shah

CA Shirish Rahalkar

CA Shweta Jain

CA Timal Maru

Preface

Introduction

The Ministry of Corporate Affairs (MCA) has issued a notification dated 16th February 2015 announcing the Companies (Indian Accounting Standards) Rules, 2015 for applicability of Ind AS. As per roadmap laid down, Ind AS is implemented to all unlisted companies having net worth of ₹ 250 crore or more, all listed companies and companies that are subsidiary, associate, joint venture or holding company of the companies covered in phases.

This publication contains an illustrative set of Ind AS standalone financial statements for XYZ Limited (the Company) as of and for the year ended 31st March 2020 prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). In addition to Ind AS, Schedule III (Division II) to The Companies Act, 2013, also deals with the format for presentation of financial statements, key requirements of the said Schedule have been considered in preparing these illustrative standalone financial statements, to the extent relevant for standalone financial statements. The publication also provides illustrative Consolidated Financial Statement and additional consolidated notes for preparation of Consolidated Financial Statements.

Objective

This set of illustrative financial statements is prepared to assist you in better evaluation on how Ind AS standalone financial statements will be impacted by Ind AS adoption. The illustration intends to reflect transactions and disclosures that we consider to be most common and most likely to occur. Users of this publication are encouraged to select disclosures relevant to their circumstances and adjust appropriately. Users should also keep in mind that other transactions are likely to require additional disclosures.

- ✓ Illustrative Financial includes:
  - Ind AS Standalone Financial Statement with Notes on Accounts
  - Format of Ind AS Consolidated Financial Statement and Additional Notes required for Consolidated Financial Statement
- ✓ ***Reference to Ind AS resources of ICAI*** useful for learning and understanding Ind AS

This set of illustrative Ind AS standalone financial statements should not be relied upon as a substitute for either detailed professional advice concerning specific individual situations or for reference to the relevant standards, particularly when uncertainty exists. The members should also complete updated Ind AS, Schedule III and other disclosure checklists. This set of illustrative financial statements is intended as an illustrative guide rather than a definitive statement, and should be used in conjunction with the relevant industry, statutory and stock exchange requirements. The illustrative financial statements contain general information and are not intended to be a substitute for reading the legislation or accounting standards themselves, or for professional judgement as to adequacy of disclosures and fairness of presentation.

Users also may note that the Illustrative statements are as per the Indian Accounting Standards prevailing at the time of preparation of this publication. The Ind AS, Schedule II or any other law may be amended requiring additional, or modified information at a later date.

The publication is aimed to be useful to Accountants of medium size companies as reference tool to prepare financials as per Ind AS. If the transaction or item is immaterial to the entity, then it is not relevant to users of financial statements, in which case, Ind AS does not require the item to be disclosed. Applying the concept of materiality requires judgment, in particular, in relation to matters of presentation and disclosure, and inappropriate application of the concept may be another cause of the perceived disclosure problem.

Please note that the notes and amounts disclosed in the publication are purely for illustrative purpose and may not be consistent throughout the publication. The names of people and entities included in this publication are fictitious. Any resemblance to a person or entity is purely coincidental.

Structure of Illustrative Ind AS Financials

The structure used in the publication is prepared keeping in mind the requirement from medium size company covered under Ind AS and may not be suitable for all companies. The companies may use alternative structure for presenting the notes to financial statements.

As explained above, the primary purpose of these financial statements is to illustrate how the most commonly applicable disclosure requirements can be met. It is essential that entities consider their own specific circumstances when determining which disclosures to include. These financial statements are not intended to act as guidance for making the materiality assessments; they must always be tailored to ensure that an entity's financial statements reflect and portray its specific circumstances and its own materiality considerations. Only then will the financial statements provide decision-useful financial information.

How to use these illustrative financial statements to prepare entity-specific disclosures

Users of this publication are encouraged to prepare entity-specific disclosures. It should be noted that the illustrative financial statements of the Group are not designed to satisfy any stock market or country-specific regulatory requirements, nor is this publication intended to reflect disclosure requirements that apply mainly to regulated or specialised industries.

ILLUSTRATIVE IND AS STANDALONE FINANCIAL STATEMENTS

XYZ Limited
Standalone Balance Sheet as at 31 March 2020

Rupees in [*]

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	1	xxx	xxx
(b) Right of use assets	2	xxx	xxx
(c) Capital Work-in-Progress			
(d) Investment Properties			
(e) Goodwill			
(f) Other Intangible Assets	3	xxx	xxx
(g) Intangible Assets Under Development			
(h) Biological Assets Other Than Bearer Plants			
(i) Financial Assets			
(i) Investments	4	xxx	xxx
(ii) Trade receivables	5	xxx	xxx
(iii) Loans	6	xxx	xxx
(iv) Other Financial Assets	7	xxx	xxx
(j) Deferred Tax Assets (Net)	8	xxx	xxx
(k) Other Non-current Assets	9	xxx	xxx
SUB-TOTAL		**xxxx**	**xxxx**
CURRENT ASSETS			
(a) Inventories	10	xxx	xxx
(b) Financial Assets			
(i) Investments	4	xxx	xxx
(ii) Trade Receivables	5	xxx	xxx
(iii) Cash and Cash Equivalents	11	xxx	xxx
(iv) Bank Balances other than (iii) above	11	xxx	xxx
(v) Loans	6	xxx	xxx
(vi) Other Financial Assets	7	xxx	xxx
(c) Current Tax Assets (Net)		xxx	xxx
(d) Other Current Assets	9	xxx	xxx
SUB-TOTAL		**xxxx**	**xxxx**
Non-Current Assets Classified as Held for Sale	12	xxx	xxx
TOTAL ASSETS		**xxxx**	**xxxx**

The accompanying notes 1 to XX are an integral part of the Standalone Financial Statements

Rupees in [*]

EQUITY AND LIABILITIES	Note No.	As at 31 March 2020	As at 31 March 2019
EQUITY			
(a) Equity share capital	13	xxx	xxx
(b) Other equity	14	xxx	xxx
LIABILITIES		**xxxx**	**xxxx**
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings			
(ii) Trade Payable	15	xxx	xxx
(iii) Other financial liabilities	16	xxx	xxx
(b) Provisions	17	xxx	xxx
(c) Deferred tax liabilities (net)	8	xxx	xxx
(d) Other non current liabilities	18	xxx	xxx
		xxxx	**xxxx**
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	15	xxx	xxx
(ii) Trade payables	19	xxx	xxx
(iii) Other financial liabilities	16	xxx	xxx
(b) Provisions	17	xxx	xxx
(c) Other current liabilities	18	xxx	xxx
(d) Current tax liabilities (net)		xxx	xxx
		xxxx	xxxx
TOTAL EQUITY AND LIABILITIES		**xxxx**	**xxxx**

The accompanying notes 1 to XX are an integral part of the Standalone Financial Statements

XYZ Limited
Statement of Standalone Profit and Loss for the year ended 31 March 2020

Rupees in [*]

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
Continuing Operations			
I Revenue from operations	20	xxx	xxx
II Other Income	21	xxx	xxx
III Total Revenue (I + II)		xxx	xxx
IV EXPENSES			
(a) Cost of materials consumed	22	xxx	xxx
(b) Purchases of Stock-in-trade			
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	23	xxx	xxx
(d) Employee benefit expense	24	xxx	xxx
(e) Finance costs	25	xxx	xxx
(f) Depreciation and amortisation expense	26	xxx	xxx
(g) Impairment expenses/losses			
(h) Other expenses	27	xxx	xxx
Total Expenses		**xxxx**	**xxxx**
V Profit/(loss) before exceptional items and tax (III - IV)		**xxxx**	**xxxx**
VI Exceptional Items			
VII Profit/(loss) before tax (V - VI)		**xxxx**	**xxxx**
VIII Tax Expense			
(1) Current tax		xx	xx
(2) Deferred tax		xx	xx
Total tax expense		**xx**	**xx**
IX Profit/(loss) after tax from continuing operations (VII-VIII)		**xxx**	**xxx**
X Discontinued Operations		—	—
(1) Profit/(loss) from discontinued operations			
(2) Tax Expense of discontinued operations			
XI Profit/(loss) after tax from discontinued operations		**—**	**—**
XII Profit/(loss) for the period (IX + XI)		**xxx**	**xxx**

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
XIII Other comprehensive income			
A (i) Items that will not be recycled to profit or loss			
(a) Changes in revaluation surplus			
(b) Remeasurements of the defined benefit liabilities / (asset)		xx	xx
(c) Equity instruments through other comprehensive income			
(d) Fair value changes relating to own credit risk			
(e) Others (specify nature)			
(ii) Income tax relating to items that will not be reclassified to profit or loss		x	x
B (i) Items that may be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations			
(b) Debt instruments through other comprehensive income		xx	xx
(c) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge			
(d) Share of other comprehensive income of equity accounted investees			
(e) Others (specify nature)			
(ii) Income tax on items that may be reclassified to profit or loss		x	x
XIV Total comprehensive income for the period (XIV + XII)		**xxx**	**xxx**
XV Earnings per equity share (for continuing operation):			
(1) Basic		x	x
(2) Diluted			
XVI Earnings per equity share (for discontinued operation):			
(1) Basic			
(2) Diluted			
XVII Earnings per equity share (for continuing and discontinued operations):			
(1) Basic		x	x
(2) Diluted			

The accompanying notes 1 to XX are an integral part of the Standalone Financial Statements

XYZ Limited
Statement of Changes in Equity for the year ended 31 March 2020

Rupees in [*]

A. Equity share capital

Particulars	Amount
As at 1 April 2018	**xx**
Changes in equity share capital during the year	xx
As at 31 March 2019	**xx**
Changes in equity share capital during the year	xx
As at 31 March 2020	**xx**

Remarks / Commentary

Balances should be net of treasury shares. The above table should provide aggregate opening, movement and closing values for all classes of Equity Capital.

b. Other Equity

Particulars	Equity component of compound financial instruments	Reserve and surplus			Items of other comprehensive income				Total
		General Reserve	Other Reserve (specify nature)#	Retained Earnings	Debt (or Equity) instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Other Components (Specify nature)	Actuarial Gain / (Loss)	
As at 1 April 2018	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**		**xxx**	**xxx**
Profit / (Loss) for the period				xxx					xxx
Other Comprehensive Income / (Loss)				xxx		xxx			xxx

Particulars	Equity component of compound financial instruments	Reserve and surplus			Items of other comprehensive income				Total
		General Reserve	Other Reserve (specify nature)#	Retained Earnings	Debt (or Equity) instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Other Components (Specify nature)	Actuarial Gain / (Loss)	
Total Comprehensive Income for the year									
Dividend paid on Equity Shares				xxx					xxx
Dividend Distribution Tax									
Transfers to Reserves				xxx					xxx
Transfers from retained earnings		xxx	xxx						xxx
Any other changes (to be specified)									
As at 31 March 2019	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
Balance at 31 March 2019 as previously reported									
Impact of change in accounting policy				xxx					xxx

Particulars	Equity component of compound financial instruments	Reserve and surplus			Items of other comprehensive income				Total
		General Reserve	Other Reserve (specify nature)#	Retained Earnings	Debt (or Equity) instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Other Components (Specify nature)	Actuarial Gain / (Loss)	
Adjusted balances as at 31 March 2019	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
Profit / (Loss) for the period				xxx					
Other Comprehensive Income / (Loss)				xxx		xxx		xxx	xxx
Total Comprehensive Income for the year	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
Dividend paid on Equity Shares				xxx					xxx
Dividend Distribution Tax									
Transfers to Reserves				xxx					xxx
Transfers from retained earnings		xxx							xxx
Any other changes (to be specified)							xxx		xxx
As at 31 March 2020	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**

XYZ Limited
Standalone Statement of Cash Flows for the year ended 31 March 2020

Rupees in [*]

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities		
Profit before tax for the year	**xxx**	**xxx**
Adjustments for:		
Income tax expense recognised in profit or loss	xx	xx
Finance costs recognised in profit or loss	xx	xx
Investment income recognised in profit or loss	xx	xx
Gain on disposal of property, plant and equipment	xx	xx
Gain on disposal of a subsidiary	xx	xx
Gain on disposal of interest in former associate	xx	xx
Net (gain)/loss recorded in profit or loss on financial liabilities designated as at fair value through profit or loss	xx	xx
Net (gain)/loss arising on financial assets mandatorily measured at fair value through profit or loss	xx	xx
Net loss/(gain) arising held for trading financial liabilities	xx	xx
Hedge ineffectiveness on cash flow hedges	xx	xx
Net (gain)/loss on disposal of available-for-sale financial assets	xx	xx
Impairment loss recognised on trade receivables	xx	xx
Reversal of impairment loss on trade receivables	xx	xx
Depreciation and amortisation of non-current assets	xx	xx
Impairment of non-current assets	xx	xx
Net foreign exchange (gain)/loss	xx	xx
Expense recognised in respect of equity-settled share-based payments	xx	xx
Expense recognised in respect of shares issued in exchange for goods/services	xx	xx
Amortisation of financial guarantee contracts	xx	xx
	xxx	**xxx**
Movements in working capital:		
Increase in trade and other receivables	xx	xx
(Increase)/decrease in amounts due from customers under construction contracts	xx	xx
(Increase)/decrease in inventories	xx	xx
(Increase)/decrease in other assets	xx	xx
Decrease in trade and other payables	xx	xx
Increase/(decrease) in amounts due to customers under construction contracts	xx	xx

