

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Albasta Wholesale Services Limited Report on the Financial Statements**

We have audited the accompanying financial statements of **Albasta Wholesale Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility 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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding of the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting standards and standards on auditing and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

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 March 31, 2017, and its profit and its cash flows for the year ended on that date.

## **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 the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under provisions of 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 the 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 (as amended).
  - e. On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with 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 derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note 25 of the aforesaid financial statements)

**For Agarwal Prakash & Co.**  
**Chartered Accountants**  
**Firm's Registration No.: 005975N**

**Saurabh Gupta**  
**Partner**  
**Membership No.: 517614**

**New Delhi**  
**May 25, 2017**

**Annexure A referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date on the financial statements for the year ended March 31, 2017**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- i) As the Company has no Fixed Assets during the year. Accordingly, the provisions of clauses 3(i)(a), 3(i)(b) and 3(i)(c) of the Order are not applicable to the Company.
- ii) As the Company has no Inventories during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act, and with respect to the same:
  - a. In our opinion, the terms and conditions of the grant are not prejudicial to the company's interest.
  - b. In our opinion, the schedule of repayment of principal amount and payment of interest has been stipulated and the repayment of principal amount and receipt of interest are regular.
  - c. There is no overdue amount in respect of loans granted to such companies, with regard to principal amount and interests.
- iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi) To the best of our knowledge and as explained to us, the Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products / services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii) In respect of Statutory dues :
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable.
  - b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax , Cess on account of any dispute, which have not been deposited except for the amount mentioned below:

<b>Name of the statute</b>	<b>Demand amount (Rs.)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	42,763/-	Assessment Year 2012-13	CIT (A)

- viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any bank during the year. Further, the Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture-holders during the year.
- ix) As explained to us, no money raised by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not obtained any term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or its employees was noticed or reported during the year.
- xi) In our opinion, the provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company as the Company does not pay/provide for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 & 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of Shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Agarwal Prakash & Co.**  
**Chartered Accountants**  
**Firm's Registration No.: 005975N**

**Saurabh Gupta**  
**Partner**  
**Membership No.: 517614**

**New Delhi**  
**May 25, 2017**

## **Annexure B to the Auditor's Report**

---

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

We have audited the internal financial controls over financial reporting of **Albasta Wholesale Services Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Agarwal Prakash & Co.**  
**Chartered Accountants**  
**Firm's Registration No.: 005975N**

**Saurabh Gupta**  
**Partner**  
**Membership No.: 517614**

**New Delhi**  
**May 25, 2017**

**Albasta Wholesale Services Limited**  
**Balance sheet as at March 31, 2017**

	Note	As at March 31, 2017	As at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4	1,300,500,000	1,300,500,000
Reserves and surplus	5	(262,003,513)	(267,682,827)
<b>Total of shareholders' funds</b>		<u><b>1,038,496,487</b></u>	<u><b>1,032,817,173</b></u>
<b>Non current liabilities</b>			
Long term borrowings	6A	-	1,812,542
<b>Total of non current liabilities</b>		<u><b>-</b></u>	<u><b>1,812,542</b></u>
<b>Current liabilities</b>			
Short term borrowings	6B	205,933,000	-
Other current liabilities	7	199,391	40,075
Short-term provisions	8	283,166	361
<b>Total of current liabilities</b>		<u><b>206,415,557</b></u>	<u><b>40,436</b></u>
<b>Total of equity and liabilities</b>		<u><b>1,244,912,044</b></u>	<u><b>1,034,670,151</b></u>
<b>II. ASSETS</b>			
<b>Non current assets</b>			
Non current investments	9	974,676,000	974,676,000
Long-term loans and advances	10A	4,898,416	57,238,303
<b>Total of non current assets</b>		<u><b>979,574,416</b></u>	<u><b>1,031,914,303</b></u>
<b>Current assets</b>			
Cash and cash equivalents	11	264,748	2,755,848
Short-term loans and advances	10B	259,571,750	-
Other current assets	12	5,501,130	-
<b>Total of current assets</b>		<u><b>265,337,628</b></u>	<u><b>2,755,848</b></u>
<b>Total of assets</b>		<u><b>1,244,912,044</b></u>	<u><b>1,034,670,151</b></u>

