



INDEPENDENT AUDITOR'S REPORT

To the Members of OISL Auto Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of OISL Auto Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and Notes to the Financial Statements, including a Summary of Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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



provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

“Information Other than the Financial Statements and Auditor’s Report Thereon”

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and shareholder’s information but does not include the Ind AS financial statements and our auditor’s report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true



and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 28th, 2018.

Our opinion is not modified in respect of aforesaid matters.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss including the Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS



specified under Section 133 of the Act, read with relevant rules read there under;

- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to matters to be included in the Auditor's Report in accordance with requirements of section-197(16) of the Act, as amended:

In our opinion and to the best our information and according to the information and according to the explanations given to us, the Company has not paid remuneration to its directors

- (g) 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 A" to this report;

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (h) 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, as amended 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 positions;
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Arora & Choudhary Associates
Chartered Accountants
Firm Registration Number: 003870N**


**(Vijay K Choudhary)
Partner
Membership Number: 081843**



**New Delhi
Date: 14/06/2019**

“ANNEXURE A TO THE INDEPENDENT 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 OISL Auto Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the Ind AS 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”. 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 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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, to the best of our information and according to the explanations given to us, 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, 2019, 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 Arora & Choudhary Associates
Chartered Accountants
Firm Registration Number: 003870N


(Vijay K Choudhary)
Partner

Membership Number: 081843



New Delhi
Date: 14/06/2019

“Annexure B” to the Independent Auditors’ Report

Referred to in para 2 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of OISL Auto Limited for the year ended March 31, 2019:

- i. Based on our scrutiny of the company’s books of account and other records and according to the information and explanations received from the management, we are of the opinion that the question of commenting on maintenance of proper records of property, plant and equipment and physical verification of property, plant and equipment assets does not arise since the company had no property, plant and equipment as on 31st March, 2019 nor at any time during the financial year ended 31st March, 2019.
- ii. As the company has not purchased/ sold goods during the year nor is there any opening stocks, requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- iii. According to the information and explanation given to us, the Company has not granted loan, secured or unsecured to companies, firms, limited liability partnership partnerships or other parties covered in the register required to be maintained under section 189 of the Companies Act, 2013 (‘the Act’), paragraph 3(iii) of the order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the company has granted any loans or provided any guarantees or given any security or made any investments. Accordingly, paragraph 3(iv) of the order is not applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Accordingly, paragraph 3(v) of the order is not applicable.



- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for any activities of the Company and accordingly, paragraph 3(v) of the order is not applicable.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and 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 and represented by the management and based on our examination of books and records of the Company, we have been informed that no case of fraud committed by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has neither paid nor provided for managerial remuneration during the year.
- xii. According to information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations provided to us and based on our examination of the records of the company, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statement as required by applicable Indian Accounting Standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.



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

**For Arora & Choudhary Associates
Chartered Accountants
Firm Registration Number: 003870N**


**(Vijay K Choudhary)
Partner
Membership Number: 081843**



**New Delhi
Date: 14/06/2019**

OISL AUTO LIMITED
Statement of Miscellaneous Expenditure for the year ended 31st March, 2019

S. No.	Particular	For the Year Ended 31.03.2019	For the Year Ended 31.03.20118
i)	Auditor Remuneration	5,900.00	5,900.00
ii)	Bank Charges	-	-
	Total	5,900.00	5,900.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-14

As per our report of even date attached.

For and on Behalf of Board

FOR ARORA & CHOUDHARY ASSOCIATES

Chartered Accountants.

Firm Regd. No. 003870N

Vijay K Choudhary

Partner

Membership No. : 081843



Yogesh Kapur

Yogesh Kapur
Director

Aditya Malhotra

Aditya Malhotra
Director

Place : Delhi

Date : 14 June, 2019

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

(Amount in Rupees)

