

**Independent Auditors' Report**

To The Members of  
**E Complex Private Limited**

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

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017; its Loss and its Cash Flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) Section 143 of Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply materially with the applicable accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as Director in terms of section 164(2) of the Act;
  - f. With respect to the adequacy of 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) There are no ongoing litigations as at the reporting date that would have a material impact on its financial position;
    - ii) Based upon the assessment made by the Company, there are no long-term 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 M. S. Sethi & Associates

Chartered Accountants

Regn.No.109407W



**Manoj Sethi**

Proprietor

Membership No. 39784

Place : Mumbai

Date : April 08, 2017



## ANNEXURE A TO THE AUDITORS' REPORT

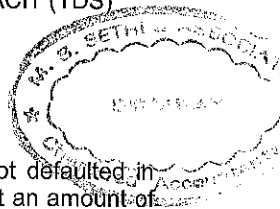
Referred to in our Report of even date on the Accounts of **E Complex Private Limited** for the year ended March 31, 2017

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable interval and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) As explained to us, inventories have been physically verified during the year by the management and in our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company and the same have been properly dealt with.
- iii) The Company has granted unsecured loan to a Company covered in the register maintained under section 189 of the Act.
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Company covered in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interests of the Company.
  - (b) As per the information and explanations given to us, the said loan and interest thereon was not due for repayment during the year; and
  - (c) Since the above loan and interest thereon was not due for repayment during the year, the question of overdue amounts does not arise.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) The Company has not accepted any deposits from the public.
- vi) According to the information given to us, no cost records have been prescribed by the Central Government of India under section 148(1) of the Act.
- vii) (a) Based on our examination of the books and records, the Company has generally been regular in depositing with appropriate authority undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues during the year. However delays have been noticed in case of income tax (including tax deducted at source). Further no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us we report that the disputed statutory dues aggregate to Rs. 6.15 Lakhs have not been deposited on account of matters pending before appropriate authorities. The breakup of the above dues is as under:

Name of the statute	Nature of dues	Period to which the amount relates	Amount (Rs in Lakhs)	Forum where dispute is pending
Income Tax Act, 1961	Tax deducted at source	2007-2008 to 2014-2015	6.15	ACIT (TDS)
<b>Total</b>			<u>6.15</u>	

\*The disputed amounts are net of amounts deposited with the relevant authorities.

- viii) According to the information and explanations given to us, during the year, the Company has not defaulted in repayment of loans to a financial institution, bank, Government or dues to debenture holders except an amount of 322.42 lacs towards interest in respect of debentures.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



- xi) The Company has not paid any managerial remuneration. Hence paragraph 3(xi) of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For M. S. Sethi & Associates**

Chartered Accountants

Regn.No.109407W



**Manoj Sethi**

Proprietor

Membership No. 39784



Place: Mumbai

Date: April 08, 2017

## ANNEXURE B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting ('Financial Controls') of **E Complex Private Limited** ("the Company") in conjunction with our audit of the Company for the year ended March 31, 2017.

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Financial Controls 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 Act, to the extent applicable to an audit of internal financial controls. 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 Financial Controls are 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 Financial Controls includes obtaining an understanding of Financial Controls, 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 Financial Controls 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 Financial Controls includes those policies and procedures that (1) pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of Financial Controls, 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 Financial Controls to future periods are subject to the risk that the Financial Controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate Financial Controls system and such Financial Controls are operating effectively as at March 31, 2017, based on the Financial Controls 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 ICAI.