Significant accounting policies 3

The accompanying notes are an integral part of financial statements

This is the Balance Sheet referred to in our report of even date

**For Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration Number.: 005975N

**For and on behalf of Board of Directors**

**Saurabh Gupta**  
Partner

**Dushyant Batra**  
Whole Time Director  
DIN: 07098593

**Prem Singh Gahlawat**  
Director  
DIN: 06735875

Place: New Delhi  
Date: May 25, 2017

**Priya Jain**  
Company Secretary

**Saurabh Garg**  
Chief Financial Officer



**Albasta Wholesale Services Limited**  
**Statement of Profit and Loss for the year ended March 31, 2017**

	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Revenue</b>			
Other income	13	7,417,173	11,920,583
<b>Total of revenue</b>		<b>7,417,173</b>	<b>11,920,583</b>
<b>Expenses</b>			
Finance costs	14	1,644,362	8,288,935
Other expenses	15	93,558	110,334
<b>Total of expenses</b>		<b>1,737,920</b>	<b>8,399,269</b>
<b>Profit before tax</b>		<b>5,679,253</b>	<b>3,521,314</b>
Tax expense (including of earlier year taxes):	16		
Current tax		921,815	531,538
Less: MAT credit entitlement		(921,815)	(500,529)
Deferred tax		-	-
<b>Profit for the year</b>		<b>5,679,253</b>	<b>3,490,305</b>
<b>Earnings per equity share</b>	17		
- Basic		0.06	0.03
- Diluted		0.06	0.03
Face value per equity share		10	10

**Significant accounting policies** 3

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

This is the Statement of Profit and Loss referred to in our report of even date

**For Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration Number.: 005975N

**For and on behalf of Board of Directors**

**Saurabh Gupta**  
Partner

**Dushyant Batra**  
Whole Time Director  
DIN: 07098593

**Prem Singh Gahlawat**  
Director  
DIN: 06735875

**Place: New Delhi**  
**Date: May 25, 2017**

**Priya Jain**  
Company Secretary

**Saurabh Garg**  
Chief Financial Officer

**Albasta Wholesale Services Limited**  
**Cash Flow Statement for the year ended March 31, 2017**

	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
<b>A. Cash flow from operating activities:</b>		
Net Profit before tax	5,679,253	3,521,314
<b>Adjustments for statement of profit and loss items:</b>		
Interest expenses	1,591,409	8,288,935
Dividend received on preference shares	(894,555)	(894,555)
Interest income	(6,522,618)	(11,026,028)
<b>Operating profit/ (loss) before working capital changes and other adjustments</b>	<b>(146,511)</b>	<b>(110,334)</b>
<i>Working capital changes and other adjustments</i>		
Decrease/(Increase) in loans and advances	(1,850,437)	378,499,471
(Decrease)/ Increase in other liabilities	159,316	(60,276)
<b>Cash generated from/(used in) operating activities</b>	<b>(1,837,632)</b>	<b>378,328,861</b>
Income tax paid/ refund received, net	884,740	(633,083)
<b>Net cash generated from/(used in) operating activities</b>	<b>(952,892)</b>	<b>377,695,778</b>
<b>B. Cash flow from investing activities:</b>		
Advances given to related parties	(259,571,750)	-
Advances received back from related parties	53,588,750	64,369,225
Interest income on advances given	1,021,488	11,367,766
Dividend received on preference shares	894,555	894,555
<b>Net cash generated from/(used in) investing activities</b>	<b>(204,066,957)</b>	<b>76,631,546</b>
<b>C. Cash flow from financing activities:</b>		
Loans taken from related parties	205,933,000	1,812,542
Loans repaid to related parties	(1,812,542)	(365,000,000)
Loans taken/(repaid) from others	-	(80,000,000)
Interest paid on loans and advances taken	(1,591,409)	(8,484,222)
Dividend paid on preference shares	(300)	(600)
<b>Net cash generated from/(used in) financing activities</b>	<b>202,528,749</b>	<b>(451,672,280)</b>
<b>D. Increase / (Decrease) in cash and cash equivalents, net (A+B+C)</b>	<b>(2,491,100)</b>	<b>2,655,044</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>2,755,848</b>	<b>100,804</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>264,748</b>	<b>2,755,848</b>

**Note:**

a) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) - 3 on "Cash Flow Statements" as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.

b) Cash and cash equivalents includes:

Cash on hand	177	720
Balances with banks		
- in current accounts	264,571	2,755,128
<b>Total of cash and cash equivalents</b>	<b>264,748</b>	<b>2,755,848</b>

c) Previous year figures have been regrouped and/ or reclassified wherever necessary to conform to those of the current year grouping and/ or classification.