Particulars		For the period Ended 31.03.2019	For the period Ended 31.03.2018
A	Cash Flow From Operating Activities		
	Profit /(Loss) Before Tax		-
	OCI		
	Operating Profit Before Working Capital Changes		
	Adjustment For Working Capital Changes		
	Investment		
	Increase/(Decrease) in current liabilities	5,900.00	-
	Increase/(Decrease) in non current liabilities		
	Net Cash Flow From Working Capital Changes	-	-
	Net Cash Flow From Operating Activities	5,900.00	-
B	Cash Flow From Investing Activities		
	Adjustment to Capital Work in Progress , Non Current Assets	(5,900.00)	(5,900.00)
	Net Cash Flow From Investing Activities	(5,900.00)	(5,900.00)
C	Cash Flow From Financing Activities		
	Proceeds from issue of equity shares	-	-
	Net Cash Flow From Financing Activities	-	-
	Net Increase /(Decrease) In Cash or Cash Equivalents	-	(5,900.00)
	Cash and Cash Equivalents at the beginning of the year	4,71,643.00	4,77,543.00
	Cash and Cash Equivalents at the end of the year	4,71,643.00	4,71,643.00
D	NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-8		

As per our report of even date attached.

For and on Behalf of Board

FOR ARORA & CHOUDHARY ASSOCIATES

Chartered Accountants.


Firm Regd. No. 003870N


Vijay K Choudhary

Partner

Membership No. : 081843




Yogesh Kapur
 Director


Aditya Malhotra
 Director

Place : Delhi

Date : 14 June, 2019

Note: 3 Other Non Current Assets

(Amount in Rupees)

S. No.	Particular	As at 31.03.2019	As at 31.03.2018
i)	Misc Expenditures at the beginning of year	61,249.00	55,349.00
ii)	Add : Addition during the year (Note No : 8)	5,900.00	5,900.00
	TOTAL	67,149.00	61,249.00

Note: 4 Cash and Cash equivalents

(Amount in Rupees)

S. No.	Particular	As at 31.03.2019	As at 31.03.2018
i)	Cash on Hand	60.00	60.00
ii)	Balance With Banks (Current Accounts)	4,71,583.00	4,71,583.00
	TOTAL	4,71,643.00	4,71,643.00

Note 4.1 Disclosure required in Compliance of Amendments notified under the companies Act, 2013 by Ministry of Corporate affairs dated 30th March 2017.

(Amount in Rupees)

S. No.	Particulars	Specified Bank Notes (SBNs)	Other denomination notes (in Rs)	Total
i)	Closing cash in hand as at 08.11.2016	-	60.00	60.00
ii)	Permitted receipts/withdrawn from Banks	-	-	-
iii)	Permitted Payments	-	-	-
iv)	Amount deposited in Banks	-	-	-
v)	Closing cash in hand as at 30.12.2016	-	60.00	60.00

Note: 5 Equity Share Capital

(Amount in Rupees)

S. No.	Particular	As at 31.03.2019	As at 31.03.2018
1	AUTHORIZED CAPITAL		
i)	50,000 (31 March 2017 : 50,000) Equity Shares of Rs.10/- each	5,00,000.00	5,00,000.00
		5,00,000.00	5,00,000.00
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL		
i)	50,000 (31 March 2017 : 50,000) Equity Shares of Rs.10/- each	5,00,000.00	5,00,000.00
	TOTAL	5,00,000.00	5,00,000.00



Note: 5.1 Reconciliation of Shares**Equity Shares**

Particular	As At 31.03.2019		As At 31.03.2018	
	Number of Shares	Amount	Number of Shares	Amount
Number of Shares at the beginning	50,000.00	5,00,000.00	50,000.00	5,00,000.00
Add : Shares Issued	-	-	-	-
Number of Shares at the end	50,000.00	5,00,000.00	50,000.00	5,00,000.00

Right, preferences and restrictions attached to shares**Equity Shares :**

The Company has Issued equity shares having a par value of Rs 10/- per share. Each shareholder is eligible to one vote per share held and carry a right to dividend. The dividend, if proposed by the Board of Directors, is subjected to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by the shareholders.