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Increase/(decrease) in provisions	xx	xx
(Decrease)/increase in deferred revenue	xx	xx
(Decrease)/increase in other liabilities	xx	xx
Cash generated from operations	**xxx**	**xxx**
Income taxes paid	xx	xx
Net cash generated by operating activities	**xxx**	**xxx**
Cash flows from investing activities		
Payments to acquire financial assets	xx	xx
Proceeds on sale of financial assets	xx	xx
Interest received	xx	xx
Royalties and other investment income received	xx	xx
Dividends received from associates	xx	xx
Other dividends received	xx	xx
Amounts advanced to related parties	xx	xx
Repayments by related parties	xx	xx
Payments for property, plant and equipment	xx	xx
Proceeds from disposal of property, plant and equipment	xx	xx
Payments for investment property	xx	xx
Proceeds from disposal of investment property	xx	xx
Payments for intangible assets	xx	xx
Net cash outflow on acquisition of subsidiaries	xx	xx
Net cash inflow on disposal of subsidiary	xx	xx
Net cash inflow on disposal of associate	xx	xx
Net cash (used in)/generated by investing activities	**xxx**	**xxx**
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	xx	xx
Proceeds from issue of convertible notes	xx	xx
Payment for share issue costs	xx	xx
Payment for buy-back of shares	xx	xx
Payment for share buy-back costs	xx	xx
Proceeds from issue of redeemable preference shares	xx	xx
Proceeds from issue of perpetual notes	xx	xx
Payment for debt issue costs	xx	xx
Proceeds from borrowings	xx	xx
Repayment of borrowings	xx	xx

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Proceeds from government loans	xx	xx
Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control	xx	xx
Dividends paid on redeemable cumulative preference shares	xx	xx
Dividends paid to owners of the Company	xx	xx
Interest paid	xx	xx
Net cash used in financing activities	**xxx**	**xxx**
Net increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	**xx**	**xx**
Effects of exchange rate changes on the balance of cash held in foreign currencies	xx	xx
Cash and cash equivalents at the end of the year	**xxx**	**xxx**
Reconciliation of cash and cash equivalents as per the cash flow Statement		
Cash and cash equivalents (Note __)	xxx	xxx
Bank overdraft (Note _)	xx	xx
Balance as per statement of cash flows	**xxx**	**xxx**

Note:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

(b) **Non cash items :**

During the year Company has purchased building by issuance of equity shares.

(c) **Changes in liability arising from financing activities**

Rupees in [*]

	1 April 2019	Cash Flows		31 March 2020
		Receipts	Payments	
Current Borrowings	**xx**	**xx**	**xx**	**xx**
Non-current Borrowings	xx	xx	xx	xx
Total	**xx**	**xx**	**xx**	**xx**

	1 April 2019	Cash Flows		31 March 2020
		Receipts	Payments	
Current Borrowings	xx	xx	xx	xx
Non-current Borrowings	xx	xx	xx	xx
Total	**xx**	**xx**	**xx**	**xx**

XYZ Limited

(A) Overview and Significant Accounting Policies

1. Company overview

XYZ Limited ("the Company") was incorporated in India in the year ___ having its registered office at City X.

The Company is dealing in diversified business primarily in manufacturing, trading, retail and consulting services. The Equity Shares of the Company are listed on the Indian Stock Exchanges (National Stock Exchange and Bombay Stock Exchange).

2. Significant accounting policies

Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

These financial statements are approved for issue by the Board of Directors on _________

2.1 Basis of preparation of financial statements

The separate financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value;
- Assets held for sale – measured at fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- Employee share-based payments – measured at fair value
- Biological assets – measured at fair value
- In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

Current and non-current classification

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

An asset is classified as current when it satisfies any of the following criteria: it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.

it is held primarily for the purpose of being traded;

- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.
- A liability is classified as current when it satisfies any of the following criteria:
- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Standalone Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Crore, unless otherwise stated.

2.2 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

The areas involving critical estimates or judgments are:

- Decommissioning and restoration provision – Note XX
- Fair value of unlisted equity securities – Note XX
- Goodwill impairment – Note XX
- Determination of cash generating unit (CGU) – Note XX
- Estimation of oil and gas reserves – Note XX
- Useful life of intangible asset – Note XX
- Defined benefit obligation – Note XX

- Provision for warranty claims – Note XX
- Measurement of contingent liabilities and contingent purchase consideration in a business combination – Note XX
- Recognition of revenue and allocation of transaction price – Note XX
- Current tax expense and current tax payable – Note XX
- Deferred tax assets for carried forward tax losses – Note XX
- Impairment of financial assets – Note XX

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

2.3 Standards issued but not effective *(based on Exposure drafts available as on date)*

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

(A) Issue of Ind AS 117 – Insurance Contracts

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk.

Application of this standard is not expected to have any significant impact on the Company's financial statements.

(B) Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

2.4 Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

A. Investments in subsidiaries, associates and joint ventures

The investments in subsidiaries, associates and joint ventures are carried in these financial statements at historical 'cost', except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

B. Investment in joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the standards applicable to the particular assets, liabilities, revenues and expenses.

C. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset

It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Subsequent expenditure and componentisation

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Expenditure on dry docking of rigs and vessels are accounted for as component of relevant assets. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Decommissioning costs

Decommissioning cost includes cost of restoration. Provision for decommissioning costs is recognized when the Company has a legal or constructive obligation to plug and abandon a well, dismantle and remove a facility or an item of Property, Plant and Equipment and to restore the site on which it is located. The full eventual estimated provision towards costs relating to dismantling, abandoning and restoring sites and other facilities are recognized in respective assets when the site is complete / facilities or Property, Plant and Equipment are installed.

The amount recognized is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk-free discount rate. An amount equivalent to the decommissioning provision is recognized along with the cost of exploratory well or Property, Plant and Equipment.

The decommissioning cost in respect of dry well is expensed as exploratory well cost.

Depreciation and useful life

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Asset	Years
Building	3 to 60
Plant & Machinery	2 to 40
Furniture & Fixtures	3 to 15
Vehicles, Ships & Boats	5 to 20
Office Equipment	2 to 20

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

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

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

Derecognition

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

E. Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are subsequently measured at cost less depreciation. Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

F. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Where intangible asset is acquired in a business combination, it is measured at its acquisition date fair value.

Internally generated intangible asset is recognised as an asset in the books only and only when the company develops an identifiable intangible asset and the following criteria are satisfied:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software

- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured

Directly attributable costs that are capitalised as part of the intangible asset include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and its ability and intention to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset, the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

Useful life and amortisation

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the useful lives of the asset from the date of capitalisation as below:

- Computer software 3-5 years
- Non-compete fees 1-3 year(s)

The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

Intangible assets acquired in a business combination viz. Goodwill, Patents, Copyrights and Brands do not have definite useful life and thus, are not amortised. However, these assets are tested for impairment on an annual basis. These are further tested for impairment upon any indication of impairment subsequent to annual testing.

Derecognition

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount

The Company has elected to continue with carrying value of all its intangible assets recognised as on transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

G. Impairment

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

Goodwill and intangible assets that do not have definite useful life are not amortised and are tested at least annually for impairment. If events or changes in circumstances indicate that they might be impaired, they are tested for impairment once again.

H. Inventories

Raw materials

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases.

Work in progress and finished goods

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Fixed overheads are allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to the individual items in a group of inventories on the basis of weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Stores and spares

Inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. Provisions are made for obsolete and non-moving inventories. Unserviceable and scrap items, when determined, are valued at estimated net realisable value

I. Non-current assets or disposal held for sale and discontinued operations

Non-current assets or disposal held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such assets or disposal groups are classified only when both the conditions are satisfied –

1. The sale is highly probable, and
2. The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should 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 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 other liabilities in the balance sheet.

Upon classification, non-current assets or disposal group held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

Discontinued operation

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

J. Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are me.

Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest and effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

K. Revenue recognition

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of export turnover.

Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed.

Consulting services

The engineering consulting division provides project management, design, implementation and support services under fixed-price and variable price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised on the basis of actual service provided *vis-à-vis* proportion of the total services to be provided. This is determined based on the actual hours spent relative to the total expected hours (input method).

Few contracts include multiple performance obligations, such as the sale of material (machinery) and installation services. However, generally installation is simple, does not include an significant integration service and could be performed by any other third party. It is therefore identified and accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin. If contracts include the installation of material, revenue from the material is recognised at a point in time when the material is delivered, i.e. when the control in the material is transferred to the customer. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments by customer exceeds the services rendered, a contract liability is recognised.

If the contract includes payment clause on the basis of time lapse (hourly or monthly etc.), revenue is recognised to the extent the Company has a right to invoice. In such cases, customers are invoiced on a monthly basis and consideration is payable when invoiced.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

L. Leases

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position. (Refer_)

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

In the comparative period, as a lessee the company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Land under perpetual lease for is accounted as finance lease which is recognised at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

As a lessor

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

Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

M. Foreign exchange translation

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss. Foreign exchange differences are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in 2 (XVIII)(B)(g));

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

N. Income taxes

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

O. Borrowing costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

P. Provisions

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it's carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Q. Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

Short-term employee benefits

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

Post-employment benefits

Defined contribution plan

Employee Benefit under defined contribution plans comprises of Contributory provident fund, Post Retirement benefit scheme, Employee pension scheme, composite social security scheme etc. is recognized based on the undiscounted amount of obligations of the Company to contribute to the plan. The same is paid to a fund administered through a separate trust.

Defined benefit plan

Defined benefit plans comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligations which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Other long-term employee benefits

Other long-term employee benefit comprises of leave encashment towards unavailed leave and compensated absences, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Remeasurements of leave encashment towards unavailed leave and compensated absences are recognized in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

Short term employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Voluntary retirement scheme – Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement scheme in exchange for these benefits. Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

R. Share based payments (SBP)

Equity-settled SBP

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value as at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest with corresponding increase in equity. Fair value of the options on the grant date is calculated considering the following:

1. Including the impact of market-based performance conditions (e.g. equity share price of an entity) and non-vesting conditions (e.g. holding the shares for the specific period of time)
2. Excluding the impact of service and non-market performance conditions (e.g. achieving revenue or profitability target)

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. However, fair value of options is not remeasured subsequently.

Cash-settled share appreciation rights (SAR)

The Company issues cash-settled SARs to certain employees. Expense towards SARs is charged to the Statement of Profit and Loss on a straight-line basis over the vesting period of the stock options and a corresponding liability is recognised within "Other long-term liabilities. The liability is remeasured at each balance sheet date and changes to the carrying amount of the liability are recognised in the Profit or Loss.

S. Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

Financial assets

a) Recognition and initial measurement

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

b) Classification of financial assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at –

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal 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 recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines a the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, he Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in profit or loss.

Reclassification of financial assets

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

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

A. Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

c) Financial liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

e) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

i. *Derivative financial instruments classified as fair value through profit or loss*

This category includes derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the profit or loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

ii. *Derivative financial instruments designated for hedge accounting*

The Company may designate certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value changes)
- Hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- Hedges of a net investment in a foreign operation (net investment hedges).

iii. *Fair value hedge*

When a derivative is designated as fair value hedge, changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

iv. *Cash flow hedge*

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs.

The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the profit or loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the profit or loss.

v. *Net investment hedge*

Hedges of net investments in foreign operations are accounted for similar to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in foreign currency translation reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses). Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

vi. *Embedded derivatives*

Derivatives embedded in a host contract being financial asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only 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.

Cash and cash equivalents

Cash and cash equivalent 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 insignificant risk of changes in value.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Offsetting financial instrument

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 recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

T. Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of XYZ Limited has appointed a steering committee consisting of Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, which assesses the financial performance and position of the Company and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker.

U. Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

(B) Other Notes to Financial Statements

1. Property, Plant and Equipment

Rupees in [*]

Particulars	Freehold Land	Buildings	Plants and equipment	Computers	Capital WIP	Total
Cost/Deemed cost						
At 1 April 2018	xx	xx	xx	xx	xx	xxx
Additions	xx	xx	xx	xx	xx	xxx
Deletions	xx	xx	xx	xx	xx	xxx
At 31 March 2019	xx	xx	xx	xx	xx	xxx
Additions	xx	xx	xx	xx	xx	xxx
Deletions	xx	xx	xx	xx	xx	xxx
At 31 March 2020	**xx**	**xx**	**xx**	**xx**	**xx**	**xxx**
Depreciation and impairment						
At 1 April 2018	xx	xx	xx	xx	xx	xxx
Depreciation charge for the year	xx	xx	xx	xx	xx	xxx

Particulars	Freehold Land	Buildings	Plants and equipment	Computers	Capital WIP	Total
Disposals	xx	xx	xx	xx	xx	xxx
At 31 March 2019	**xx**	**xx**	**xx**	**xx**	**xx**	**xxx**
Depreciation charge for the year	xx	xx	xx	xx	xx	xxx
Disposals	xx	xx	xx	xx	xx	xxx
At 31 March 2020	xx	xx	xx	xx	xx	xxx
Net book value						
At 31 March 2020	**xx**	**xx**	**xx**	**xx**	**xx**	**xxx**
At 31 March 2019	xx	xx	xx	xx	xx	xxx

Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note ___.

Capital work-in-progress includes exchange fluctuation Loss of Rs.__ (previous year gain Rs.___) and borrowing cost of Rs. ____(previous year Rs.___).