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

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**For and on behalf of Board of Directors**

**Saurabh Gupta**

Partner

**Dushyant Batra**

Whole Time Director

DIN: 07098593

**Prem Singh Gahlawat**

Director

DIN: 06735875

**Place: New Delhi**

**Date: May 25, 2017**

**Priya Jain**

Company Secretary

**Saurabh Garg**

Chief Financial Officer

## **Albasta Wholesale Services Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

#### **1. Company overview**

Albasta Wholesale Services Limited ("the Company") was incorporated on April 25, 2008. The company is in the business of wholesale trading and retail business and other related and ancillary activities.

In accordance with the provisions of Section 21 and other applicable provisions of the Companies Act, 1956, the members of the company at their extraordinary general meeting held on April 13, 2012, accorded their approval to change the name of the Company. The Company has since received fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana, dated April 16, 2012 in respect of the said change. Accordingly, the name of the Company was changed to Albasta Wholesale Services Limited.

#### **2. Basis of preparation of financial statements**

##### **a) Basis of accounting**

The financial statements have been prepared on going concern basis under the historical cost basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Companies Act 2013.

##### **b) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, if any, on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

#### **3. Significant accounting policies**

##### **a) Revenue recognition**

- i) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- ii) Dividend income is recognized when the right to receive payment is established, at the balance sheet date.

##### **b) Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets in accordance with notified Accounting Standard 16 "Borrowing costs". A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

##### **c) Investments**

Investments are classified as non-current or current investments, based on management's intention. Investments that are readily realizable and intended to be held not more than a year are classified as current investments. All other investments are classified as non-current investments.

## Albasta Wholesale Services Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost less provision for diminution in their value, other than temporary, if made in the financial statements.

#### d) Impairment of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

#### e) Taxes on income

##### *Current tax*

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

##### *Deferred tax*

Deferred tax resulting from timing differences between taxable income and accounting income is accounted for at the current rate of tax or substantively enacted tax rates as at reporting date, to the extent that the timing differences are expected to crystallize.

Deferred tax assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that such deferred tax assets will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date.

#### f) Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for:

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

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

## **Albasta Wholesale Services Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

#### **g) Earnings per equity share**

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

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

**Albasta Wholesale Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

	As at March 31, 2017		As at March 31, 2016	
<b>Note - 4</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised</b>	<b>Number of Shares</b>		<b>Number of Shares</b>	
Equity shares of face value of ₹ 10 each	150,000,000	1,500,000,000	150,000,000	1,500,000,000
Preference shares of face value of ₹ 10 each	50,000,000	500,000,000	50,000,000	500,000,000
<b>Total of share capital</b>	<b>200,000,000</b>	<b>2,000,000,000</b>	<b>200,000,000</b>	<b>2,000,000,000</b>
<b>Issued, subscribed and fully paid up</b>				
<b>Equity shares of face value of ₹ 10 each</b>				
Balance at the beginning of the year	100,050,000	1,000,500,000	100,050,000	1,000,500,000
Addition during the year	-	-	-	-
<b>Total equity share capital</b>	<b>100,050,000</b>	<b>1,000,500,000</b>	<b>100,050,000</b>	<b>1,000,500,000</b>
<b>Preference shares of ₹ 10 each</b>				
Balance at the beginning of the year	30,000,000	300,000,000	30,000,000	300,000,000
Addition during the year	-	-	-	-
<b>Total preference share capital</b>	<b>30,000,000</b>	<b>300,000,000</b>	<b>30,000,000</b>	<b>300,000,000</b>
<b>Total of share capital</b>		<b>1,300,500,000</b>		<b>1,300,500,000</b>

The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In the event of liquidation of the Company, all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. The holders of preference shares are entitled to receive dividends, but do not carry the right to vote. All shares rank equally with regard to the Company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.

