

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GARWARE ENVIRONMENTAL SERVICES PVT LTD**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of GARWARE ENVIRONMENTAL SERVICES PVT LTD (“the Company”), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and Statement of changes in Equity for the year then ended, a summary of the significant accounting policies and other explanatory information (herein after referred to as “standalone Ind AS financial statements”).

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes of equity 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 the paragraph 3 and 4 of the order.
2. 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, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
- (g) with respect to 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 were required to be transferred to the Investor Education and Protection Fund by the Company.

For Patki & Soman
Chartered Accountants
F. R. No. 107830W

S. S. Kulkarni
Partner
M. No. 121287

Place: Pune
Date: 29-05-2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the Members of the Company on the Financial Statements for the year ended 31st March, 2018, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) The Company has a regular programme of physical verification of its Fixed Assets by which Fixed Assets are verified in a phased manner over a period of three years. In accordance with this programme, certain Fixed Assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and accruing to information and explanation given by the management, the title deeds of immovable properties are held in the name of the Company.
- ii) During the Financial year 2017-18, the Company was not having any inventory, hence sub-clause (a), (b) and (c) are not applicable.
- iii) According to the information and explanation given to us, the Company has not granted secured and unsecured loans to companies, firms & other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act 2013, are applicable and hence not commented upon.
- v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public.
- vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by Central Government under section 148 of the Companies Act, 2013 for certain products of the Company and are not applicable to the Company.
- 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, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been

regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

- b) According to the information and explanations given to us, there are no undisputed amount payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
 - c) According to information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute as this clause is not applicable.
- viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any banks. Further, the Company does not have any debentures and loan from financial institution or government.
- ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanation given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanation given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations given by the management, we report that no managerial remuneration has been paid within the meaning of the provisions of Section 197 read with Schedule V to the Companies Act, 2013. Hence this clause is not applicable.
- xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

- xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations given by the management, transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Financial Statements, as required by the applicable Accounting Standards.
- xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to 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.
- xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company

For Patki & Soman,
Chartered Accountants

S.S Kulkarni
(Partner)
M.No.: 121287
FRN: 107830W
Place: Pune
Date: 29-05-2018

ANNEXURE B

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 **Garware Environmental Services Pvt Ltd** (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone 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 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 limitations of internal financial controls over financial reporting, including the possibility of collusion or override of controls, material misstatements due to error or fraud may occur and may 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 need strengthening because of changes in conditions, or that the degree of compliance with the policies or procedures.

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, 2018, 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 Patki & Soman
Chartered Accountants
(Firm's Registration No. 107830W)

S S Kulkarni
Partner
(Membership No.121287)
Place:Pune
Date:29-05-2018

**GARWARE ENVIRONMENTAL
SERVICES PVT LTD**

BALANCESHEET AS AT 31st Mar 2018

(Figures in Rupees)

Particulars	Notes	31st March, 2018	31st March, 2017	1st April, 2016
(1) ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	2	4,606	5,117	5,686
(2) Current assets:				
(i) Cash and cash equivalents	3	1,38,559	1,38,559	41,343
(ii) Bank balances other than (i) above	4	1,32,39,134	1,27,51,180	1,20,38,181
Total Assets		1,33,82,299	1,28,94,856	1,20,85,210
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	5	1,00,00,000	1,00,00,000	1,00,00,000
(b) Other Equity	6	35,12,547	29,59,138	23,48,713
LIABILITIES				
Non-current liabilities				
Current liabilities				
(b) Other current liabilities	7	65,823	40,325	41,125
(c) Provisions	8	(1,96,071)	(1,04,607)	(3,04,628)
Total Equity and Liabilities		1,33,82,299	1,28,94,856	1,20,85,210

Notes 1 to 21 form part of the Financial Statements

As per our report of even date

FOR PATKI & SOMAN

Chartered Accountants

Firm Reg. No.: 107830W

For and on behalf of the board

S M PATKI

Partner

Membership No.37315

PLACE : PUNE

Date: 29-05-2018

V R GARWARE

DIRECTOR

DIN 00092201

S S RAJPATHAK

DIRECTOR

DIN 00040387

GARWARE ENVIRONMENTAL SERVICES PVT LTD

Statement of Profit and Loss for the year ended 31.3.18

(Figures in Rupees)