2. Leases

2.1 Change in Accounting Policy

Except as specified below, the company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below.

The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April, 2019.

Rupees in [*]

Particulars	Amount
Lease commitments as at 31 March 2019	xx
Add/(less): contracts reassessed as lease contracts	xx
Add/(less): adjustments on account of extension/termination	xx
Lease liabilities as on 1 April 2019	xxx
Current lease liability	xx
Non current lease liabilities	xx

Right of use assets of Rs. xx and lease liabilities of Rs. xx have been recognised as on 1 April 2019.

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

Rupees in [*]

Particulars	Amount
Decrease in Property Plant and equipment by	xx
Increase in lease liability by	xx
Increase in rights of use by	xx
Increase/Decrease in Deferred tax assets by	xx
Increase/Decrease in finance cost by	xx
Increase/Decrease in depreciation by	xx

2.2 As Lessee

(A) Additions to right of use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment owned	xx	xx
Right-of-use assets, except for investment property	xx	xx
	xx	xx

(B) Carrying value of right of use assets at the end of the reporting period by class

Rupees in [*]

	Class 1	Class 2	Total
Balance at 1 April 2019	xx	xx	xx
Depreciation charge for the year	xx	xx	xx
Balance at 31 March 2020	xx	xx	xx

(C) Maturity analysis of lease liabilities

Rupees in [*]

Maturity analysis – contractual undiscounted cash flows	As on 31st March, 2020	As on 31st March, 2019
Less than one year	xx	xx
One to five years	xx	xx
More than five years	xx	xx
Total undiscounted lease liabilities at 31 March 2020	xx	xx
Lease liabilities included in the statement of financial position at 31 March 2020	xx	xx
Current	xx	xx
Non-Current	xx	xx

(D) Amounts recognised in profit or loss

Rupees in [*]

Particulars	2019-20	2018-19
Interest on lease liabilities	xx	xx
Variable lease payments not included in the measurement of lease liabilities	xx	xx
Income from sub-leasing right-of-use assets	xx	xx
Expenses relating to short-term leases	xx	xx
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	xx	xx

(E) Amounts recognised in the statement of cash flows

Rupees in [*]

Particulars	2019-20	2018-19
Total cash outflow for leases	xx	xx

2.3 As Lessor

(A) Operating Lease

The Company has entered into operating leases on its office buildings. These leases have terms of between __ and __ years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The total contingent rents recognised as income during the year is ₹ xx (31 March 2019: ₹ xx). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows:

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	xx	xx
After one year but not more than five years	xx	xx
More than five years	xx	xx

(B) Finance Lease

The Company has finance leases for various items of plant and machinery. The Company's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are, as follows:

Rupees in [*]

Particulars	March 31, 2020	March 31, 2019
Within one year	xx	xx
After one year but not more than five years	xx	xx
More than five years	xx	xx
Total minimum lease payments	xx	xx
Less: Finance Charges	xx	xx
Present Value of Minimum Lease Payments	xx	xx

3. Other Intangible Assets

Rupees in [*]

Particulars	Licences	Patents	Trademark	Intangible under Development	Total
Cost/Deemed cost					
At 1 April 2018	xx	xx	xx	xx	xx
Additions	xx	xx	xx	xx	xx
Deletions	xx	xx	xx	xx	xx
At 31 March 2019	xx	xx	xx	xx	xx
Additions	xx	xx	xx	xx	xx
Deletions	xx	xx	xx	xx	xx
At 31 March 2020	**xx**	**xx**	**xx**	**xx**	**xx**
Amortisation and impairment					x
At 1 April 2018	xx	xx	xx	xx	xx
Amortisation charge for the year	xx	xx	xx	xx	xx
Disposals	xx	xx	xx	xx	xx
At 31 March 2019	xx	xx	xx	xx	xx
Amortisation charge for the year	xx	xx	xx	xx	xx
Disposals	xx	xx	xx	xx	xx
At 31 March 2020	xx	xx	xx	xx	xx
Net book value					x
At 31 March 2020	xx	xx	xx	xx	xx
At 31 March 2019	xx	xx	xx	xx	xx

4. Investments

I. Non-current Investments

	Particulars	Paid up value	As at March 31, 2020		As at March 31, 2019	
			No. of shares	Rupees in [*]	No. of shares	Rupees in [*]
A	**Investment in equity instruments**					
	Quoted-Others (at fair value through OCI)					
	Fully paid up					
	I Limited	Rs. 10 each	xx	xx	xx	xx

	Particulars	Paid up value	As at March 31, 2020		As at March 31, 2019	
			No. of shares	Rupees in [*]	No. of shares	Rupees in [*]
	Unquoted					
	Subsidiaries (at cost or deemed cost)					
	M Limited	₹ 10 each	xx	xx	xx	xx
	N Limited	₹ 10 each	xx	xx	xx	xx
	Joint ventures (at cost or deemed cost)					
	JV1 Limited	₹ 10 each	xx	xx	xx	xx
	MI Private Limited	₹ 10 each	xx	xx	xx	xx
B	**Investments in preference shares**	**Terms**				
	Unquoted- (at fair value through profit or loss)		xx	xx	xx	xx
	Subsidiaries		xx	xx	xx	xx
C	**Investments in Government securities (unquoted-Others) (at amortised cost)**					
	National Savings Certificates (Refer Note e)		xx	xx	xx	xx
D	**Investment in limited liability partnership firm**					
	Unquoted subsidiary (at cost or deemed cost)		xx	xx	xx	xx
	Total		xx	xx	xx	xx
	Less: Aggregate amount of provision for impairment in the value of investments		xx	xx	xx	xx
	Quoted					
	Aggregate book value		xx	xx	xx	xx
	Aggregate market value		xx	xx	xx	xx
	Unquoted					
	Aggregate carrying value		xx	xx	xx	xx
	Investment at cost		xx	xx	xx	xx
	Investment at fair value through other comprehensive income		xx	xx	xx	xx

Notes:

(a) ____ shares are pledged to the banker.

(b) _____ shares are pledged to the subsidiary's banker.

(c) More information regarding the valuation methodologies are provided in Note ____.

(d) Pledged with commercial tax department.

II. Current Investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	Rupees in [*]	Nos.	Rupees in [*]
Investment in mutual funds				
Mutual Funds Quoted	xx	xx	xx	xx
Total	xx	xx	xx	xx
Quoted				
Aggregate book value	xx	xx	xx	xx
Aggregate market value	xx	xx	xx	xx
Unquoted				
Aggregate book value	xx	xx	xx	xx

5. Trade Receivables

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Secured and considered good		
— From Related Parties	xxx	xxx
— From Others	xxx	xxx
Unsecured and considered good		
— From Related Parties	xxx	xxx
— From Others	xxx	xxx
Doubtful		
— From Related Parties	xxx	xxx
— From Others	xxx	xxx
Less: Allowance for doubtful debts	(xxx)	(xxx)
Total Trade Receivables	xxx	xxx

Note;

The carrying amount of ₹ XXX included in secured trade receivables from Related Parties and others are secured against Bank Guarantees and Bank Drafts provided by respective parties amounting to ₹ XXX.

6. Loans (Unsecured)

Rupees in [*]

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
Loans				
to related parties*	xx	xx	xx	xx
to other body corporate	xx	xx	xx	xx
to employees	xx	xx	xx	xx
Security deposits	xx	xx	xx	xx
Less: Allowance for doubtful loans	xx	xx	xx	xx
(Considered doubtful)	xx	xx	xx	xx
Total	xx	xx	xx	xx
Note:				
Considered good	xx	xx	xx	xx
Considered doubtful, provided:	xx	xx	xx	xx
Loans to other body corporate	xx	xx	xx	xx
Loans to related parties	xx	xx	xx	xx

* for business purpose.

Details of loans and advances in the nature of loans to subsidiaries/associates (including interest receivable):

Rupees in [*]

Particulars	As at March 31, 2020		As at March 31, 2019	
	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding
Loan to subsidiary				
M Limited	xx	xx	xx	xx
N Limited	xx	xx	xx	xx
Loan to associates				
M Limited	xx	xx	xx	xx

Notes

Loan to Subsidiary

The loan granted to M Limited is intended to finance an acquisition of new machines for manufacturing. The loan is unsecured and repayable in full on 1 September 2021. Interest is charged at 10%. The loan has been utilized for the purpose it was granted, viz., acquisition of new machines for manufacturing.

7. Other financial assets

Rupees in [*]

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
Export benefits and entitlements	xx	xx	xx	xx
Insurance claim receivable	xx	xx	xx	xx
Advance towards equity / preference capital	xx	xx	xx	xx
Derivative instruments				
Derivative instruments at fair value through OCI	xx	xx	xx	xx
Cash flow hedges	xx	xx	xx	xx
Foreign exchange forward contracts	xx	xx	xx	xx
Total derivative instruments at fair value through OCI	xx	xx	xx	xx
Derivative instruments at fair value through profit or loss through OCI				
Derivatives not designated as hedges	xx	xx	xx	xx
Foreign exchange forward contracts	xx	xx	xx	xx
Embedded derivatives	xx	xx	xx	xx
Total derivative instruments at fair value through profit or loss	xx	xx	xx	xx
Total financial assets	xx	xx	xx	xx

Notes

Derivative instruments at fair value through OCI reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US dollars (USD) and purchases in GB pound sterling (GBP).

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

8. Income Taxes

(a) Current Tax Liability

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	xx	xx
Add: Current Tax Payable for the year	xx	xx
Less: Taxes Paid	xx	xx
Closing Balance	xx	xx

The closing balance of current tax liability is net of advance tax and tax deducted at source.

(b) Current Tax Asset

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	xx	xx
Less: Current Tax Payable for the year	xx	xx
Add: Taxes Paid	xx	xx
Closing Balance	xx	xx

The closing balance of current tax asset is net of provision for tax.

(c) Deferred Tax Assets

The breakup of Deferred tax asset is as follows:

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Asset – [A]		
Provision for Employee Benefits	xx	xx
Warranty Provisions	xx	xx
Loss allowance on Financial and Contract Assets	xx	xx
Others	xx	xx
Deferred Tax Liability – [B]		
Written Down Value of Fixed Assets	xx	xx
Others	xx	xx
Net Deferred Tax Asset [A-B]	**xx**	**xx**

Movement in Deferred Tax Assets

Rupees in [*]

Particulars	Charge/(Credit) to Statement of P&L		Charge/(Credit) to OCI	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred Tax Asset –				
Provision for Employee Benefits	xx	xx	xx	xx
Warranty Provisions	xx	xx	xx	xx
Loss allowance on Financial and Contract Assets	xx	xx	xx	xx
Others	xx	xx	xx	xx
Deferred Tax Liability –				
Written Down Value of Fixed Assets	xx	xx	xx	xx
Others	xx	xx	xx	xx
Total	**xx**	**xx**	**xx**	**xx**

(d) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2020:

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Accounting profit before income tax		
Income tax at India's statutory income tax rate of __% (31 March 2019: __%)	xx	xx
Adjustments in respect of current income tax of previous years	xx	xx
Income exempted from tax	xx	xx
Utilisation of previously unrecognised tax losses	xx	xx
Non-deductible expenses for tax purposes	xx	xx
Income tax at effective tax rate	xx	xx

(e) Income tax expense reported in the Statement of Profit and Loss-Contingent Liability and Commitments

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
a) Capital commitments towards		
i) Property, plant and equipment	xx	xx
contracts remaining to be executed on capital account not provided for (net of advances)	xx	xx
ii) Uncalled amount on investment in shares	xx	xx
iii) Financial commitment to provide capital/ loan to subsidiary company	xx	xx
b) Contingent liabilities		
i) Claims against the Company not acknowledged as debts	xx	xx
ii) Income Tax disputes	xx	xx
iii) Indirect Tax disputes	xx	xx
iv) Guarantees excluding financial guarantees	xx	xx
v) Financial Guarantees	xx	xx

9. Other Assets

Rupees in [*]

Particulars	As at 31st March 2020	As at 31st March 2019
(A) Other Non-Current Assets		
Capital Advances	xx	xx
Advances other than capital advances		
— Security Deposits	xx	xx
— Advances to Related Parties	xx	xx
— Other Advances	xx	xx
	xx	xx
Others (Specify nature)	xx	xx
Total of Other Non-current Assets	xx	xx
(B) Other Current Assets		
Capital Advances	xx	xx
Advances other than capital advances		
Security Deposits	xx	xx
Advances to Related Parties	xx	xx
Other Advances	xx	xx
Others (Specify nature)	xx	xx
Total of Other current Assets	**xx**	**xx**

A. Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated. (SCH III)

10. Inventories

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials	xxx	xxx
Work-in-progress	xxx	xxx
Finished Goods	xxx	xxx
Stock-in-trade	xxx	xxx
Packing Materials, Stores & Spares	xxx	xxx
Property Under Development (Refer Note:____)	Applicable if for sale	
	xxxx	xxxx

B. Raw materials include raw materials in transit amount to Rs. xx as at 31st March 2020 (Rs. xx as at 31st March 2019)

C. The Company has recorded inventory write down of Rs. XXX during FY 2019-20 (Rs. xx during FY 2018-19) which is included as part of cost of materials consumed.

D. The Company has recorded a reversal in respect of write downs in inventories amounting to Rs. xx during FY 2019-20 (Rs. xx during FY 2018-19). Previous write downs have been reversed as a result of increased sales prices in certain markets (circumstances / events that led to reversal need to be mentioned). Such reversal is included as part of cost of materials consumed..