The entire paid up equity share capital of the Company is held by holding company - SORIL Holdings and Ventures Limited (Formerly known as Indiabulls Wholesale Services Limited) and its nominees.

**Details of equity share holding in excess of 5% of equity share capital**

Number of share holders [including their nominees]	1	1
Number of shares held	100,050,000	100,050,000

**Details of preference share holding in excess of 5% of preference share capital**

Number of share holders	1	1
Number of shares held	30,000,000	30,000,000

The entire preference shares are held by SORIL Holdings and Ventures Limited (Formerly known as Indiabulls Wholesale Services Limited) - the holding Company. These carry a coupon rate of 0.0001% and are cumulative, non-convertible and redeemable at par at any time at the option of the holder or on the expiry of twenty years from the date of issuance, whichever is earlier.

**Note - 5**

**RESERVES AND SURPLUS**

<b>Surplus/ (deficit) as per Statement of profit and loss</b>				
Balance at the beginning of the year	(267,682,827)		(271,172,894)	
Add: Profit for the year	5,679,253		3,490,305	
	(262,003,574)		(267,682,589)	
<b>Less: Appropriations</b>				
Proposed dividend on preference shares	-		300	
Corporate dividend tax thereon	(61)	(262,003,513)	(62)	(267,682,827)
<b>Total of reserves and surplus</b>		<b>(262,003,513)</b>		<b>(267,682,827)</b>

**Albasta Wholesale Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

	As at March 31, 2017	As at March 31, 2016
<b>Note - 6A</b>		
<b>LONG TERM BORROWINGS</b>		
<b>(Unsecured)</b>		
Loan and advances from related parties	-	1,812,542
<b>Total of long term borrowings</b>	<b>-</b>	<b>1,812,542</b>
<b>Note - 6B</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>(Unsecured)</b>		
Loan and advances from related parties	205,933,000	-
<b>Total of Short term borrowings</b>	<b>205,933,000</b>	<b>-</b>
<b>Note - 7</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Payable to statutory and government authorities	159,141	-
Expenses payable	40,250	40,075
<b>Total of other current liabilities</b>	<b>199,391</b>	<b>40,075</b>
<b>Note - 8</b>		
<b>SHORT- TERM PROVISIONS</b>		
Dividend payable on preference shares	-	300
Corporate dividend tax on on preference shares	-	61
Income Tax Payable [Net of advance income tax, including tax deducted at source]	283,166	-
<b>Total of short term provisions</b>	<b>283,166</b>	<b>361</b>
<b>Note - 9</b>		
<b>NON CURRENT-INVESTMENTS</b>		
<b>Trade, unquoted - fully paid up (at cost)</b>		
Investment in equity shares of subsidiary 10,000,000 (previous year: 10,000,000) fully paid up equity shares of face value of ₹ 10 each of Airmid Aviation Services Limited	100,000,000	100,000,000
Investment in preference shares of fellow subsidiary 993,950 (previous year: 993,950) fully paid up preference share of face value of ₹ 10 each in SORIL Infra Resources Limited (Formerly known as Store One Retail India Limited)	874,676,000	874,676,000
<b>Total of non current investments</b>	<b>974,676,000</b>	<b>974,676,000</b>
Aggregate book value of unquoted investments	974,676,000	974,676,000
<b>Note - 10A</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
Advance to related party	-	53,588,750
MAT credit entitlement	4,864,029	3,013,592
Advance income tax, including tax deducted at source [Net of provision for tax]	34,387	635,961
<b>Total of long term loans and advances</b>	<b>4,898,416</b>	<b>57,238,303</b>

**Albasta Wholesale Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>Note - 10B</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
Advance to related party	259,571,750	-
<b>Total of short term loans and advances</b>	<b>259,571,750</b>	<b>-</b>
<b>Note - 11</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
<b>Cash and bank balances</b>		
Cash on hand	177	720
Balances with banks		
- in current accounts	264,571	2,755,128
<b>Total of cash and cash equivalents</b>	<b>264,748</b>	<b>2,755,848</b>
<b>Note - 12</b>		
<b>OTHER CURRENT ASSETS</b>		
<b>(Unsecured, considered good)</b>		
Interest accrued on advances given	5,501,130	-
<b>Total of other current assets</b>	<b>5,501,130</b>	<b>-</b>



