

**INDEPENDENT AUDITORS' REPORT**

To The Members of Chengalpattu Warehousing Parks Private Limited

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Chengalpattu Warehousing Parks Private Limited ("the company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2021, its Loss and its cash flows for the period ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

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

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

**Responsibility of Management and Those Charged With Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial

statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act,. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, no remuneration is paid by the Company to its directors during the period and hence, provisions of section 197 of the Act are not applicable.
3. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure-B'; and

- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No: 000511S


K Jitendra Kumar  
Partner  
Membership No: 201825  
UDIN No: 21201825AAAAJI9539

Place: Chennai  
Date: 27th September, 2021

**Annexure 'A' to the Independent Auditors' Report**

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of the Company on the financial statements for the year ended 31 March 2021, we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets
- b) The Company's fixed assets have been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) The title deed of immovable property which is lease hold, is held in the name of the company as at the balance sheet date.
- (ii) In our opinion and according to the information and explanations given to us, the Company does not have any inventory. Accordingly, paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted unsecured loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Therefore paragraph 3 (iii) of the order is not applicable
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable.
- (v) The company has not received any public deposits during the year.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
- (vii) a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues like income-tax, Tax Deducted at Source, Goods and Services tax (GST) with the appropriate authorities. The provision relating to Provident fund, Employee state insurance, sales tax, custom duty and excise duty are currently not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
- b) Based on our audit procedures and on the information and explanations given by the Management, there are no dues of income-tax, Tax Deducted at Source, Goods and Services tax (GST) outstanding on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of debentures. The Company does not have any loans or borrowings from financial institutions or government or banks..
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments)

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, no Managerial Remuneration has been provided. Hence, this clause is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No: 000511S


K Jitendra Kumar  
Partner  
Membership No: 201825  
UDIN No: 21201825AAAAJI9539

Place: Chennai  
Date: 27th September, 2021

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Chengalpattu Warehousing Parks Private Limited**

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

We have audited the internal financial controls over financial reporting of Chengalpattu Warehousing Parks Private Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**2. Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**3. Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



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

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

**5. Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**6. Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai  
Date: 27th September, 2021

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No: 000511S

  
  
K Jitendra Kumar  
Partner  
Membership No: 201825  
UDIN No: 21201825AAA AJI9539

**BALANCE SHEET**

Chengalpattu Warehousing Parks Private Limited

Balance Sheet As at 31 March 2021

(All amounts are in Indian Rupees)

Particulars	Note No.	As at 31 March 2021
1	2	4
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholders' funds</b>		
(a) Share capital	3	10,000
(b) Reserves and surplus	4	-2,011,417
<b>(2) Share application money pending allotment</b>		
-		
<b>(3) Non-current liabilities</b>		
(a) Long-term borrowings	5	270,000,000
(b) Deferred tax liabilities (Net)		
(c) Other Long term liabilities	6	-
<b>(4) Current liabilities</b>		
(a) Short-term borrowings		-
(b) Trade payables	7	
<b>(A) total outstanding dues of micro enterprises and small enterprises; and</b>		
-		
<b>(B) total outstanding dues of creditors other than micro enterprises and small enterprises</b>		
-		
(c) Other current liabilities	8	10,771,216
<b>TOTAL</b>		<b>278,769,799</b>
<b>II. ASSETS</b>		
<b>Non-current assets</b>		
9		
<b>(1) (a) Property, Plant and Equipment Fixed assets and Intangible assets</b>		
(i) Property, Plant and Equipment		234,671,718
(ii) Intangible assets		-
(iii) Capital work-in-progress	10	-
(b) Deferred tax assets (net)	11	-
(c) Long-term loans and advances	12	-
(d) Other non-current assets	13	-
<b>(2) Current assets</b>		
(a) Cash and cash equivalents	14	3,433,871
(b) Short-term loans and advances	15	40,664,210
<b>TOTAL</b>		<b>278,769,799</b>

See accompanying notes forming part of the financial statements

As per our audit report of even date attached

For **Brahmayya & Co.,**

Chartered Accountants

Firm Registration No. 000511S



K. Jitendra Kumar  
Partner  
Membership No. 201825




Place : Chennai  
Date : 27-09-2021

For and on behalf of the Board of Directors of

Chengalpattu Warehousing Parks Private Limited

  
K. Motiram Prasad  
Director  
DIN: 03382017

  
Arun M.N.  
Director  
DIN : 00793551

<b>STATEMENT OF PROFIT AND LOSS</b>			
<i>Chengalpattu Warehousing Parks Private Limited</i>			
<i>Profit and loss statement For the Period ended 31 March 2021</i>			
<i>(All amounts are in Indian Rupees)</i>			
	<b>Particulars</b>	<b>Note No.</b>	<b>For the Period ended 31 March 2021</b>
	<b>1</b>	<b>2</b>	<b>4</b>
I	Revenue from operations		-
II	Other income		-
III	<b>Total Revenue (I + II)</b>		-
IV	Expenses:		
	Finance costs	16	1,342,302
	Depreciation and amortization expense		419,767
	Other expenses	17	249,348
	<b>Total expenses</b>		<b>2,011,417</b>
	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>-2,011,417</b>
V			
VI	Exceptional items		-
VII	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>-2,011,417</b>
VIII	Extraordinary items		-
IX	Profit before tax (VII- VIII)		-2,011,417
X	Tax expense:		
	(1) Current tax		-
	(2) Deferred tax		-
XI	Profit (Loss) for the period from continuing operations (IX-X)		-2,011,417
XII	Profit/(loss) from discontinuing operations		-
XIII	Tax expense of discontinuing operations		-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-
XV	Profit (Loss) for the period (XI + XIV)		-2,011,417
XVI	<b>Earnings per equity share:</b>		
	(1) Basic		-496.06
	(2) Diluted		-496.06