Particulars	Notes	Year ended 31st March, 2018	Year ended 31st March, 2017
Continuing Operations			
Revenue From Operations			
Other Income	9	7,95,439	9,45,132
Total Income		7,95,439	9,45,132
EXPENSES			
Finance costs	10	19	58
Depreciation and amortization expense	2	511	569
Other expenses	11	49,500	39,545
Total expenses		50,030	40,172
Profit/(loss) before tax		7,45,409	9,04,960
Tax expense:			
(1) Current tax		(1,92,000)	(2,94,535)
(2) Deferred tax		-	-
Profit (Loss) for the period from continuing operations		5,53,409	6,10,425
Other Comprehensive Income		-	-
Total Comprehensive Income for the Period		5,53,409	6,10,425
Earnings per equity share (for continuing operation):			
Basic		0.55	0.61

Notes 1 to 21 form part of the Financial Statements

As per our report of even date

FOR PATKI & SOMAN

For and on behalf of the board

Chartered Accountants

Firm Reg. No.: 107830W

S M PATKI
Partner
Membership No.37315

V R GARWARE
DIRECTOR
DIN 00092201

S S RAJPATHAK
DIRECTOR
DIN 00040387

PLACE : PUNE

Date:

PLACE : PUNE

Date: 29-05-2018

GARWARE ENVIRONMENTAL SERVICES PVT LTD

Statement of Changes in Equity for the period ended on 31.03.2018

A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
1,00,00,000	-	1,00,00,000

Refer Note no. 5

B. Other Equity

Particulars	Profit & Loss Account
Balance at the 01.04.2016	23,48,713
Profit / (Loss) for the year	6,10,425
Balance at 31.03.2017	29,59,138
Balance at the 01.04.2017	29,59,138
Profit / (Loss) for the year	5,53,409
Balance at 31.03.2018	35,12,547

Notes 1 to 21 form part of the Financial Statements
As per our report of even date

FOR PATKI & SOMAN
Chartered Accountants
Firm Reg. No.: 107830W

For and on behalf of the board

S M PATKI
Partner
Membership No.37315
PLACE : PUNE
Date: 29-05-2018

V R GARWARE
DIRECTOR
DIN 00092201

S S RAJPATHAK
DIRECTOR
DIN 00040387

GARWARE ENVIRONMENTAL SERVICES PVT LTD
Cash Flow Statement for the year ended 31st March, 2018

Particulars	Note No.	31-Mar-18	31-Mar-17
I. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax		7,45,409	9,04,960
Adjustments for :			
Depreciation and Amortisation		511	569
Finance Cost		19	58
Interest Income		(7,95,439)	(9,45,132)
Dividend Income		-	-
(Profit) / Loss on sale of Shares		-	-
Provision for doubtful Debts		-	-
Operating Profit before Working Capital Changes		(49,500)	(39,545)
Trade Receivables , Loans and advances and Other Assets		-	-
Inventories		-	-
Trade and Other Payables		(25,498)	800
Cash generated from Operations		(74,998)	(38,745)
Direct Taxes paid		(2,73,170)	(94,514)
Net cash provided by Operating Activities		(3,48,168)	(1,33,259)
II. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment		-	-
Product development costs		-	-
Proceeds from Sale of Property, Plant & Equipment		-	-
(Increase)/ Decrease of investments		-	-
Interest received		7,95,439	9,45,132
Dividend received		-	-
Net cash provided by / (used in) Investing Activities		7,95,439	9,45,132
III. CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of Long-Term borrowings		-	-
Proceeds from Long term borrowings		-	-
Finance Cost		(19)	(58)
Short-Term Borrowings		-	-
Dividend paid including Dividend distribution tax		-	-
Buyback of Equity Shares		-	-
Net cash from Financing Activities		(19)	(58)
Net Increase/ (Decrease) in Cash & Cash Equivalents		4,47,252	8,11,815
Cash & Cash Equivalents (Opening Balance):		1,28,89,739	1,20,79,524
Cash & Cash Equivalents (Closing Balance):		1,33,77,693	1,28,89,739
Net Increase/ (Decrease) in Cash & Cash Equivalents		4,87,954	8,10,215