**Albasta Wholesale Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
<b>Note - 13</b>		
<b>OTHER INCOME</b>		
Dividends on preference share investments	894,555	894,555
Interest on advances given	6,522,618	11,026,028
<b>Total of other income</b>	<b>7,417,173</b>	<b>11,920,583</b>
<b>Note - 14</b>		
<b>FINANCE COSTS</b>		
Interest on inter-corporate deposits	1,591,409	8,288,935
Interest expenses on taxation	52,953	-
<b>Total of finance costs</b>	<b>1,644,362</b>	<b>8,288,935</b>
<b>Note - 15</b>		
<b>OTHER EXPENSES</b>		
Auditor's remuneration*	28,750	28,625
Bank charges	3,550	7,026
Legal and professional charges	54,250	50,350
Rates and taxes	2,444	23,883
Printing & stationary	-	450
Miscellaneous expenses	4,564	-
<b>Total of other expenses</b>	<b>93,558</b>	<b>110,334</b>

*\*Including non-deductible taxes*

## Albasta Wholesale Services Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

#### 16. Income tax

##### *Current tax*

The company has computed its Current tax expense after considering the normal tax provisions as per Income Tax Act, 1961.

Current tax for the year includes earlier year expense of ` Nil (previous year credit: ` 31,009). Current tax also includes MAT of ` 921,815 (previous year: ` 500,529). The company has recognized the MAT credit entitlement of ` 921,815 (Previous year ` 500,529) considering that there is convincing evidence that the company will pay normal income tax during the specified period as per section 115JAA of Income Tax Act, 1961.

##### *Deferred tax*

In compliance with Accounting Standard 22 (AS 22) – 'Accounting for taxes on income', as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, (as amended), the Company as prudence measure had not recognized any deferred tax assets resulting from timing differences.

#### 17. Earnings per equity share

Basic earnings per equity share are computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split, bonus shares and the potential dilutive effect of employee stock option plans as appropriate.

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net profit after Tax	5,679,253	3,490,305
Less: Preference Dividend including Corporate Dividend Tax	(361)	(361)
Profit for Basic Earnings per share	5,678,892	3,489,944
Weighted average number of shares used in computing basic and diluted earnings per equity share	100,050,000	100,050,000
Face value per equity share	10	10
Basic earnings per equity share	0.06	0.03
Diluted earnings per equity share	0.06	0.03

**Albasta Wholesale Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

**18. Related party transactions**

Disclosures in respect of Accounting Standard (AS) – 18 'Related party disclosures', as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended:

a) **Name and nature of relationship with related parties:**

<b>Relationship</b>	<b>Name of the related parties</b>
<b><i>i) Related parties exercising control</i></b>	
- Holding Company	SORIL Holdings and Ventures Limited (Formerly known as Indiabulls Wholesale Services Limited)
<b><i>ii) Related parties where control exists</i></b>	
- Subsidiary Company	Airmid Aviation Services Limited (From December 23, 2014)
<b><i>iii) Other related parties</i></b>	
- Fellow Subsidiary Company*	SORIL Infra Resources Limited (Formerly known as Store One Retail India Limited)

\* With whom transactions have been made during the year/previous year

b) **Statement of material transaction with related parties:**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Loans and advances taken/ (repaid), net</b>		
<b><i>Holding Company</i></b>		
-SORIL Holdings and Ventures Limited	(1,812,542)	(363,187,458)
<b><i>Fellow Subsidiary Company</i></b>		
-SORIL Infra Resources Limited	205,933,000	-
<b>Loans and advances (given)/received back, net</b>		
<b><i>Subsidiary Company</i></b>		
-Airmid Aviation Services Limited	(241,383,000)	4,369,225
<b><i>Fellow Subsidiary Company</i></b>		
-SORIL Infra Resources Limited	35,400,000	60,000,000
<b>Dividend on preference shares</b>		
<b><i>Fellow Subsidiary Company</i></b>		
-SORIL Infra Resources Limited	894,555	894,555
<b>Interest Income on Loans and advances given</b>		
<b><i>Subsidiary Company</i></b>		
Airmid Aviation Services Limited	6,112,366	3,841,667
<b><i>Fellow Subsidiary Company</i></b>		
SORIL Infra Resources Limited	410,252	7,184,361
<b>Interest paid on Loans and advances taken</b>		