E. Details of inventories pledged as security for liabilities is as follows:

Particulars	Carrying amount (Rupees in [*])	Security pledged against
31st March 2020		
— Raw Materials / Work-in-progress	xxx	xxx
— Finished goods / Stock-in-trade	xxx	xxx
31st March 2019		
— Raw Materials / Work-in-progress	xxx	xxx
— Finished goods / stock in trade	xxx	xxx

11. Cash and Bank Balance

Particulars	31 March 2020	31 March 2019
Assets		
Current Assets		
Financial Assets		
Cash and cash equivalents	xxx	xxx
Bank balances other than cash and cash equivalent	xxx	xxx

Cash and Cash Equivalents:

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
On current accounts	xxx	xxx
Fixed deposits with maturity of less than 3 months	xxx	xxx
Cheques/drafts on hand	xxx	xxx
Cash on hand	xxx	xxx
Total	**xxxx**	**xxxx**

There are no repatriation with regard to Cash and Cash Equivalents as at the end of the reporting period and prior periods.

In the Balance Sheet of Company, Cash comprises cash on hand and demand deposits. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purpose.

12. Non-Current Assets held for Sale:

Extract of Balance Sheet

Rupees in [*]

Particulars	As at March 31, 2020
Non-current Assets	
Property, Plant & Equipments	xxx
Current Assets	
Other current Assets	xxx

On 31 December 2019 the directors of XYZ decided to dispose of two properties in different locations. Both properties were actively marketed by the directors from 1 January 2020 and sales are expected before the end of July 2020.

Summary details of the two properties are as follows:

Rupees in [*]

Property	**Carrying Amount** as at 31 March 2020	**Depreciable Amount** as at 31 March 2020	**Estimated future economic life** as at 31 March 2020	**Estimated fair value less cost to sell** as at 31 December 2019
A	xx	xx	__ years	xx
B	xx	xx	__ years	xx

Property A was available for sale without modifications from 1 January 2020 onwards. On 31 March 2020 the directors were reasonably confident that a sale could be secured for ₹ XXX. However, after the year-end property prices in which property A is located started to decline. This was due to an unexpected adverse local economic event in April 2020. Following this event the Directors of XYZ estimated that property A would now be sold at reduced prics of Rs. XX less selling costs and they are very confident that this lower price can be achieved.

Property B needed repair work carried out on it before a sale could be completed. The costs of this repair work are reflected in the estimated fair value less costs to sell figure for property B of Rs. XXX.

13. Equity Share Capital

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Authorized:		
CYXX (P.Y.: PYXX) Equity Shares of Rs.ZX/- each	xx	xx
Issued and Subscribed and Paid Up :		
CYXX (P.Y.: PYXX) Equity Shares of Rs.ZX/- each, fully paid up	xx	xx

Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rupees in [*]	No. of Shares	Rupees in [*]
Equity Shares				
Issued and Subscribed :				
Balance as at the beginning of the year	xx	xx	xx	xx
Add : Issued during the year for cash	xx	xx	xx	xx
Add : Shares issued to ESOP Trust	xx	xx	xx	xx
Balance as at the end of the year	xx	xx	xx	xx
Adjusted Issued and Subscribed Share Capital	xx	xx	xx	xx

b) Rights, preferences and restrictions attached to shares Equity shares

The Company has one class of equity shares having a par value of ₹ XX per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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 shareholding.

Shares Reserved for issue underwriter Options

Details of Right Issue, if any

Details of shares held by holding /ultimate holding company

Details of Share issued for consideration other than in cash

Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Equity Shares				
X	xx	xx	xx	xx
Y	xx	xx	xx	xx
Z	xx	xx	xx	xx

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2019: Rs XX per share (Rs XX per share)		
Dividend Distribution Tax on final dividend	xx	xx
Interim dividend for the year ended on 31 March 2020: Rs XX per share (Rs XX per share)		
	xx	**xx**
Proposed dividends on Equity shares		
Final dividend for the year ended on 31 March 2020: Rs XX per share (Rs XX per share)	xx	xx
Dividend Distribution Tax on proposed dividend		
	xx	**xx**

14. Other Equity:

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserve		
Opening	xx	xx
Add:	xx	xx
Closing	xx	xx
Securities Premium		
Opening	xx	xx
Add: Premium on equity shares issued during the year	xx	xx
Closing	xx	xx
General Reserve		
Opening	xx	xx
Add:	xx	xx

Particulars	As at March 31, 2020	As at March 31, 2019
Closing	xx	xx
Retained Earnings		
Opening Balance	xx	xx
Net Loss for the year as per the Statement of Profit and Loss	xx	xx
Net Surplus in the Statement of Profit and Loss	xx	xx
Total	xx	xx

#Other Reserves (illustrative list)

Rupees in [*]

Particulars		As at March 31, 2020	As at March 31, 2019
(I)	**Foreign Currency Translation Reserve**		
	Balance as at the beginning of the year	xx	xx
	Add/(Less) : Adjustments if any	xx	xx
	Balance as at the end of the year	xx	xx
(II)	**Debenture Redemption Reserve :**		
	Balance as at the beginning of the year	xx	xx
	Add : Transfer from Retained earnings	xx	xx
	Balance as at the end of the year	xx	xx
(III)	**Investment Fluctuation Reserve :**		
	Balance as at the beginning of the year	xx	xx
	Add : Transfer back from General Reserve	xx	xx
	Add: Provision no longer required written back	xx	xx
	Less: Utilisation during the year	xx	xx
	Less: Transfer to General Reserve	xx	xx
	Transfer to Surplus in Statement of Profit and Loss	xx	xx
	Balance as at the end of the year	xx	xx
(IV)	**Capital Redemption Reserve :**		
	Balance as at the beginning of the year	xx	xx
	Add/(Less): Adjustments if any	xx	xx
	Balance as at the end of the year	xx	xx
(V)	**Statutory Reserve (under regulatory compliances) :**		
	Balance as at the beginning of the year	xx	xx
	Add/(Less): Adjustments if any	xx	xx
	Balance as at the end of the year	xx	xx
(VI)	**Share Options Outstanding Account**		
	Balance as at the beginning of the year	xx	xx
	Add: Granted/Vested in the year	xx	xx
	Less: Exercised in the year	xx	xx
	Balance as at the end of the year	xx	xx

Nature and Purpose of Reserves

General Reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.00% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year.

Consequent to introduction of Companies Act, 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss to the General reserve

Securities premium reserve

Securities premium reserve is created due to premium on issue of shares. These reserve is utilized in accordance with the provisions of the Companies Act, 2013.

Capital reserve

Capital reserve is utilized in accordance with provision of the Companies Act, 2013.

15. Borrowings

Rupees in [*]

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non - current	Current	Non - current	Current
Bonds	xx	xx	xx	xx
Debentures (secured)	xx	xx	xx	xx
Term loans:	xx	xx	xx	xx
Secured	xx	xx	xx	xx
Unsecured	xx	xx	xx	xx
Deferred payment liabilities	xx	xx	xx	xx
Other loans:	xx	xx	xx	xx
— Finance lease obligations	xx	xx	xx	xx
— Preference shares	xx	xx	xx	xx
Unamortised upfront fees on				
Borrowing	xx	xx	xx	xx
Total	**xx**	**xx**	**xx**	**xx**

Amount in Rupees [*]				Terms of Repayments	Security
As at March 31, 2020		As at March 31, 2019			
Non-Current	Current	Non-Current	Current		
A. Bonds/ Debentures					
Bonds					
—	xx	xx	xx	Repayable on (date)	—
Debentures (secured)					
xx	xx	xx	xx	_% secured NCDs of ₹ xx each are redeemable in __ tranches a. ₹ xx on (date) b. ₹ xx on (date)	First *pari passu* charge on fixed assets located at _____ (other than specifically carved out) and a flat situated at ____.
xx	xx	xx	xx	__% secured NCDs of ₹ xx each are redeemable as _ ___ instalments of ₹____ each	*Pari passu* first charge on all immovable properties and movable assets both present and future located at _____.
B. Term Loans					
Rupee Term Loans From Banks (Secured)					
xx	xx	xx	xx	___ instalments of Rs xx each from/to (period) __ instalments of ₹ xx each from/to (period)	First charge on fixed assets situated at____.
Rupee Term Loans From Banks (Unsecured)					
—	—	—	xx	___ instalments of ₹xx each from (period)	-
xx	xx	xx	xx	___ instalments of ₹xx each from/to (period)	-
Total Term Loan-(Unsecured)					
Total Term Loan					
C. Deferred Payment Liabilities					
Deferred Sales Tax Loan (Unsecured)					

Amount in Rupees [*]				Terms of Repayments	Security
As at March 31, 2020		As at March 31, 2019			
Non-Current	Current	Non-Current	Current		
xx	xx	xx	xx	__ instalments starting from/to (period)	—
D. Financial Lease Obligations					
xx	xx	xx	xx	__ instalments from/to (period)	
E. Preference Shares					
xx	xx	xx	xx	Terms of Redemption	—
xx	xx	xx	xx	Terms of Redemption	—
Total Amount					
xxx	**xxx**	**xxx**	**xxx**		

Borrowings (current) Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Working capital loans from banks (secured)	Xx	xx
Rupee loan	xx	xx
Foreign currency loan	xx	xx
Foreign currency loan from bank(unsecured)	xx	xx
Rupee loans from banks (unsecured)	xx	xx
Commercial papers (unsecured)	xx	xx
Total	**xxx**	**xxx**

Working capital loans of Rs xx (as at 31 March 2019 Rs.xx) are secured by:

i) *Pari passu* first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts / receivables of the Company, both present and future.

ii) *Pari passu* second charge on movable properties and immovable properties forming part of the fixed/blocked assets of the Company, both present and future except such properties as may be specifically excluded.

16. Other financial liabilities

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long-term borrowing (refer note__)	—	—	xx	xx
(b) Current maturities of finance lease obligation (refer note __)	—	—	xx	xx

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
(c) Investor education and protection fund#	xx	xx	xx	xx
(d) Others				
Retention money for capital projects				
Payable towards capital expenditure	xx	xx	xx	xx
Payable towards services received	xx	xx	xx	xx
Payable towards other expenses	xx	xx	xx	xx
Interest accrued but not due on borrowings	xx	xx	xx	xx
Others	xx	xx	xx	xx
Total	**xxx**	**xxx**	**xxx**	**xxx**

Investor Education and Protection Fund ('IEPF') - As at 31st March, 2020, there is no amount due and outstanding to be transferred to the IEPF. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

17. Provision

Rupees in [*]

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
(a) Provision for employee benefits				
Provision for provident and other funds	xx	xx	xx	xx
Provision for gratuity	xx	xx	xx	xx
Provision for compensated absences	xx	xx	xx	xx
(b) Others				
Service Warranties	xx	xx	xx	xx
Statutory dues	xx	xx	xx	xx
Legal Claim	xx	xx	xx	xx
TOTAL	**xxx**	**xxx**	**xxx**	**xxx**

18. Other liabilities

Rupees in [*]

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non - current	Current	Non - current	Current
(a) Revenue received in advance:				
Advance received from customers	xx	xx	xx	xx
(b) Other payables				
Statutory due payable	xx	xx	xx	xx
Others	xx	xx	xx	xx
Total	**xxx**	**xxx**	**xxx**	**xxx**

19. Trade Payables

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Equity and Liabilities		
Non-Current Liabilities		
Financial Liabilities		
(I) Trade Payable		
(a) Total outstanding dues of micro enterprises and small enterprises	xxx	xxx
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	xxx	xxx
Current Liabilities		
Financial Liabilities		
(I) Trade Payable		
(a) Total outstanding dues of micro enterprises and small enterprises	xxx	xxx
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	xxx	xxx

Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act)

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Rupees in [*]

	As at March 31, 2020	As at March 31, 2019
Principal amount remaining unpaid to any supplier as at the end of the year.	xx	xx
Amount of interest due remaining unpaid to any supplier as at the end of the year.	xx	xx

	As at March 31, 2020	As at March 31, 2019
Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	xx	xx
Amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid).	xx	xx
Amount of interest accrued and remaining unpaid at the end of year.	xx	xx
Amount of further interest remaining due and payable even in the succeeding year.	xx	xx

20. Revenue from Operations

Rupees in [*]

Particulars	2019-20	2018-19
A. Revenue from contracts with customers disaggregated based on nature of product or services		
Revenue from Sale of Products		
a. Manufactured goods	xx	xx
b. Stock-in-trade	xx	xx
(i)	**xxx**	**xxx**
Revenue from Sale of Services		
a. Software services	xx	xx
b. Other (specify)	xx	xx
(ii)	**xxx**	**xxx**
Other operating revenues		
a. Export incentives	xx	xx
b. Royalty received		
From subsidiaries and associates	xx	xx
Others	xx	xx
c. Scrap Sales	xx	xx
d. Others (specify)	xx	xx
(iii)	**xxxx**	**xxxx**
Total Revenue from Operations (i+ii+iii)	xxx	xxx
B. Disaggregated revenue information The table below presents disaggregated revenue from contact with customers for the year ended March 2020 and March 2019. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors		

	Particulars	2019-20	2018-19
	Revenue from contracts with customers disaggregated based on geography		
	a. Domestic	xx	xx
	b. Exports	xx	xx
	Total Revenue from Operation	**xxx**	**xxx**
C.	**Reconciliation of Gross Revenue from Contracts With Customers**		
	Gross Revenue	xxx	xxx
	Less : Discount	xx	xx
	Less : Returns	xx	xx
	Less : price concession	xx	xx
	Less : incentives and performance bonus	xx	xx
	Less : Others (specify)	xx	xx
	Net Revenue recognised from Contracts with Customers	xxx	xxx
Notes:			
C1. The amounts receivable from customers become due after expiry of credit period which on an average is less than xx days. There is no significant financing component in any transaction with the customers.			
C2. The Company provides agreed upon performance warranty for all range of products. The amount of liability towards such warranty is immaterial.			
C3. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.			