Notes to accounts forming part of the Financial Statements
The accompanying notes are an integral part of these financial statements

As per our audit report of even date
For Patki and Soman
Chartered Accountants
Firm Registration No. 107830W

For & on behalf of the Board of Directors

S M PATKI
Partner
Membership No.37315

V R GARWARE
DIRECTOR
DIN 00092201

S S RAJPATHAK
DIRECTOR
DIN 00040387

Place: Pune
Date: 29-05-2018

GARWARE ENVIRONMENTAL SERVICES PRIVATE LIMITED

Note 1: Notes forming part of the Financial Statements - Significant Accounting Policies

1. Basis of Preparation

Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These financial statements for the year ended 31st March, 2018 are the first financials with comparatives, prepared under Ind AS. The Financial Statements are drafted in consideration with Para 29 & Para 31 of Ind AS 1 regarding the Materiality and Aggregation. For all previous periods including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

Historical cost convention

The financial statements have been prepared on a historical cost basis,

Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

2. Property, Plant and Equipments

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

All items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Gains or losses arising from derecognition of tangible property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and loss when the asset is derecognized.

Depreciation in respect of Property, Plant and Equipments is provided on straight line basis in accordance with Schedule II of Companies Act 2013.

3. Financial Instruments

Financial Assets

3.1. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Purchase and sale of financial assets are recognized using trade date accounting.

3.2. Subsequent measurement

3.2.1. Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.2.2. Financial assets at fair value through other comprehensive income (FVTOCI)

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

3.2.3. Financial assets at fair value through profit or loss (FVTPL)

A financial asset, which is not classified in any of the above categories, is measured through FVTPL.

3.3. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);

or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Financial Liabilities

3..1. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

3..2. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of financial instruments

The Company derecognizes 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 derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of Financial Assets:

The impairment provisions for financial assets are based on assumptions about risk of defaults and expected cash loss rates. The company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on companies past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Income Recognition

Interest income

Interest income from debt instruments is recognized using the effective interest rate method.

Dividends

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established.

4. Finance costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to Statement of Profit and Loss.

5. Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

6. Revenue Recognition

Revenue is recognized to the extent it can be reliably measured and is probable that the economic benefits will flow to the Company.

Income from Windmill is accounted for on the basis of Units generated and duly certified by competent Authorities.

7. Income tax

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

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

8. Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

9. Critical estimates and judgments -

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also needs to exercise judgment in applying the accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

GARWARE ENVIRONMENTAL SERVICES PVT LTD**Note no 2 : Schedule of Property, Plant & Equipments as at 31
March 2018**

Particulars	Office Equipments
Gross Carrying amount	
Deemed Cost as at 1 April 2016	5,686
Additions	-
Disposal	-
Balance As at 31 March 2017	5 686
Additions	-
Disposal	-
Balance As at 31 March 2018	5 686
Accumulated Depreciation	
Balance as at 1 April 2016	-
Additions	569
Disposal	-
Balance As at 31 March 2017	569
Additions	511
Disposal	-
Balance As at 31 March 2018	1 080
Net Carrying Amount	
Balance as at 1 April 2016	5 686
Balance as at 1 April 2017	5 117
Balance as at 1 April 2018	4 606

GARWARE ENVIRONMENTAL SERVICES PVT LTD

Notes forming part of the Accounts for the year ended 31.3.18

Note: 3 Cash and Cash Equivalents

Sr. No	Particulars	31st March, 2018	31st March, 2017	1st April, 2016
1	Cash In hand	1,659	1,659	1,804
2	Balances with banks (In Current Accounts)	1,36,900	1,36,900	39,539
	Total....	1,38,559	1,38,559	41,343

Note: 4 Bank Balances other than Note 3

Sr. No	Particulars	31st March, 2018	31st March, 2017	1st April, 2016
1	Fixed Deposit with Bank (Including Interest accrued and receivable)	1,32,39,134	1,27,51,180	1,20,38,181
	Total....	1,32,39,134	1,27,51,180	1,20,38,181