Note: 5.2 Details of Shareholders Holding more than 5% Share Capital

Particular	As At 31.03.2019		As At 31.03.2018	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
OCL Iron and Steel Limited	49,994.00	99.99%	49,994.00	99.99%

Note: 6 Other Non Current Liabilities**(Amount in Rupees)**

S. No.	Particular	As at 31.03.2019	As at 31.03.2018
i)	Other long term liabilities	27,142.00	27,142.00
	TOTAL	27,142.00	27,142.00

Note: 7 Other Current Liabilities**(Amount in Rupees)**

S. No.	Particular	As at 31.03.2019	As at 31.03.2018
i)	Other expense payable	11,650.00	5,750.00
	TOTAL	11,650.00	5,750.00




Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital		(Amount in Rupees)	
Balance as at April 1, 2017		Balance as at March 31, 2018	
	5,00,000		5,00,000
Balance as at April 1, 2018		Balance as at March 31, 2019	
	5,00,000		5,00,000

B. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-8

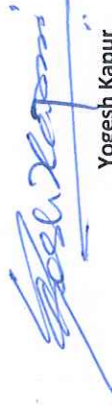
As per our report of even date attached.
FOR ARORA & CHOUDHARY ASSOCIATES

Chartered Accountants.
 Firm Regd. No. 003870N


Vijay K Choudhary –
 Partner
 Membership No. : 081843

Place : Delhi
 Date : 14 June, 2019

For and on Behalf of Board


Yogesh Kapur
 Director


Aditya Malhotra
 Director



Notes to the Standalone Financial Statements

1. Company Overview

M/s. OISL Auto Limited is an unlisted public company incorporated on 8 June, 2015. Its registered office is at A-285, Chopanki Industrial Area Chopanki Bhiwadi, Alwar Rajasthan. The Company was set up to undertake the business of manufacturing, trading and distributing all kinds of auto parts & components etc.

As at March 31, 2019, OCL Iron and Steel Limited, the holding company owned 99.99% of the Company's equity share capital.

The financial statements for the year ended March 31, 2019 were approved by Board of Directors and authorized for issue on May 28, 2019.

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (IND AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values; the provisions of the Companies Act, 2013 ('Act') (to the extent notified and applicable); and guidelines issued by the Securities and Exchange Board of India (SEBI). The IND AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The company has adopted all notified Indian Accounting standards to the extent applicable. The adoption was carried out in accordance with IND AS 101 (First time adoption of Indian Accounting Standards). The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in notes.

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

2.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires 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. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are



reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.2.1 Useful lives of property, plant and equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period or more frequently. This reassessment may result in change in depreciation expense in future periods.

2.2.2 Valuation of deferred tax assets / liabilities

The company reviews the carrying amount of deferred tax assets / liabilities at the end of each reporting period.

2.2.3 Provisions and contingent liabilities

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

2.3 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured regardless of when the payment is being made. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- All Expenses and income are accounted on accrual basis.

2.4 Employee benefits

Long - Term Employee Benefits

The liability for gratuity & leave encashment is determined using Projected Unit Credit [PUC] Method and is accounted for on the basis of actuarial valuation in Accordance with Ind AS - 19. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Actuarial Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The current service cost is included



in the employee benefit expense in the statement of profit & loss account. The interest cost calculated by applying the discount rate to the net balance of defined benefit obligation, is included in the finance cost in the statement of profit & loss account.

- **Short-Term Employee Benefits**

Short- term employee benefits include performance incentive, salaries & wages, bonus and leave travel allowance. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the services.

2.5 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the interest costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset.

Processing fee paid for borrowings is amortised over the term of long term loan through statement of profit & loss. All other borrowing costs are expensed in the period in which they occur.

Preference Shares are separated into equity and liability components based on the terms of the issue / contract. Interest on liability component of preference shares is determined using amortised cost method and is charged to the statement of profit & loss.

2.6 Depreciation & amortisation

The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. Depreciation methods, useful lives and residual values are reviewed at each reporting period. Depreciation on additions/deductions to property, plant and equipment is provided on pro-rata basis from the date of actual installation or up to the date of such sale or disposal, as the case may be.

Leasehold assets are amortized equally over the period of their lease.

2.7 Impairment of Assets

i) Financial assets (other than at fair value)

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction.