21. Other Income

Rupees in [*]

	Particulars	2019-20	2018-19
Interest Income from:			
a.	Financial assets mandatorily measured at fair value through profit or loss	xx	xx
b.	Interest income on financial assets fair valued through other comprehensive income		
	— Non-convertible debentures	xx	xx
c.	Financial assets carried at amortised cost		
	— Tax free bonds and government bonds	xx	xx
	— Deposits with banks and others	xx	xx
	(i)	xxx	xxx

Particulars	2019-20	2018-19
Dividend Income from :		
a. Investments mandatorily measured at fair value through profit or loss	xx	xx
b. Equity investment designated at fair value through other comprehensive income	xx	xx
(ii)	xxx	xxx
Unwinding of discount on security deposits **(iii)**	xx	xx
Government grants **(iv)**	xx	xx
Rental income on Investment Properties **(v)**	xx	xx
Total Other Income (i+ii+ii+iv+v)	**xxx**	**xxx**

22. Cost of materials consumed

Rupees in [*]

Particulars	2019-20	2018-19
(A) Raw materials consumed:		
Raw materials at the beginning of the year	xx	xx
Add : Purchases	xx	xx
Less : Raw materials at the end of the year	xx	xx
Total cost of raw materials consumed (A)	xx	xx
Note x : The write down of inventories value during the year amounted to ₹ xx (31 March 20xx ₹ xx) and written down due to obsolesce amounted to ₹ xx (31 March 20xx ₹ xx). These amounts have been included in the cost of material consumed.		
(B) Packing materials consumed:		
Packing materials at the beginning of the year	xx	xx
Add : Purchases	xx	xx
Less : Packing materials at the end of the year	xx	xx
Total cost of packing materials consumed (B)	xx	xx
Total cost of material consumed (A+B)	xx	xx

23. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Rupees in [*]

Particulars	31 March 2020	31 March 2019
Opening Balance		
Finished goods	xxx	xxx
Work-in-progress	xxx	xxx
Stock-in-trade (including goods in transit Rs.xx)	xxx	xxx
Total Opening Balance	**xxxx**	**xxxx**
Closing Balance		

Particulars	31 March 2020	31 March 2019
Finished goods	xxx	xxx
Work-in-progress	xxx	xxx
Stock-in-trade (including goods in transit Rs. xx)	xxx	xxx
Manufactured Components		
Total Closing Balance	**xxxx**	**xxxx**
Total Changes in inventories of finished goods, work-in-progress and stock-in-trade	**xxx**	**xxx**

24. Employee benefit expenses

Rupees in [*]

Particulars	2019-20	2018-19
Salaries, Wages and bonus	xx	xx
Contribution to provident funds and other funds	xx	xx
Employee share based payment expenses	xx	xx
Gratuity	xx	xx
Leave compensation	xx	xx
Post-employment pension benefits	xx	xx
Post-employment medical benefits	xx	xx
Staff welfare expenses	xx	xx
Total employee benefit expenses	**xxx**	**xxx**

25. Finance Cost

Rupees in [*]

Particulars	2019-20	2018-19
Interest and finance charges on financial liabilities carried at amortised cost		
a. Interest on Bank borrowings	xx	xx
b. Interest on bill discounting	xx	xx
c. Other interest expenses	xx	xx
Less : Amount Capitalised (refer Note ___)	xx	xx
Total Interest on financial liabilities carried at amortised cost	**xx**	**xx**
Trade payables – Micro Enterprises and Small Enterprises (refer Note xx)	xx	xx
Interest on delayed payment of statutory dues	xx	xx
Unwinding of discount on provision	xx	xx
Exchange difference regarded as adjustment to borrowing costs	xx	xx
Dividend on redeemable preference shares (including dividend distribution tax)	xx	xx
Total Finance Cost	**xx**	**xx**

26. Depreciation and Amortisation expenses

Rupees in [*]

Particulars	2019-20	2018-19
Depreciation on plant, property and equipment	xx	xx
Depreciation on Investment properties	xx	xx
Amortisation on Intangible assets	xx	xx
Total depreciation and Amortisation expenses	**xx**	**xx**

27. Other Expenses

Rupees in [*]

Particulars	2019-20	2018-19
Auditor's Remuneration (refer Note 26.1)	xx	xx
Advertisements	xx	xx
Consumption of stores, spares and consumable	xx	xx
Corporate social responsibility expense (refer Note 26.2)	xx	xx
Donation	xx	xx
Legal and Professional fees	xx	xx
Insurance	xx	xx
Power and fuel	xx	xx
Printing & Stationery	xx	xx
Processing charges	xx	xx
Rates and Taxes	xx	xx
Rent	xx	xx
Repairs and maintenance		
— Plant and machinery	xx	xx
— Buildings	xx	xx
— Others	xx	xx
Sales Promotions	xx	xx
Telephone and communication charges	xx	xx
Travel and Conveyance	xx	xx
Water and electricity charges	xx	xx
Loss on Sale / Discard of Property, Plant and Equipment	xx	xx
Bad debts written off	xx	xx
Allowance for doubtful debts and advances (net)	xx	xx
Miscellaneous Expenses	xx	xx
Total Other Expenses	**xx**	**xx**

Note 27.1 : Payment to Auditors

Rupees in [*]

Particulars	2019-20	2018-19
As Auditor:		
— Audit Fee	xx	xx
— Tax Audit	xx	xx
— Limited Review	xx	xx
In other capacity:		
— Taxation matters	xx	xx
— Company Law matters	xx	xx
— Certification matters	xx	xx
— Reimbursement of Expenses	xx	xx

Note 27.2 : Corporate social responsibility expense

Rupees in [*]

Particulars	2019-20	2018-19
Amount required to be spent as per Section 135 of the Companies Act, 2013	xx	xx
Amount spent during the year on		
a.	xx	xx
b.	xx	xx
c.	xx	xx
Total CSR Expenses	**xx**	**xx**

28. Financial instruments

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Categories of financial instruments:

Rupees in [*]

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying values	Fair value	Carrying values	Fair value
Financial assets Measured at amortised cost				
Loans	xx	xx	xx	xx
Other financial assets	xx	xx	xx	xx
Trade receivables	xx	xx	xx	xx
Cash and cash equivalents	xx	xx	xx	xx

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying values	Fair value	Carrying values	Fair value
Bank balances other than cash and cash equivalents	xx	xx	xx	xx
Non-current investments	xx	xx	xx	xx
Total financial assets at amortised cost (A)	xx	xx	xx	xx
Financial assets Measured at fair value through other comprehensive income				
Non-current investments	xx	xx	xx	xx
Total financial assets at fair value through other comprehensive income (B)	xx	xx	xx	xx
Financial assets measured at fair value through profit and loss				
Non-current investments	xx	xx	xx	xx
Current Investments	xx	xx	xx	xx
Other financial assets	xx	xx	xx	xx
Total financial assets at fair value through profit and loss (C)	xx	xx	xx	xx
Total financial assets (A+B+C)	xx	xx	xx	xx
Financial liabilities Measured at amortised cost				
Borrowings	xx	xx	xx	xx
Long term Borrowings#	xx	xx	xx	xx
Short term Borrowings	xx	xx	xx	xx
Trade payables	xx	xx	xx	xx
Other financial liabilities	xx	xx	xx	xx
Total financial liabilities carried at amortised cost	xx	xx	xx	xx

including current maturities of long term debt and finance lease obligation

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use Unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.

- The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Company's own non-performance risk. As at 31 March 20xx, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
- Embedded foreign currency and commodity derivatives are measured similarly to the foreign currency forward contracts and commodity derivatives. The embedded derivatives are commodity and foreign currency forward contracts which are separated from long-term sales contracts where the transaction currency differs from the functional currencies of the involved parties. However, as these contracts are not collateralised, the Company also takes into account the counterparties' credit risks (for the embedded derivative assets) or the Company's own non-performance risk (for the embedded derivative liabilities) and includes a credit valuation adjustment or debit value adjustment, as appropriate by assessing the maximum credit exposure and taking into account market-based inputs concerning probabilities of default and loss given default.
- The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2016 was assessed to be insignificant.

Fair value hierarchy

Level wise disclosure of financial instruments

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Non-current investments in equity shares measured at FVTOCI	xx	xx	1	Quoted bid prices in an active market
Non-current investments in unquoted preference shares measured at FVTPL	xx	xx	3	Discounted cash flow - Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks
Long term borrowings (including current maturities)				
Carrying value	xx	xx	2	Discounted cash flow – observable future cash flows are based on terms discounted at a rate that reflects market risks
Fair value	xx	xx		
Foreign currency options – Assets	xx	xx	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Foreign currency options – Liability	xx	xx	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Foreign currency forward contracts - Liability	xx	xx	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Commodity forward contracts – Assets	xx	xx	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Interest rate swaps - Assets	xx	xx	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Interest rate swaps - Liability	xx	xx	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short term nature.

Sensitivity Analysis of Level III

	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate	0.50%	0.50% Increase (decrease) in the discount would decrease (increase) the fair value by Rs. xx (Rs. xx)

Reconciliation of Level III fair value measurement:

Rupees in [*]

	As at March 31, 2020	As at March 31, 2019
Opening balance	xx	xx
Additional investment	xx	xx
Reclassification of allowance for loss	xx	xx
Allowance for loss	xx	xx
Gain recognised in the statement of profit and loss	xx	xx
Closing balance	xx	xx

Financial risk management objectives and policies:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. Financial risk management

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

— Market risk

— Credit risk; and

— Liquidity risk

b. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

c. Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and options. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short term exposures are hedged progressively based on their maturity.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting period are as follows:

Currency exposure as at 31 March 2020

Rupees in [*]

Particulars	USD	EURO	INR	JPY	Other	Total
Financial assets						
Non-current investments	xx	xx	xx	xx	xx	xx
Current investments	xx	xx	xx	xx	xx	xx
Loans	xx	xx	xx	xx	xx	xx
Trade receivables	xx	xx	xx	xx	xx	xx
Cash and cash equivalents	xx	xx	xx	xx	xx	xx
Bank balances other than cash and cash equivalents	xx	xx	xx	xx	xx	xx
Other financial assets	xx	xx	xx	xx	xx	xx
Total financial assets	xx	xx	xx	xx	xx	xx
Financial liabilities						
Long term borrowings	xx	xx	xx	xx	xx	xx
Short term borrowings	xx	xx	xx	xx	xx	xx
Trade payables	xx	xx	xx	xx	xx	xx
Other financial liabilities	xx	xx	xx	xx	xx	xx
Total financial liabilities	xx	xx	xx	xx	xx	xx

The following table details the Company's sensitivity to a X% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. X% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens X% against the relevant currency. For a 10X% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative

Rupees in [*]

Particulars	Increase		Decrease	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Receivable	xx	xx	xx	xx
USD/INR	xx	xx	xx	xx
Payable	xx	xx	xx	xx
USD/INR	xx	xx	xx	xx

The Forward exchange contracts entered into by the Company and outstanding are as under:

As at	No. of Contracts	Type	US$ equivalent (in [*])	INR Equivalent (in [*])	MTM (₹ in [*])
31.03.2020	xx	Buy	xx	xx	xx
	xx	Sell	xx	xx	xx
31.03.2019	xx	Buy	xx	xx	xx
		Sell			

Currency options to hedge against fluctuations in changes in exchange rate:

As at	No. of Contracts	US$ equivalent (in [*])	INR Equivalent (in [*])	MTM (₹ in [*])
31.03.2020	xx	xx	xx	xx
31.03.2019	xx	xx	xx	xx

Unhegde Currency Risk position :

i) Amounts receivable in foreign currency

Particulars	As at March 31, 2020			As at March 31, 2019	
	US$ equivalent	INR Equivalent	US$ equivalent	INR Equivalent	US$ equivalent
	in [*]	in [*]	in [*]	in [*]	in [*]
Trade Receivables	xx	xx	xx	xx	xx
Balances with banks	xx	xx	xx	xx	xx
— in Fixed Deposit Account	xx	xx	xx	xx	xx
— in Current Account	xx	xx	xx	xx	xx
Advances/Loans to Subsidiaries	xx	xx	xx	xx	xx

II) Amounts payable in foreign currency

Particulars	As at March 31, 2020		As at March 31, 2019	
	US$ equivalent	INR Equivalent	US$ equivalent	INR Equivalent
	in [*]	in [*]	in [*]	in [*]
Loans Payable	xx	xx	xx	xx
Acceptances	xx	xx	xx	xx
Trade Payables	xx	xx	xx	xx
Payable for Capital Projects	xx	xx	xx	xx
Interest Accrued but not due on Borrowings	xx	xx	xx	xx
Other provisions	xx	xx	xx	xx

d. Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of iron ore, coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Company purchased substantially all of its iron ore and coal requirements from third parties in the open market during the year ended 31 March 2020.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures key raw materials like iron ore and coal based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.