**Albasta Wholesale Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b><i>Subsidiary Company</i></b>		
Airmid Aviation Services Limited	-	210,246
<b><i>Fellow Subsidiary Company</i></b>		
SORIL Infra Resources Limited	1,591,409	-

c) **Statement of maximum balance outstanding at any time during the year:**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Loans and advances taken</b>		
<b>Holding Company</b>		
-SORIL Holdings and Ventures Limited	1,812,542	445,676,699
<b>Subsidiary Company</b>		
-Airmid Aviation Services Limited	-	65,000,000
<b>Fellow Subsidiary Company</b>		
-SORIL Infra Resources Limited	205,933,000	-
<b>Loans and advances given</b>		
<b>Subsidiary Company</b>		
-Airmid Aviation Services Limited	259,571,750	79,999,750
<b>Fellow Subsidiary Company</b>		
-SORIL Infra Resources Limited	35,400,000	115,400,000

d) **Statement of balances outstanding :**

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Loans and advances taken</b>		
<b>Holding Company</b>		
-SORIL Holdings and Ventures Limited	-	1,812,542
<b>Fellow Subsidiary Company</b>		
-SORIL Infra Resources Limited	205,933,000	-
<b>Loans and advances given</b>		
<b>Subsidiary Company</b>		
-Airmid Aviation Services Limited	259,571,750	18,188,750
<b>Fellow Subsidiary Company</b>		
-SORIL Infra Resources Limited	-	35,400,000
<b>Interest receivable on Loans and advances given</b>		
<b>Subsidiary Company</b>		
-Airmid Aviation Services Limited	5,501,130	-

**Albasta Wholesale Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

In accordance with AS 18, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related party relationships, as given above, are as identified by the Company and have been relied upon by the auditors

**19. Contingent liabilities and commitments**

Contingent liabilities, not acknowledged as debt, include:

Particulars	As at March 31, 2017	As at March 31, 2016
Income Tax matters for the Assessment Year 2012-13 in respect of the which appeals have been filed	42,763	42,763
<b>Commitments</b>		
Arrears of preference dividends	361	-

There are no other commitments and contingent liabilities to be reported as at March 31, 2017 and March 31, 2016.

**20. Segmental information**

The company's primary business segment is reflected based on principal business activities carried on by the company i.e. purchase, sale, dealing, construction and development of real estate projects and all other related activities. The company operates in domestic market only. Considering the nature of Company's business and operations and based on the information available with the management no further disclosure are required in respect of reportable segments, under accounting standard 17(AS17) – "Segment Reporting" as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, other than those already provided in the financial statement.

21. In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at March 31, 2017 and March 31, 2016.

22. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

S. no.	Particulars	Amount
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil
ii)	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil

**Albasta Wholesale Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

23. The Company has not entered into any derivative instrument during the year. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged.
24. In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the financial statement as at March 31, 2017, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statement. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.

**25. Disclosure of specified bank notes (SBNs)**

Tabular Disclosure on Specified Bank Notes (SBNs) as required vide MCA notification G.S.R. 308 (E) dated 30 March 2017 is as below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	177	177
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(+) Amount withdrawn from Banks	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	177	177

26. Previous year figures have been regrouped and/or re-arranged, wherever necessary to conform to current year groupings and /or classifications.

**For Agarwal Prakash & Co.**

Chartered Accountants  
Firm's Registration Number: 005975N

**Saurabh Gupta**  
Partner

**Place: New Delhi**  
**Date: May 25, 2017**

**For and on behalf of board of directors**

**Dushyant Batra**  
Whole Time Director  
DIN: 07098593

**Prem Singh Gahlawat**  
Director  
DIN: 06735875

**Priya Jain**  
Company Secretary

**Saurabh Garg**  
Chief Financial Officer