(i) **Non-financial assets**

a) **Property, Plant & equipment and Intangible Assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss.

b) **Investment in subsidiaries**

Investment held by the company as on the date of transition date i.e. 01.04.2015 is valued at cost. Investments made in subsidiaries, after the transition date, have been valued at Fair Value Through Other Comprehensive Income [FVTOCI].

c) **Investment in associates / Joint Ventures**

Investment held by the company in associates / joint ventures as on the date of transition date i.e. 01.04.2015 is valued at cost. Investments made in associates / joint ventures, after the transition date, have been valued at Fair Value through Other Comprehensive Income [FVTOCI].

d) **Investment - Others**

Current Investments

Quoted financial assets have been classified as FVTOCI and unquoted financial assets have been classified as Fair Value through Profit & Loss [FVTPL].

Non-Current Investments

Quoted long term investments have been classified as FVTOCI and unquoted long term investments are have been classified as FVTPL.

2.8 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax



assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternative Tax [MAT] paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax in future periods. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that future economic benefits associated with it flow to the company and the asset can be measured reliably.

2.9 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation /amortization and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant & equipment also includes initial estimates of dismantling cost and restoring the site to its original position, on which the site is located. For transition to Ind AS, the company has elected to continue with net carrying value of all its property, plant and equipment recognized as on 01.04.2015 measured as per the previous GAAP in accordance with the principles of Part B of Schedule II of the Companies Act, 2013.

2.10 Financial instruments

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets (Except Net Investments) and financial liabilities (Except Borrowings) are recognized at fair value on initial recognition, except for trade receivables and security deposits, which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination, which is subsequently measured at fair value through profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are approximately at fair value due to the short maturity of these instruments.

De-recognition of financial instruments

The company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under IND AS 109. A financial liability (or a part of a financial liability) is de-recognised from the



company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.11 Borrowings

Borrowings are initially measured at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Preference shares are separated into liability and equity components based on the terms of the issue / contract. On issuance of the preference shares, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as financial liability and is measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the equity component is not re-measured in subsequent years.

2.12 Investments

a) Investment in subsidiaries

Investment held by the company in subsidiaries as on the date of transition date i.e. 01.04.2015 is valued at cost. Investments made in subsidiaries, after the transition date, have been valued at Fair Value through Other Comprehensive Income [FVTOCI].

b) Investment in associates / Joint Ventures

Investment held by the company in associates / joint ventures as on the date of transition date i.e. 01.04.2015 is valued at cost. Investments made in associates / joint ventures, after the transition date, have been valued at Fair Value through Other Comprehensive Income [FVTOCI].

c) Investment - Others

Current Investments

Quoted financial assets have been classified as FVTOCI and unquoted financial assets have been classified as Fair Value Through Profit & Loss [FVTPL].

Non-Current Investments

Quoted long term investments have been classified as FVTOCI and unquoted long term investments are have been classified as FVTPL.

2.13 Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic



benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.14 Inventories

- Raw Materials and Goods under process are valued at cost (Net of provision for diminution) or *Net Realizable value, whichever is lower.
- Waste and Scrap is valued at Net Realizable Value.
- Cost of inventories of Raw Materials and stores and Spares is ascertained on FIFO basis.
- Cost of goods under process comprise of cost of materials and proportionate production overhead. Cost of material for this purpose is ascertained on FIFO basis.
- Provision for obsolescence in inventories is made, whenever required.
- *Net Realizable Value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

2.15 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.16 Excise Duty and GST

Excise Duty and GST is paid on clearance of goods but is accounted for in the books on accrual basis. Accordingly, provision for excise duty is made for goods lying in the Bonded Warehouse.

2.17 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.



2.18 Cash Flow Statement

- Cash flows are reported using the indirect method, except in case of dividend which has been considered on the basis of actual movement of cash with corresponding adjustments of assets and liabilities and where by profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.19 Dividends

- Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.20 Leases

- Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.
- Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.



9 A) Financial risk management

the Company's financial risk management is an integral part of how to plan and execute its business strategies. This not explains the source of risk which is the entity is exposed to and how the company manages the risk. The Company is exposed to market risk, credit risk and liquidity risk.

the Company's board of directors has overall responsibilities for the establishment and oversight of the Company's risk management framework.

1. Market Risk

Market risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. It is a risk of changes in market prices such as foreign exchange and interest rate that will effect Company's income or the value of its holding of financial instruments.

(a) Interest rate risk

The Company does not have significant floating interest bearing borrowing as at 31st March 2019 and March 2018, hence Company is not exposed to interest rate risk at present.