Commodity hedging is used primarily as a risk management tool to secure the future cash flows in case of volatility by entering into commodity forward contracts.

Hedging commodity is based on its procurement schedule and price risk. Commodity hedging is undertaken as a risk offsetting exercise and, depending upon market conditions hedges, may extend beyond the financial year. The Company is presently hedging maximum up to 25% of its consumption.

The following table details the Company's sensitivity to a 5% movement in the input price of iron ore and coking coal. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices increase by 5%. For a 5% reduction in commodity prices, there would be a comparable impact on profit or equity, and the balances below would be negative.

Rupees in [*]

Commodity	Increase for the year ended		Decrease for the year ended	
	31 March 2020	31 March 2019	31 March 2020	31March 2019
Iron ore lumps/fines	xx	xx	xx	xx
Coal/Coke	xx	xx	xx	xx

The commodity forward and option contracts entered into by the Company and outstanding at the year-end are as under:

As at	No. of Contracts	Commodity Name	Qty (MT)	US$ Equivalent of notional value (in [*])	INR equivalent (in [*])	MTM of Commodity contract (in [*])
31.03.2020	xx	xx	xx	xx	xx	xx
31.03.2019	xx	xx	xx	xx	xx	xx

e. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for ch anges in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The company hedges up to 20% of interest risk in US dollars. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like non-convertible bonds and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Rupees in [*]

	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings	xx	xx
Floating rate borrowings	xx	xx
Total borrowings	xx	xx
	xx	xx
Total Net borrowings	xx	xx
Add: Upfront fees	xx	xx
Total borrowings	xx	xx

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2020 would decrease / increase by Rs.___ (for the year ended 31 March 2019: decrease / increase by Rs. ___). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

The following table detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the year-end.

As at	**No. of Contracts**	**US$ Equivalent of notional value** (in [*])	**MTM of IRS** (INR in [*])
31.03.2020	xx	xx	xx
31.03.2019	xx	xx	xx

f. Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Company's credit risk arises principally from the trade receivables, loans, investments in debt securities, cash & cash equivalents, derivatives and financial guarantees.

Trade receivables

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment.

Credit risk on receivables is also mitigated by securing the same against letters of credit and guarantees of reputed nationalised and private sector banks. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10.0% or more of revenue in any of the years indicated. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

The history of trade receivables shows a negligible allowance for bad and doubtful debts.

Loans and investment in debt securities

The Company's centralised treasury function manages the financial risks relating to the business. The treasury function focuses on capital protection, liquidity and yield maximisation. Investments of surplus funds are made only in approved counterparties within credit limits assigned for each of the counterparty. Counterparty credit limits are reviewed and approved by the Finance Committee of the Company. The limits are set to minimise the concentration of risks and therefore mitigate the financial loss through counter party's potential failure to make payments

Cash and cash equivalents, derivatives and financial guarantees

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks and other counterparties. The Company's maximum exposure in this respect is the maximum amount of the Company would have to pay if the guarantee is called upon. Company has recognised loss allowance of Rs.___ in respect of a financial guarantee given on behalf of a subsidiary. Refer note ___.

The Company's maximum exposure to the credit risk for the components of balance sheet as 31st March 2019 and 31st March 2018 is the carrying amounts mentioned in Note no ___ and __ (trade receivables note, short term investments) except for financial guarantees and derivative financial instruments. The maximum exposure relating to financial guarantees and financial derivative instruments is disclosed in note no __(contingent liabilities) and __ respectively.

g. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. . The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Liquidity exposure as at 31 March 2020

Rupees in [*]

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non-current investments	xx	xx	xx	xx
Current investments	xx	xx	xx	xx
Loans	xx	xx	xx	xx
Trade receivables	xx	xx	xx	xx
Cash and cash equivalents	xx	xx	xx	xx
Bank balances other than cash and cash equivalents	xx	xx	xx	xx
Other financial assets	xx	xx	xx	xx
Inventory	xx	xx	xx	xx
Total financial assets	xx	xx	xx	xx
Financial liabilities				
Long term borrowings	xx	xx	xx	xx
Short term borrowings	xx	xx	xx	xx
Trade payables	xx	xx	xx	xx
Other financial liabilities	xx	xx	xx	xx
Total financial liabilities	xx	xx	xx	xx

Liquidity exposure as at 31 March 2019

Rupees in [*]

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non-current investments	xx	xx	xx	xx
Current investments	xx	xx	xx	xx
Loans	xx	xx	xx	xx
Trade receivables	xx	xx	xx	xx
Cash and cash equivalents	xx	xx	xx	xx
Bank balances other than cash and cash equivalents	xx	xx	xx	xx
Other financial assets	xx	xx	xx	xx
Total financial assets				
Financial liabilities				
Long term borrowings	xx	xx	xx	xx
Short term borrowings	xx	xx	xx	xx
Trade payables	xx	xx	xx	xx
Other financial liabilities	xx	xx	xx	xx
Total financial liabilities	xx	xx	xx	xx

Collateral

The Company has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered (Refer note ___)

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 40%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

Rupees in [*]

Particulars	As at March 31, 2020	As at March 31, 2019
Long term borrowings	xx	xx
Current maturities of long term debt and finance lease obligations	xx	xx
Short term borrowings	xx	xx
Less: Cash and cash equivalent	xx	xx
Less: Bank balances other than cash and cash equivalents	xx	xx
Less: Current investments	xx	xx
Net debt	xx	xx
Total equity	xx	xx
Gearing ratio	xx	xx

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

Fair value measurement of financial instruments

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

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

As part of the accounting for the acquisition of A Limited, contingent consideration with an estimated fair value of Rs. xx was recognised at the acquisition date and remeasured to Rs. xx as at the reporting date. Future developments may require further revisions to the estimate. The maximum consideration to be paid is Rs. xx. The contingent consideration is classified as other financial liability.

29. Employee Benefit Obligation

Rupees in [*]

Particulars	2019-20			2018-19		
	Current	Non-current	Total	Current	Non-current	Total
Contribution to Provident fund	xx	xx	xx	xx	xx	xx
Defined benefit plans:						
Leave encashment	xx	xx	xx	xx	xx	xx
Gratuity	xx	xx	xx	xx	xx	xx
Total employee benefits obligations	**xx**	**xx**	**xx**	**xx**	**xx**	**xx**

Defined Benefit Plans

(i) Reconciliation of Opening and Closing balances of Defined Benefit Obligation

Rupees in [*]

Description	Gratuity as on March 31		Leave Encashment as on March 31	
	2020	2019	2020	2019
Defined Benefit obligation at beginning of year	xx	xx	xx	xx
Current Service Cost	xx	xx	xx	xx
Interest Cost	xx	xx	xx	xx
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	xx	xx	xx	xx

Description	Gratuity as on March 31		Leave Encashment as on March 31	
	2020	2019	2020	2019
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	xx	xx	xx	xx
Actuarial (Gains)/Losses on Obligations - Due to Experience	xx	xx	xx	xx
Benefits paid	xx	xx	xx	xx
Defined Benefit obligation at year end	xx	xx	xx	xx

(ii) Amount recognized in Balance Sheet

Rupees in [*]

Description	Gratuity as on March 31		Leave Encashment as on March 31	
	2020	2019	2020	2019
Fair value of Plan assets	xx	xx	xx	xx
Present value of obligation	xx	xx	xx	xx
Amount recognised in Balance Sheet	xx	xx	xx	xx

(iii) Expenses recognised during the year

Rupees in [*]

Description	Gratuity as on March 31		Leave Encashment as on March 31	
	2020	2019	2020	2019
Current Service Cost	xx	xx	xx	xx
Net Interest Cost	xx	xx	xx	xx
Past Service Cost	xx	xx	xx	xx
Expenses recognised in P & L	xx	xx	xx	xx

(iv) Expenses recognised in Other Comprehensive Income (OCI)

Rupees in [*]

Description	Gratuity		Leave Encashment	
	2020	2019	2020	2019
Actuarial (Gains)/Losses on Obligation For the Period	xx	xx	xx	xx
Return on Plan Assets, Excluding Interest Income	xx	xx	xx	xx
Past Service Cost	xx	xx	xx	xx
Net (Income)/Expense For the Period Recognized in OCI	xx	xx	xx	x

(v) Actuarial assumptions

Description	Gratuity		Leave Encashment	
	2020	2019	2020	2019
Mortality Table (LIC)	xx	xx	xx	xx
Discount rate (p.a.)	xx	xx	xx	xx
Attrition Rate	xx	xx	xx	xx
Expected rate of return on plan assets (p.a.)	xx	xx	xx	xx
Rate of escalation in salary (p.a.)	xx	xx	xx	xx

(vi) Sensitivity Analysis – Gratuity

Rupees in [*]

Particulars	2019-20	2018-19
Projected Benefit Obligation on Current Assumptions	xx	xx
Delta Effectof + 1% Change in Rate of Discounting	xx	xx
Delta Effect of - 1% Change in Rate of Discounting	xx	xx
Delta Effect of + 1% Change in Rate of Salary Increase	xx	xx
Delta Effect of - 1% Change in Rate of Salary Increase	xx	xx
Delta Effectof + 1% Change in Rate of Employee Turnover	xx	xx
Delta Effect of - 1% Change in Rate of Employee Turnover	xx	xx

"The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet."

Fair value of plan assets

Rupees in [*]

Particulars	2019-20	2018-19
Current service cost	xx	xx
Past service cost	xx	xx
Interest expense / (income)	xx	xx
Total amount Recognised in profit and loss	**xx**	**xx**
Remeasurements	xx	xx
i) Return on plan assets, excluding amounts included in interest expenses/(income)	xx	xx

Particulars	2019-20	2018-19
ii) (Gain)/Loss from change in demographic assumptions	xx	xx
iii) (Gain)/Loss from change in financial assumptions	xx	xx
iv) Experience (gains)/losses	xx	xx
v) Change in asset ceiling,excluding amounts included in interest expense	xx	xx
Total amount Recognised in other comprehensive income	xx	xx
Exchange differences	xx	xx
Contributions:	xx	xx
Employers	xx	xx
Plan Participants	xx	xx
Payments from plan:	xx	xx
Benefits payments	xx	xx
Settlements	xx	xx

The expected future contribution and estimated future benefit payments from the fund are as follows:

Rupees in [*]

Particulars	₹
Expected contribution to the fund during the year ending March 31, 2021	xx
Estimated benefit payments from the fund for the year ending March 31:	
2021	xx
2022	xx
2023	xx
2024	xx
2025	xx
Thereafter	xx

The expected benefits are based on the same assumptions used to measure the Company's benefit obligations as at March 31, 2020.

30. Earnings per Equity Share

Particulars	2019-20	2018-19
Face Value per Equity Share	₹ 10	₹ 10
a) Basic earnings per share		
Net Profit after Tax as per Statement of Profit and Loss Attributable to Equity Shareholders (Rupees in [*])	xx	xx
Weighted average number of equity shares used as denominator for calculating Basic EPS	xx	xx
Basic Earnings per Share	xxx	xxx

Particulars	2019-20	2018-19
b) Diluted earnings per share		
Profit from continuing operations attributable to the equity holders of the Company : (Rupees in [*])	xx	xx
Used in calculating basic earnings per share	xx	xx
Add : Interest savings on convertible bonds	xx	xx
Used in calculating diluted earnings per share	xx	xx
Profit from discontinued operation	xx	xx
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share (Rupees in [*])	xx	xx
Weighted number of equity shares and potential equity shares	xx	xx
Diluted Earnings Per Share	xx	xx

Reconciliation of Weighted Average number of shares used as the denominator

Particulars	2019-20	2018-19
Weighted number of equity shares used as the denominator in calculating basic earnings per share	xx	xx
Total Weighted Average Potential Equity Shares	xx	xx
Weighted number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per shareShare	xx	xx

31. Related party transactions

a) Name of Related Party where Control exists and also where transactions have taken place during the year

Name	Type
ABC Co Ltd.	Immediate and ultimate parent co.
XYZ Co Ltd.	Immediate and ultimate subsidiary co.
EFG Ltd.	Subsidiary
ABCD LLP	Entities with Joint Control
Mr. ABC	KMP
Mrs. TUV	KMP
Mrs. DEF	Relative of KMP
STV Ltd.	Associate

b) Key Management personnel compensation

Rupees in [*]

Particulars	2019-20	2018-19
Short-term employee benefits	xx	xx
Post-Employment benefits	xx	xx
Long-Term employee benefits	xx	xx
Termination benefits	xx	xx
Employee shared based payments	xx	xx
Total compensation	**xx**	**xx**

C) Transactions with related parties

Rupees in [*]

Particulars	2019-20	2018-19	Relationship
XYZ Co. Ltd			
Sale of Goods & Services	xx	xx	Subsidiary
Purchase of Goods & Services	xx	xx	Subsidiary
ABC Co. Ltd			
Purchase of management services from parent	xx	xx	Holding Co
Dividends to parent entity	xx	xx	Holding Co
Subscriptions for new equity shares by parent entity as a result of right issue	xx	xx	Holding Co
Issue of shares	xx	xx	Holding Co
Purchase of Property	xx	xx	Holding Co
ABCD LLP			
Revenue from operations	xx	xx	Entities with Joint Control
Electric Fuel, power etc	xx	xx	Entities with Joint Control
EFG Ltd			
Sale/Distribution Exps	xx	xx	Subsidiary
Rent	xx	xx	Subsidiary
STV Ltd			
Professional Fees	xx	xx	Associate
General Expenses	xx	xx	Associate

d) Outstanding balances

Rupees in [*]