Note : 5 Share Capital

Sr. No	Particulars	31st March, 2018	31st March, 2017	1st April, 2016
1	AUTHORIZED CAPITAL			
i	50,00,000 Equity Shares of 10/- each (31 March 2018 : 5,00,00,000 equity shares of Rs. 10 each)	50,00,00,000	50,00,00,000	50,00,00,000
	Total....	50,00,00,000	50,00,00,000	50,00,00,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL			
i	10,00,000 Equity Shares of Rs. 10/- each paid up (31 March 2018 : 10,00,000 equity shares of Rs. 10 each)	1,00,00,000	1,00,00,000	1,00,00,000
	Total....	1,00,00,000	1,00,00,000	1,00,00,000

Notes to Accounts :**1 Details of Shareholders holding more than 5% shares in the Company**

Equity Shares	31st March, 2018		31st March, 2017	
	%	No.of Shares	%	No.of Shares
Garware wall Ropes Ltd (Holding Company)	99.99%	9,99,900	99.99%	9,99,900

Note 6: Other Equity

Refer Statement of changes in Other Equity

Note : 7 Other Current Liabilities

Sr. No	Particulars	31st March, 2018	31st March, 2017	1st April, 2016
1	Other payables(including Audit Fees)	65,823	40,325	41,125
	Gr.Total	65,823	40,325	41,125

Notes to Accounts:**Note : 8 Short Term Provisions**

Sr. No	Particulars	31st March, 2018	31st March, 2017	1st April, 2016
1	Provision for Tax (Net)	(1,96,071)	(1,04,607)	(3,04,628)
	Total....	(1,96,071)	(1,04,607)	(3,04,628)

Note : 9 Other Income

Sr. No	Particulars	31st March, 2018	31st March, 2017
1	Interest Received	7,95,439	9,45,132
	Total	7,95,439	9,45,132

Notes to Accounts:

1 Interest received includes Interest on Bond , FD and on Income Tax refund

Note : 10 Finance Cost

Sr. No	Particulars	31st March, 2018	31st March, 2017
1	Bank Charges	19	58
	Total	19	58

Note : 11 Other Expenses

Sr. No	Particulars	31st March, 2018	31st March, 2017
1	Professional Fees	37,700	27,900
2	Audit Fees	11,800	11,500
3	Traveling & Conveyance	-	145
	Total	49,500	39,545

GARWARE ENVIRONMENTAL SERVICES PVT LTD

Notes forming part of the Accounts for the year ended 31.3.18

12. Contingent Liabilities not provided for - Nil

13. Estimated amount of contract remaining to be executed on capital account (net of advance) and not provided for - Nil.

14. Related Party Transactions - Nil

15. Expenditure in Foreign Currency - Nil

16. Earning in Foreign Exchange- Nil

17. Payment to Auditors

Particulars		2017-18	2016-17
i)	Audit Fees	11800	11500
Total		11800	11500

18. Tax provision is governed by using tax laws, rules, notifications, circulars, instructions, etc that are enacted as on the balance sheet date.

19. Note on First Time Adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April 2017, with a transition date of 1st April 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements, which are for the year ended 31st March 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. There were no differences resulting out of conversion to Ind AS.

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions availed

a. Deemed Cost:

The Company has opted paragraph D7 AA and accordingly considered the carrying value of property, plant and equipment's and intangible assets as deemed cost as at the transition date

B. Applicable Mandatory Exceptions

a. Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

b. Classification and measurement of financial assets

As required under Ind AS 101 the company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Transition to Ind AS – Reconciliations (Annexed herewith)

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS required under Ind AS 101:

- I. Reconciliation of Balance sheet as at April 1, 2016 (Transition Date)**
- II. Reconciliation of Balance sheet as at March 31, 2017**
- III. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017**
- IV. Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017**

20. Income Tax Rate Reconciliation

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Enacted income tax rate in India applicable to the Company	25.75%	25.75%
Profit before tax	745428	905018
Total income tax expense/(credit)	-	-

21. Previous year's figures have been regrouped, rearranged, reworked & reclassified wherever necessary.

For PATKI & SOMAN

Chartered Accountants

F.R.No. 107830W

S. M. PATKI

Partner

M. No. 037315

Place: Pune

Date: 29-05-2018

For and on behalf of the board

V R GARWARE

Director

S S RAJPATHAK

Director