(b) Foreign Currency Risk

the Company does not have significant exposure in currency other than INR.

2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligation associated with financial liabilities that are settled by delivering cash another financial asset.

the Company's objectives is to , at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploy a robust cash management system.

The Contractual maturities of the Company's financial liabilities are presented below.

In lakhs

As at 31st March 2019	on demand	less than 3 month	3 to 12 month	1 to 5 year	> 5 year	Total
Borrowings	-					
Trade payables	-					
Other financial liabilities	-					
TOTAL	-	-	-	-	-	-

As at 31st March 2018	on demand	less than 3 month	3 to 12 month	1 to 5 year	> 5 year	Total
Borrowings	-					
Trade payables	-					
Other financial liabilities	-					
TOTAL	-	-	-	-	-	-

3. Credit Risk

Credit risk is the risk of financial loss to the Company if a Customer or counter party to a financial instruments fail to meet its contractual obligation, and arises principally from the Company's receivables from Customers. The Carrying amount of financial assets represents the maximum credit exposure. There are no impairment losses on financial assets to be recognised in the statement of profit and loss for the year ended 31st March 2019 and for the Comparative year ending 31st March 2018.

The Trade and other Receivables :- The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management does not expect any significant credit risk out of exposure to trade and other receivables, as the major revenue is contributed by credit sales with a credit period that range from 10 to 15 days.

the Company has entered into PPA with due approval of the board, with the beneficiary including Indian railways where in all term in conditions irrespective of billing payment, credit period etc. Are covered.

Cash and Cash Equivalent:- the Company held cash cash equivalent of Rs.4,71,643/- as at 31st March 2019 (Rs.4,71,643/- 31st March 2018). The Cash and Cash equivalent are held with public sector banks and leading private sector banks. There is no impairment on cash and cash equivalent as on the reporting date and the compared figure.

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holder of the Company. The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise the share holder value.

the Company aims to manage its capitals efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its share holders.



the company policy is to maintained a stable and strong capital structure with a focus on total equity so as to maintain investor creditor and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain or its necessary adjust, its capital structure. The management monitors the returns on capital as well as the level of dividends to share holders.

Change in accounting policies and disclosures

New and ammended standareds and interpretations

The company applied for the First time. The nature and effect of the changes as a result of adoption of these new accounting standared are described bwlow

Ind AS 115 Revenue from contract with customers

Ind AS115 supersedes the Ind AS 11 construction contract and Ind AS revenue and it applies with limited exceptions to all revenue arised from contracts with customers..Ind AS 115 established a five step model to account for revenue arised from contract and requires that revenue be recognised at an amount that refelect the consideration to which an entity expect to be entitled in exchange for transfirring foods or services to a customer.

Ind AS 115 requirs entitles to excercise judgment, taking into consideration all of the relevents facts and cisrcumstances when applying each step of the model to contract with their customers.

the standrda slao specifies the accounting for the increamental cost of obtaining a contract and cost directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

the company adopted ind AS 115 using the modify retroseptective method of adoption with the date of initially application of 1st April 2018. Under this method the standard can be applied either to all contracts at the date of initally application or only to contracts that are not completed at this date. the Company elected to apply the standard to all contracts as at 1st April 2018.

The impact of applying Ind AS 115 on the financials on opening balance of retained earning is NIL. There fore , the comperative information was not restated and conclude continues to be reported under Ind AS 115 and Ind AS 18.

Stout below are the amounts by which each financials statement line item is effected as at and for the year ended 31st March 2019 as results of the adoption of Ind AS 115. the adoption of Ind AS 115 did not have a material immpect on OCI or the Compaiaes operating , Investing and financing cash flows. The 1st Column shows amounts prepared under AS 115 and the 2nd column shows what the amount would have been had ind AS 115 not been adopted.

Standlone Statement of the Profit & Loss for the year ended 31st March 2019.