Particulars	31 March 2020	31 March 2019	Relationship
STV Ltd.			
Trade payables	xx	xx	Associate
EFG Ltd.			
Trade Receivables	xx	xx	Subsidiary

e) Loans to/from related parties

Rupees in [*]

Particulars	2019-20	2018-19	Relationship
ABC Co. Ltd.			Holding Company
Beginning of the year	xx	xx	
Loans advanced	xx	xx	
Loan repayment received	xx	xx	
Interest charged	xx	xx	
Interest received	xx	xx	
End of the year	xx	xx	

32. Operating Segment

The Company has identified business segments as reportable segments:

1. Segment 1
2. Segment 2
3. Others such as XYZ, ABC

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment or manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

Rupees in [*]

Particulars	2019-20				2018-19			
	Segment 1	Segment 2	others	Total	Segment 1	Segment 2	Others	Total
1. Segment Revenue								
External Turnover	xx	xx	xx	xx	xx	xx	xx	xx
Inter Segment Turnover	xx	xx	xx	xx	xx	xx	xx	xx
Value of Sales & Services (Revenue)	**xx**	**xx**	**xx**	**xx**	**xx**	**xx**	**xx**	**xx**
2. Segment Results before Interest & Taxes								
Less: Interest Exp	xx	xx	xx	xx	xx	xx	xx	xx
Add: Interest Income	xx	xx	xx	xx	xx	xx	xx	xx

Particulars	2019-20				2018-19			
	Segment 1	Segment 2	others	Total	Segment 1	Segment 2	Others	Total
Less: Unallocable Expenses				(xx)				(xx)
Profit Before Tax	xx	xx	xx	xx	xx	xx	xx	xx
Less: Current Tax				(xx)				(xx)
Less: Deferred Tax				(xx)				(xx)
Profit After Tax for the Year				xx				xx
3. Other Information								
Segment Assets	xx	xx	xx	xx	xx	xx	xx	xx
Add: Unallocable Assets				xx				xx
Total Assets				xx				xx
Segment Liabilities	xx	xx	xx	xx	xx	xx	xx	xx
Add: Unallocable Liabilities				xx				xx
Total Liabilities				**xx**				**xx**
Capital Expenditure	xx	xx	xx	xx	xx	xx	xx	xx
Depreciation and Amortisation Expense	xx	xx	xx	xx	xx	xx	xx	xx

Segment assets are measured in the same way as in the financial statements. Investments & Derivatives financial instruments held by the group are not considered to be segment assets, but are managed by the treasury function.

Segment liabilities are measured in the same way as in the financial statements. The group's borrowing and derivatives financial instruments held by the group are not considered to be segment liabilities, but are managed by the treasury function.

Geographical Non-Current Assets are based on the location of the Assets as follows:

Rupees in [*]

Particulars	2019-20	2018-19
INDIA		
Segment 1	xx	xx
Segment 2	xx	xx
All Other Segments	xx	xx
Unallocable	xx	xx
Total	**xx**	**xx**
EUROPE		
Segment 1	xx	xx
Segment 2	xx	xx
Total Non-Current Assets	xx	xx

Geographical Revenue is allocated based on the Customers as follows:

Rupees in [*]

Particulars	2019-20	2018-19
INDIA		
Segment 1	xx	xx
Segment 2	xx	xx
All Other Segments	xx	xx
Total	**xx**	**xx**
EUROPE		
Segment 1	xx	xx
Segment 2	xx	xx
Total Adjusted EBITDA	**xx**	**xx**

Rupees in [*]

Adjusted EBITDA reconciles to profit before Income-tax as follows:		
Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Total Adjusted EBITDA	xx	xx
Finance Cost	xx	xx
Interest Income from Investments	xx	xx
Dividend Income from Investments	xx	xx
Depreciation Expense	xx	xx
Impairment of goodwill and other non-current assets	xx	xx
Net gain on Financial assets mandatorily measured at fair value through profit & Loss	xx	xx
Net gain on sale of investments	xx	xx
Employee share-based payment Exps	xx	xx
Others		xx
Profit before Income-tax from continuing Operations	**xx**	**xx**

Adjusted EBITDA		
Adjusted EBITDA excludes discontinued operations and the effects of significant items of income & expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effect of share based payments and gains or losses on financial instruments.		
Interest Income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.		

ILLUSTRATIVE IND AS CONSOLIDATED FINANCIAL STATEMENTS

The illustrative format of Consolidated Financial Statements comprises format of Consolidated Balance sheet, Consolidated Statement of profit and loss, Consolidated Statement of changes in equity and Consolidated Statement cash flows hereunder and only incremental illustrative disclosures that are in addition to Illustrative Standalone Financial Statements. This is not complete Consolidated Financials and provided only for educational purpose.

CONSOLIDATED FINANCIAL STATEMENTS

XYZ Limited
Consolidated Balance Sheet as at 31 March 2020

Rupees in [*]

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment			
(b) Right of use assets			
(c) Capital work-in-progress			
(d) Investment property			
(e) Goodwill	3		
(f) Other intangible assets			
(g) Intangible assets under development			
(h) Biological assets other than bearer plants			
(i) Financial assets			
(i) Investments			
(a) Investments in associates	4		
(b) Interests in joint ventures	4		
(c) Other investments			
(ii) Trade receivables			
(iii) Loans			
(iv) Other financial assets			
(j) Deferred tax assets (net)			
(k) Current tax assets (net)			
(l) Other non-current assets			
SUB-TOTAL			
CURRENT ASSETS			
(a) Inventories			
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables			
(iii) Cash and Cash Equivalents			
(iv) Bank Balances other than (iii) above			
(v) Loans			
(vi) Other financial assets			

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
(c) Contract Costs			
(d) Other Current Assets			
SUB-TOTAL			
Assets classified as held for sale			
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital			
(b) Other equity			
Equity attributable to owners of the parent			
Non-controlling interests	**5**		
TOTAL EQUITY			
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings			
(ii) Trade payables			
(ii) Other financial liabilities			
(b) Provisions			
(c) Deferred tax liabilities (net)			
(d) Other non-current liabilities			
SUB-TOTAL			
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings			
(ii) Trade payables			
(iii) Other financial liabilities			
(b) Provisions			
(c) Contract liabilities			
(d) Current tax liabilities (net)			
(e) Other current liabilities			
SUB-TOTAL			
TOTAL LIABILITIES			
TOTAL EQUITY & LIABILITIES			

The accompanying notes 1 to XX are an integral part of the Consolidated Financial Statements

XYZ Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2020

Rupees in [*]

A. Equity share capital

Particulars	Rs in [*]
As at 1 April 2018	
Changes in equity share capital during the year	
As at 31 March 2019	
Changes in equity share capital during the year	
As at 31 March 2020	

B. Other equity

	Reserve and surplus				Items of other comprehensive Income						
	Equity component of compound financial instruments	General Reserve	Other Reserve (specify nature)#	Retained Earnings	Debt (or Equity) instrument through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Exchange differences on translation of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Attributable to owners of Parent	Non-Controlling interests	Total
As at beginning of the year											
Changes in accounting policy or prior period error											
Restated balance as at the beginning of the year											

	Reserve and surplus				Items of other comprehensive Income						
	Equity component of compound financial instruments	General Reserve	Other Reserve (specify nature)#	Retained Earnings	Debt (or Equity) instrument through Other Comp-rehensive Income	Equity instrument through Other Comp-rehensive Income	Exchange differences on trans-lation of a foreign operation	Other items of Other Comp-rehensive Income (specify nature)	Attri-butable to owners of Parent	Non-Cont-rolling interests	Total
Profit / (Loss) for the year											
Other Comp-rehensive Income / (Loss) for the year											
Total Comp-rehensive Income for the year											
- Dividends											
- Dividends											
- Dividend Distribution Tax											
- Transfers to Reserves											
- Transfers from retained earnings											

	Reserve and surplus				Items of other comprehensive Income						Total
	Equity component of compound financial instruments	General Reserve	Other Reserve (specify nature)#	Retained Earnings	Debt (or Equity) instrument through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Exchange differences on translation of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Attributable to owners of Parent	Non-Controlling interests	
- Equity Share Issuance Costs											
- Any other changes											
As at end of the year											

XYZ Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2020

Rupees in [*]

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
Continuing Operations			
I Revenue from operations			
II Other Income			
III Net gain on de-recognition of financial assets at amortised cost			
IV Net gain on reclassification of financial assets			
V Total Revenue (I + II + III + IV)			
VI EXPENSES			
(a) Cost of materials consumed			
(b) Purchases of Stock-in-trade			
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade			
(d) Employee benefits expense			
(e) Finance costs			
(f) Depreciation and amortisation expense			
(g) Impairment expenses/losses			
(h) Net loss on de-recognition of financial assets at amortized cost			
(i) Net loss on reclassification of financial assets			
(j) Other expenses			
Total Expenses (VI)			
VII Profit/(loss) before Share of profit/(loss) of associates / joint ventures, exceptional items and tax (V - VI)			
VIII Share of profit/(loss) of associates			
Share of profit/(loss) of joint ventures			
IX Profit/(Loss) before exceptional items and tax			
X Exceptional Items			
XI Profit (Loss) before tax (IX-X)			
XII Tax Expense			
Current tax			
Deferred tax			

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
XIII Profit/(loss) for the year from continuing operations (XI-XII)			
Discontinued Operations			
XIV Profit/(loss) from discontinued operations			
XV Tax Expense of discontinued operations			
XVI Profit/(loss) from discontinued operations (XIV + XV)			
XVII Profit/(loss) for the year (XIII+XVI)			
XVIII Other comprehensive income			
A(i) Items that will not be reclassified to profit or loss			
(a) Fair value gain / (loss) on investments in equity instruments designated as at FVTOCI			
(b) Share of other comprehensive income of associates			
(c) Share of other comprehensive income of joint ventures			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(a) Fair value gain / (loss) on investments in debt instruments measured at FVTOCI			
(b) Share of other comprehensive income of associates			
(c) Share of other comprehensive income of joint ventures			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
XIX Total Comprehensive Income for the year (XVII+ XVII)			
(comprising profit (loss) and other comprehensive income)			
Attributable to:			
Owners of the Parent			
Non-controlling interests			
Of the Total Comprehensive Income above, Profit for the year attributable to:			

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
Owners of the Parent			
Non-controlling interest			
Of the Total Comprehensive Income above, Other comprehensive income attributable to:			
Owners of the Parent			
Non-controlling interest			
Earnings per equity share (for continuing operation):			
(1) Basic			
(2) Diluted			
Earnings per equity share (for discontinued operation):			
(1) Basic			
(2) Diluted			
Earnings per equity share (for discontinued & continuing operations)			
(1) Basic			
(2) Diluted			

The accompanying notes 1 to XX are an integral part of the Consolidated financial statements

XYZ Limited
Consolidated Statement of Cash flows for the year ended 31 March 2020

Rupees in [*]

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities		
Profit before tax for the year		
Adjustments for:		
Share of profits / (loss) of associates		
Share of profits / (loss) of Joint venturs		
Gain / (loss) on disposal of a subsidiary		
Gain / (loss) on disposal of interest in former associate		
Finance income		
Gain / (loss) on disposal of property, plant and equipment		
Net (gain)/loss on financial liabilities / asset designated as at fair value through profit or loss		
Net (gain)/loss on disposal of available-for-sale financial assets		
Impairment loss, net of reversals on financial assets		
Finance costs		
Depreciation and amortisation		
Unrealised foreign exchange (gain)/loss		
Operating cash flow before movement in working capital		
(Increase)/ decrease in trade and other receivables		
(Increase)/decrease in inventories		
(Increase)/decrease in other assets		
Increase/(decrease) in trade and other payables		
Increase/(decrease) in provisions		
Increase/(decrease) in other liabilities		
Cash generated from/ (used in) operations		
Income taxes paid		
Net cash generated by / (used in) operating activities		
Cash flows from investing activities		
Payments to acquire financial assets		
Proceeds on sale of financial assets		
Interest received		
Royalties and other investment income received		

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Dividends received from associates / joint ventures		
Other dividends received		
Payments for acquisition of property, plant and equipment incuding capital advances		
Proceeds from disposal of property, plant and equipment		
Payments for investment property		
Proceeds from disposal of investment property		
Net cash outflow on disposal / (acquisition) of subsidiary		
Net cash inflow on disposal / (acquisition) of associate		
Net cash (used in)/generated by investing activities		
Cash flows from financing activities		
Proceeds on issue of equity shares		
Proceeds on issue of convertible loan notes		
Payment for share issue costs		
Proceeds from borrowings		
Repayment of borrowings		
Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control		
Dividends paid		
Interest paid		
Net cash (used in) / raised from financing activities		
Net increase / (decrease) in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year		
Effects of exchange rate changes on the balance of cash held in foreign currencies		
Cash and cash equivalents at the end of the year		
Reconciliation of cash and cash equivalents as per Note X of consolidated financial statements		
Add: Liquid investments included in note x of the consolidated financial statements		
Cash and cash equivalent as per consolidated statement of cash flows		

1. General Information

XYZ Limited ("the Company" or the "the Parent") is a limited company incorporated in India. The address of its registered office and principal place of business is ______________________. [Its parent and holding company is CONSOL Holdings Limited.] The Parent together with its subsidiaries (collectively refered as the "Group") are in the business of [information technology (IT), consulting and business process services (BPS) company, Manufacturing, trading, retail and consulting service].