### For M. S. Sethi & Associates

Chartered Accountants  
Regn.No.109407W

  
**Manoj Sethi**  
Proprietor  
Membership No. 39784

Place: Mumbai  
Date: April 08, 2017



# E Complex Private Limited

## Balance Sheet as at March 31, 2017

Rs in Laacs

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
<b>I ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
Property, Plant and Equipment	2	58,106.76	58,834.10
Capital Work in Progress	2	<u>8,560.39</u>	<u>7,846.43</u>
		66,667.15	66,680.53
Financial Assets			
Loans and Advances	3	8,882.03	8,921.43
Other Financial Assets	4	<u>4,588.66</u>	<u>3,593.73</u>
		13,470.69	12,515.16
Other Non Current Assets	5	<u>13,117.79</u>	<u>13,118.17</u>
		13,117.79	13,118.17
		93,255.63	92,313.86
<b>(2) CURRENT ASSETS</b>			
Inventories	6	<u>7.30</u>	<u>388.27</u>
		7.30	388.27
Financial Assets			
Trade Receivables	7	-	-
Cash And Cash Equivalents	8	<u>25.09</u>	<u>166.77</u>
		25.09	166.77
Current Tax (Net)		478.72	591.09
Other Current Assets	9	<u>149.73</u>	<u>158.18</u>
		628.45	749.27
		660.84	1,304.31
<b>TOTAL ASSETS</b>		<u><u>93,916.47</u></u>	<u><u>93,618.17</u></u>
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
Share Capital	10	2,170.93	2,170.93
Other Equity		<u>31,479.29</u>	<u>35,658.73</u>
		33,650.22	37,829.66
<b>(2) LIABILITIES</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
Borrowings	11	22,026.88	22,437.01
Other Financial Liabilities	12	<u>12,354.16</u>	<u>9,706.28</u>
		34,381.04	32,143.29
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	20,107.58	17,222.34
Trade Payables	15	<u>369.14</u>	<u>258.73</u>
		20,476.72	17,481.07
Other Current Financial Liabilities	16	<u>5,408.49</u>	<u>6,164.15</u>
		5,408.49	6,164.15
		25,885.21	23,645.22
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><u>93,916.47</u></u>	<u><u>93,618.17</u></u>

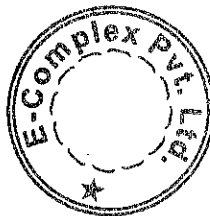
Significant Accounting Policies  
Notes to Financial Statements

1  
2 to 33

As per our report of even date  
**For M.S. Sethi & Associates**  
Chartered Accountants  
Firm Reg.No : 109407W

  
**Manoj Sethi**  
Proprietor  
Membership No.: 39784

Place :- Mumbai  
Date :- April 08, 2017



for and on behalf of the Board of Directors

  
**Venkat Rachkonda**  
Director

  
**Ajit Dabholkar**  
Director

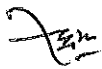
## E Complex Private Limited

### Statement of Profit and Loss for the year ended March 31, 2017

*Rs in Lacs*

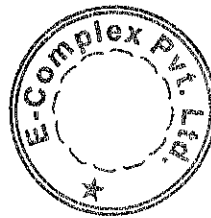
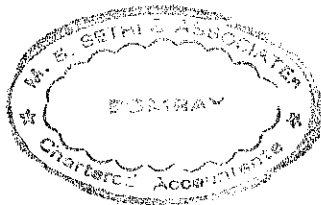
Particulars	Note	for the year ended March 31, 2017	for the year ended March 31, 2016
<b>REVENUE</b>			
Revenue from Operations	17	1,867.89	1,442.01
Other Income	18	1,013.77	1,880.79
Total Revenue		2,881.66	3,322.80
<b>EXPENSES</b>			
Changes in Inventories of Work in Progress	19	388.27	(151.64)
Employee Benefits Expenses	20	10.87	84.44
Finance Costs	21	5,686.14	6,988.30
Depreciation and Amortisation Expenses	2	727.98	713.36
Other Expenses	22	247.84	444.62
Total Expenses		7,061.10	8,079.08
<b>Profit / (Loss) Before Tax</b>		(4,179.44)	(4,756.28)
Tax Expense			
Current Tax		-	-
Deferred Tax - Credit		-	(375.37)
<b>Profit/(Loss) After Tax</b>		(4,179.44)	(4,380.91)
<b>OTHER COMPREHENSIVE INCOME</b>			
Other Comprehensive Income to be reclassified to profit and loss in subsequent year		-	-
Other Comprehensive Income not to be reclassified to profit and loss in subsequent year		-	-
<b>Total Comprehensive Income for the year</b>		(4,179.44)	(4,380.91)
Earnings per Equity share of Rs. 10/- each	23		
- Basic (In Rupees)		(19.25)	(20.18)
- Diluted (In Rupees)		(19.25)	(20.18)
Significant Accounting Policies	1		
Notes on Financial Statements	17 to 33		

As per our report of even date  
**For M.S. Sethi & Associates**  
 Chartered Accountants  
 Firm Reg.No : 109407W