See accompanying notes forming part of the financial statements

As per our audit report of even date attached  
For **Brahmayya & Co.,**  
Chartered Accountants  
Firm Registration No 000511S

K.Jitendra Kumar  
Partner  
Membership No.201825



Place : Chennai  
Date : 27-09-2021

For and on behalf of the Board of Directors of  
Chengalpattu Warehousing Parks Private Limited

K.Motiram Prasad  
Director  
DIN: 03382017

Arum M.N  
Director  
DIN : 00793551

**Cash Flow Statement**

Chengalpattu Warehousing Parks Private Limited  
Cash Flow Statement For the Period ended 31 March 2021  
(All amounts are in Indian Rupees)

Particulars	For the Period ended 31 March 2021	
1	2	
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax		-2,011,417
<u>Adjustments for:</u>		
Depreciation and amortisation	419,767	
Finance costs	1,342,302	
		1,762,069
Operating profit / (loss) before working capital changes		-249,348
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Short-term loans and advances	-40,664,210	
Other non-current assets	-	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Other current liabilities	10,093,812	
Other long-term liabilities	-	
		-30,570,398
Cash generated from operations		-30,819,746
Net income tax (paid) / refunds		-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>-30,819,746</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	-2,5,091,485	
Proceeds from sale of fixed assets	-	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>-235,091,485</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	10,000	
Proceeds from long-term borrowings	270,000,000	
Finance cost	-664,898	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>269,345,102</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>3,433,871</b>
Cash and cash equivalents at the beginning of the year		-
<b>Cash and cash equivalents at the end of the year</b>		<b>3,433,871</b>

See accompanying notes forming part of the financial statements

As per our audit report of even date attached

For **Brahmayya & Co.,**

Chartered Accountants

Firm Registration No. 000511S

  
K. Jitendra Kumar

Partner

Membership No. 201825



  
K. Motiram Prasad

Director

DIN: 03382017

  
Arun M.N.

Director

DIN : 00793551

Place : Chennai

Date : 27-09-2021

## Chengalpattu Warehousing Parks Private Limited

Notes to financial statements As at 31 March 2021

### 1. Company Overview

Chengalpattu Warehousing Parks Private Limited ( the Company) a company incorporated under the provisions of the Companies Act 2013, having its registered office at 258 Satharai Village, Thiruvallur Taluk and District Tamil Nadu, 631203. The Company is primarily engaged in developing, managing, establishing manufacturing facility, general warehouses and leasing out.

### 2. Significant accounting policies

#### a. Basis of preparation of Financial Statements

The financial statements of have been prepared and presented in accordance with Indian Generally Accepted Accounting principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014., the provisions of the Act (to the extent notified) other pronouncements of Institute of Chartered Accountants of India (ICAI),

#### b. Use of estimates

The preparation of Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenue and expenses for the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### c. Current - non current classification

All assets and liabilities are classified into current and non-current

##### Assets

An asset is classified as current when it satisfies any one 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 twelve 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 twelve months after the reporting date,

Current assets include the current portion of non-current financial assets.

All other assets shall be classified as non-current.

##### Liabilities

A liability shall be 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 twelve months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of the 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.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities shall be classified as non-current.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has determined its operating cycles as 12 months for the purpose of

classification of its assets and liabilities as current and non-current



**f. Foreign currency transactions and balances**

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the profit and loss account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are reinstated at the year-end exchange rate. The resultant exchange differences are recognised in the profit and loss account.

**g. Investments**

Long-term investments are stated at cost to the Company in accordance with Accounting Standard 13 on 'Accounting for Investments'. The Company provides for diminution in the value of Long-term investments other than those temporary in nature.

Current investments are valued at lower of cost and fair value. Any reduction to carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

**h. Employee benefits**

**Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits to be paid in exchange for employee service is recognised as an expense as the related service is rendered by employees.

**Post-employment benefit plans**

**Defined contribution plan**

A defined contribution plan is post-employment benefit plan under which an entity pays specified contribution to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined benefit plan**

The cost of providing benefits is determined using the project unit cost method, with actuarial valuations being carried out at each balance sheet date. Actuary gains or losses are recognized in full in the profit & loss account for the period in which they occur.

**i. Leases**

**Where the Company is the lessee**

Finance leases including rights of use in leased land, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at inception of the lease term at the lower of the fair value of land and present value of the minimum lease payments and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance cost in the statement of profit and loss.

A leased asset is depreciated/amortised on a straight line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized leased assets is depreciated/amortised on a straight line basis over the shorter of the estimated useful life of the asset or the lease term. Leases, wherein the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