The Equity Shares of the Company are listed on the Indian Stock Exchanges (National Stock Exchange and Bombay Stock Exchange). These consolidated financial statements were authorised for issue by the Board of Directors on [ ].

2. Significant accounting policies

2.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entties controlled by the entity and its subsidiaries. Control is achieved when the Group:

- Has power over the investee,
- Is exposure or rights to variable return from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the above three elements of control.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights and
- Size of the Group's holding of voting rights relative to the size and dispersion of holdings of other investees with voting rights.
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

If an entity of the Group uses accounting policies other than those adopted in the consolidated financial statements, for like transactions and other events in similar circumstances appropriate adjustments are made to that entity's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Group, i.e., year ended on 31 March 2020.

Consolidation procedure followed is as under:

- Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date,
- The difference between carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary is subject to adjustment of goodwill and
- Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated subject to impact of deferred taxes. Profit or loss and each component of other comprehensive income (OCI) are attributable to equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having deficit balance.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint ventures

Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control Investments in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated balance sheet.

Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Such further losses are disclosed as part of Current Liabilities.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the Accounting Policy described in note [ ] below.

2.2 Business Combination

The Company accounts for its business combinations under the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange of control of the acquire. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identified assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Taxes* and Ind AS 19 *Employee benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets held for sale and discontinued operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identified assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for that purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in Other Comprehensive Income and accumulates the same in equity as capital reserve. This gain is attributable to the acquirer. If there does not exist clear evidence of the underlying assets for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of entity's net assets in the event of liquidation may be initially measured either at fair value or at non-controlling interests' proportionate share of recognised amounts of the acquiree's identified net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as an asset or a liability is measured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted within equity.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value, and the resulting gain, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is complete by end of the reporting period in which combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provision amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

After initial recognition, goodwill arising on an acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or Groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described in notes below.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. Goodwill

Rupees in [*]

	As at 31/03/2020	As at 31/03/2019
Cost or deemed cost		
Accumulated impairment loss		

Rupees in [*]

	As at 31/03/2020	As at 31/03/2019
Cost or deemed cost		
Balance at beginning of the year		
Additional amounts recognised from business combinations during the year		
Derecognised on disposal of a subsidiary		
Reclassified as held for sale		
Effects of foreign currency exchange differences		
Balance at end of the year		

Rupees in [*]

	As at 31/03/2020	As at 31/03/2019
Accumulated Impairment Losses		
Balance at beginning of the year		
Additional amounts recognised during the year		
Derecognised on disposal of a subsidiary		
Reclassified as held for sale		
Effects of foreign currency exchange differences		
Balance at end of the year		

Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the cash-generating units.

- [business acquired]
- [business acquired]

4. Investment in associates and Joint arrangement (Ind AS 112.21)

Details of each of the Groups material associates / joint arrangement as of 31 March 2020:

Name	Principal Activity	Place of incorporation	Proportion of ownership interest and voting rights held by the group	
			As of 31 March 2020	As of 31 March 2019
Name Name	Activity 1 Activity 2	Geography Geography		

All of the above associates are accounted for using the equity method in these consolidated financial statements

Rupees in [*]

	As at 31/03/2020		As at 31/03/2019	
	Qty.	Amount	Qty.	Amount
Quoted Investments (all fully paid) Investments in Equity Instruments XYZ Limited Total Aggregated Quoted Investments				
Unquoted Investments (all fully paid) Investments in Equity Instruments ABC Limited				
Total Aggregated Unquoted Investments				

Summary of financial information of material associates / joint arrangement is as follows:

Rupees in [*]

	Name 1		Name 2	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Non-current assets Current assets Non-current liabilities Current Liabilities				

Rupees in [*]

	Name 1		Name 2	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Revenue Profit from continuing operations Other comprehensive income Total comprehensive income Dividend received during the year				

5. Non-Controlling interest

Rupees in [*]

	31 March 2020	31 March 2019
Balance at the beginning of the year Profit during the year Non-controlling interests arising on the acquisition Additional non-controlling interests arising on disposal of interest in subsidiary Payment of dividend		
Balance at the end of the year		

Summarised financial information in respect of each of the Group's subsidiaries that has **material noncontrolling interests** is set out below. The summarised financial information below represents amounts before intra-group eliminations.

Rupees in [*]

		31 March 2020	31 March 2019
Subsidiary A Limited			
	Revenue Expenses Profit for the year Other Comprehensive income		
	Total Comprehensive income		
	attributable to owners of the Company attributable to non-controlling interests of the Company		
	Dividend paid to non-controlling interest of the company		
	Net cash inflow (outflow) from operating activities Net cash inflow (outflow) from investing activities Net cash inflow (outflow) from financing activities		
	Net cash inflow (outflow)		

6. Investment in Subsidiaries

Information about the composition of the Group at the end of the reporting period is as follows:

Rupees in [*]

Principal Activity	Place of incorporation	As of 31 March 2020	As of 31 March 2019
		No of wholly owned subsidiaries	
Activity 1	Geography		
Activity 2	Geography		
		No of non-wholly owned subsidiaries	
Activity 1	Geography		
Activity 2	Geography		

The table below shows details of **non-wholly owned subsidiaries of the Group that have material non-controlling interests:**

Rupees in [*]

Name of Subsidiary	Principal place of business and place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests for the year		Non-controlling interests	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Subsidiary A	Activity 1						
Subsidiary B	Activity 2						
Individually immaterial subsidiaries with non-controlling interests							
Total							

(Industry/Event Specific Disclosures)

<table>
<tr>
<td>Extract of JSW Steel – Annual report 2017-18</td>
<td>
<u>Industry specific disclosures:</u>

Accounting policy

Mining Assets

1. <u>Exploration and evaluation</u>

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment indicators at least annually.

The Company measures its exploration and evaluation assets at cost and classifies as Property, Plant and Equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.

General exploration costs – costs of surveys and studies, rights of access to properties to conduct those studies (e.g. costs incurred for environment clearance, defence clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration

– Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

2. <u>Stripping costs</u>

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.
</td>
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	Such costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset. 3. *Site restoration, rehabilitation and environment costs:* Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit or loss over the life of the asset through depreciation over the life of the operation and the provision is increased each period *via* unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology.
Extract of **GMR Infra** annual report 2017-18 Ind AS 115 Appendix D	***Service Concession Arrangements:*** The Company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life. Under Appendix D to Ind AS 115 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. ***Revenue under service concession arrangements*** Build, Operate and Transfer (BOT) / Design, Build, Finance, Operate and Transfer (DBFOT) contracts are governed by Service Concession Agreements with government authorities (grantor). The Company acts as an operator to provide construction, upgradation and maintenance services. Company recognises and measures the revenue from grantor in accordance with Ind AS 115 – Revenue from contract with customers. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, revenue is recognised at fair value of construction services rendered. If the operator performs more than one service (i.e. construction, upgrade services and operation services) under a single contract or arrangement, transaction price is allocated with reference to the standalone selling price of the performance obligation.

	Accounting for rights over infrastructure Under these agreements, the operator does not own the road, but gets "toll collection rights" against the construction services rendered. The nature of the consideration determines its subsequent accounting treatment. The consideration received or receivable for the construction or upgradation services may be accounted either as a financial asset or as an intangible asset as the case may be depending upon the agreement. ***Financial asset model*** Where the Company has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction service, then such unconditional right to receive cash is recognised as 'financial asset'. In this type of agreement, Grantor has little, if any, discretion to avoid the payments as agreements are enforceable by law. ***Intangible asset model*** The toll collection rights obtained in consideration for rendering construction or upgradation services represent the 'right to collect toll' during the concession period in respect of Build-Operate-Transfer (BOT) projects undertaken by the Company. These 'toll collection rights' are capitalised as 'intangible asset' upon completion of the project at the cumulative construction revenue recognised over the construction period. Till the completion of the project, the same is recognised as intangible assets under development. The intangible asset is amortised over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use. ***Hybrid model*** When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component.
Extract of **JSW Steel** Annual report 2017-18	***Business combinations*** Acquisitions of businesses are accounted for using the acquisition method as per Ind AS 103 – Business Combinations. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition- related costs are generally recognised in Statement of Profit and Loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that: 1. Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

	2. Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and 3. Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In case of bargain purchase, before recognising gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing, directly in equity as capital reserve. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS. When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Company obtains control) and the resulting gain or loss, if any, is recognised in the Statement of Profit and Loss. Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method. The pooling of interest method is considered to involve the following: a. The assets and liabilities of the combining entities are reflected at their carrying amounts.

	b. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. c. The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date. **Financial guarantee contracts** Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Financial guarantees provided to the group companies without any consideration, are measured at fair value and difference between fair value and transaction price is recognised as equity investment in the books. After initial recognition, the Company subsequently measures the financial guarantee issued at the higher of: (i) The amount of the loss allowance determined in accordance with expected credit loss and (ii) The amount initially recognised less the cumulative amount of income recognised in accordance with the principles of Ind AS 115.
Extract of **Asian Paints Ltd.** Annual report 2017-18	***MERGER OF ASIAN PAINTS (INTERNATIONAL) LIMITED, MAURITIUS WITH THE COMPANY*** *During the year, the National Company Law Tribunal had approved the scheme of amalgamation ('the scheme') betwneen the company and Asian Paints (International) Limited (APIL), Mauritius, a wholly owned subsidiary of the company. The scheme became effective from 15th January, 2018 on completion of all regulatory formalities. In accordance with Ind AS 103 Business Combination, the financial statements of the Company for the previous financial year 2016-17 have been restated with effect from 1st April, 2016 (being the earliest period presented).* *APIL was investment holding company with 'inte rlia' investments in Asian Paints International Private Limited (APIPL) (formerly known as Berger International Private Limited), a subsidiary of the company. As per the scheme, all assets, liabilities and reserves of APIL appearing as at 1st April, 2016 are recognised in the books of company at their respective carrying values, as detailed below. On account of merger, APIPL is now direct subsidiary of the company (Refer Note)*

	Rs. In crores

	As at 1st April, 2016
Cash and cash equivalents	
Investments – Non-current (in Asian Paints International Private Limtied)	
Other financial assets-Non-current	
Other assets – Current	
Borrowings – Current	
Other financial liabilities – Current	
Total Net Assets Acquired (A)	
Retained earnings acquired (B)	
Investment in APIL appearing in financial statements of the Company (C)	
Capital Reserve (A-B-C)	
The impact of the merger on the Statement of Profit and Loss of the Company for the current year and previous year is not material.	

LIST OF USEFUL ICAI RESOURCES ON INDIAN ACCOUNTING STANDARDS (IND AS)

Sr. No.	Name of Resource/Publication	Link
1.	**Framework** for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards (under review)	https://resource.cdn.icai.org/23732frameworkIndAS.pdf
2.	**IND AS Compendium:**	
	Volume - I (IND AS 101-116)	https://www.icai.org/post.html?post_id=15748
	Volume - II (IND AS 1-41)	https://www.icai.org/post.html?post_id=15749
3.	Indian Accounting Standards (IND AS): An **Overview** (Revised 2019)	https://resource.cdn.icai.org/55845indas45234a.pdf
4.	**Quick Referencer** on Ind AS	https://resource.cdn.icai.org/57428indas46512.pdf
5.	Indian Accounting Standards (IND AS): **Disclosure Checklist** (For Accounting year 2018-19 - Revised May 2019).	https://resource.cdn.icai.org/55305asb44587.pdf
6.	Guidance note on **Division III – Ind AS Schedule III** to the Companies Act 2013 (Revised July 2019 edition)	https://resource.cdn.icai.org/55731clcgc45064b.pdf
7.	Guidance note on **Division II – Ind AS Schedule III** for NBFC	https://resource.cdn.icai.org/57407clcgc051119.pdf
8.	The **clarifications bulletins** issued by Ind AS Technical Facilitation Group (ITFG)	https://www.icai.org/new_post.html?post_id=12745
9.	**Education Materials** on various IND ASs	https://www.icai.org/post.html?post_id=8202
10.	**Differences** between IND AS and **IFRS** Standards & reasons for the differences.	https://resource.cdn.icai.org/55204asb44387.pdf
11.	**IFRS** Part B (Accompanying Guidance) - IND AS Guidance Material - Year 2019-2020	https://www.icai.org/post.html?post_id=15618
12.	IFRS Part C (Bases for Conclusions) - IND AS Guidance Material - Year 2019-2020	https://www.icai.org/post.html?post_id=15623
13.	Guidance Note on Combined and Carve–Out Financial Statements (September 2016)	https://resource.cdn.icai.org/43441asb33184b.pdf
14.	Indian Accounting Standards (IND AS): Impact Analysis and Industry Experience	https://resource.cdn.icai.org/50820indas40481b.pdf
15.	IFRS 9 Financial Instruments - A Study Transition Impact on Banks Across the Globe	https://resource.cdn.icai.org/55780asbifrs9.pdf

Illustrative

Ind AS

Financial Statements

Western India Regional Council of
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

ICAI Tower, Plot No. C-40, G Block, Opp. MCA Ground,
Next to Standard Chartered Bank, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Phone : 022-3367 1400 / 3367 1500 | E-mail : wirc@icai.org, wirc@icai.in, wro@icai.org