	31.03.2019 (In Lacs)		
	Ind AS 115	Previous Ind AS	Increase / (Decrease)
Revenue from operations			
Other Income			
Total Revenue			
Cost of materials consumed			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			
Employee benefit expenses			
Financial costs			
Depreciation and amortization expenses			
Other expenses	5,900.00	5,900.00	
Total Expenses	5,900.00	5,900.00	
Profit before exceptional items and Exceptional Items Expenses(income)	-5,900.00	(5,900.00)	
Profit before tax	-5,900.00	(5,900.00)	
Tax expense:			
Deferred tax			
Profit/(loss) for the period	-5,900.00	(5,900.00)	
Other Comprehensive Income			
Total Comprehensive Income/(Loss) for the period	-5,900.00	(5,900.00)	



Property, plant and equipment		
Capital work-in-progress		
<u>Financial assets</u>		
Investment		
Other Financial Assets		
Deferred tax assets (net)		
Other non-current assets	67,149.00	67,149.00
Sub total-Non-current assets	67,149.00	67,149.00

Inventories	-	-
<u>Financial assets</u>		
Investment	-	-
Trade receivables	-	-
Cash and cash equivalents	4,71,643.00	4,71,643.00
Other financial assets		
Current Tax Assets(Net)		
Other current assets		
Sub total-Current assets	4,71,643.00	4,71,643.00
TOTAL-ASSETS	5,38,792.00	5,38,792.00

Equity share capital	5,00,000.00	5,00,000.00
Other equity		
Sub total-Equity	5,00,000.00	5,00,000.00

<u>Financial liabilities</u>		
Borrowings		
Provisions		
Other non-current liabilities	27,142.00	27,142.00
Sub total-Non-current liabilities	27,142.00	27,142.00

<u>Financial liabilities</u>		
Borrowings		
Trade payables		

(i) Total outstanding dues of Micro enterprises & Small enterprises
(ii) Total outstanding dues other than Micro enterprises & Small enterprises

Other financial liabilities		
Other current liabilities	11,650.00	11,650.00
Provisions		
Sub total-Current liabilities	11,650.00	11,650.00
TOTAL EQUITY AND LIABILITIES	5,38,792.00	5,38,792.00

Revenue from contracts with Customers

1 Disaggregated revenue information

set out below is the disaggregation of the Company 's revenue from the contract with customers:

Revenue from operation	31st March 2019	31st March 2018
Sale of products		
Job work sale		
Others Operating Revenue		
TOTAL		
Outside Indian		
Total Revenue from operation		

2 Contract Balances

The following tables provides information about receivables, contracts assets and contract liabilities from sales with customers



	31st March 2019	
Trade Receivables (Net)*	0	
Advance from Customers	0	
* trade receivables are non interest bearing and are general on term of 15-20 days		

3 Change in contract liabilities	31st March 2019	
Balance at the beginning of the year	0	
Balance at the end of the year	0	

Accounting Classification and Fair Value Measurements

The Directors considered that the carrying amount of financial assets & financial Liabilities carried at amortised cost are recognised in the standalone financial statements approximate their fair value.

Event occurring after the reporting period

There are no events occurring after the reporting period which have material impact on the financial.

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The company standards. If applicable, when they become effective, intends to adopt these. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standards:

a) IND AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Lease, Ind AS 116 will replace the existing Lease Standards, Ind AS 17 Leases and related Interpretations. The Standard set out the principles for the recognition, measurement, presentation and disclosure of lease for both parties to a contract i.e., the lessee and the lessor, Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirement for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective for adoption of Ind AS 116 is annual period beginning on or after April 1, 2019. The standard permits two possible methods of transition:

Full Retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Modified Retrospectively - Retrospectively, with the cumulative effect of Initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application; or

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expenditure are available under both the methods.

The company is still evaluating the method to be adopted for the application of the new lease standard.

B) Ind AS 12 Appendix C, Uncertainty over Income tax Treatments.

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

The standard permit two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.



C) Amendment to Ind AS 12 - Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendment to the guidance in Ind AS 12 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit of loss, other comprehensive income or equity according to where the entity originally recognised those past transaction or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company dose not expect this amendment to have any impact on its financial statements.

D) Amendment to Ind AS 19 - Plan amendment, curtailment or settlement

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

The amendments require an entity:

to use updated assumptions to determine current service cost and net interest for the remainder of the period after plan amendment, curtailments or settlements; and

to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The company dose not expect this amendment to have any impact on its financial statements.