**Manoj Sethi**  
 Proprietor  
 Membership No.: 39784

Place :- Mumbai  
 Date :- April 08, 2017



for and on behalf of the Board of Directors



**Venkat Rachonda**  
 Director



**Ajit Dabholkar**  
 Director

## E Complex Private Limited

### Cash Flow Statement for the year ended March 31, 2017

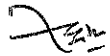
*Rs in Laacs*

Sr. No.	Particulars	2016 - 2017	2015 - 2016
<b>A Cash Flow from Operating Activities</b>			
	Net Profit / (Loss) before Tax	(4,179.44)	(4,756.28)
	Adjustments for :-		
	Depreciation and Amortisation Expenses	727.98	713.36
	Interest Income	(1,013.77)	(1,880.73)
	Finance Costs	5,686.14	6,988.30
	Sundry Balances w/off	-	30.02
	<b>Operating profit before working capital changes</b>	<b>1,220.91</b>	<b>1,094.67</b>
	<b>Adjusted for</b>		
	Inventories	380.97	(151.64)
	Trade and Other Receivables	8.83	(6.80)
	Trade and Other Payables	96.07	30.48
	<b>Cash Generated from Operations</b>	<b>1,706.78</b>	<b>966.71</b>
	Direct Taxes (Paid) / Refund	112.37	(332.27)
	<b>Net Cash from/(used in) Operating Activities</b>	<b>1,819.15</b>	<b>634.44</b>
<b>B Cash Flow from Investing Activities</b>			
	Purchase of Fixed Assets and Capital Work in Progress	(141.89)	(16.24)
	Inter Corporate Deposit to fellow Subsidiary	39.40	2,274.57
	Interest Received	18.84	188.08
	<b>Net Cash from/(used in) Investing Activities</b>	<b>(83.65)</b>	<b>2,446.41</b>
<b>C Cash Flow from Financing Activities</b>			
	Repayment of Debentures	-	(7,000.00)
	Proceeds from Long Term Borrowings	-	15,111.95
	Repayment of Long Term Borrowings	(409.57)	(9,231.97)
	Short Term Borrowings (Net)	1,747.35	2,022.13
	Interest Paid	(3,214.96)	(3,844.44)
	<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>(1,877.18)</b>	<b>(2,942.33)</b>
	<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(141.68)</b>	<b>138.52</b>
	Cash & Cash Equivalents - Opening balance	166.77	28.25
	Cash & Cash Equivalents - Closing balance	25.09	166.77

**Notes:**

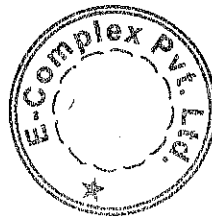
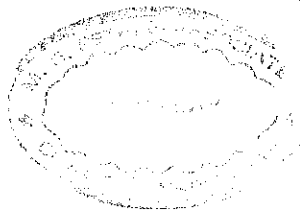
- (1) The above cash flow statement has been prepared under the "indirect method" as set out in Ind AS 7 - Statement on Cash flows.
- (2) Figures in brackets indicate outflow.
- (3) Previous Year figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.

As per our report of even date  
**For M.S. Sethi & Associates**  
 Chartered Accountants  
 Firm Reg.No : 109407W

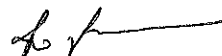


**Manoj Sethi**  
 Proprietor  
 Membership No 039784

Date :- April 08, 2017



for and on behalf of the Board of Directors



**Venkat Rachkonda**  
 Director



**Ajit Dabholkar**  
 Director



## E Complex Private Limited

### Statement of Changes in Equity for the year ended March 31, 2017

#### A Equity Share Capital

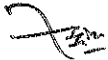
Particulars	As at March 31, 2017		As at March 31, 2016	
	No of Shares	Amount	No of Shares	Amount
	<i>Rs in Laacs</i>			
Equity shares at the beginning of the year	21,709,327	2,170.93	21,709,327	2,170.93
Add: Shares Issued during the year	-	-	-	-
Equity shares at the end of the year	<u>21,709,327</u>	<u>2,170.93</u>	<u>21,709,327</u>	<u>2,170.93</u>

#### B Other Equity

Particulars	<i>Rs in Laacs</i>		
	Other Reserve	Retained Earning	Total
<b>As at April 01, 2015</b>			
Profit /(Loss) for the year	41,752.30	(1,712.66)	40,039.64
Other Comprehensive Income		(4,380.91)	(4,380.91)
<b>Total</b>	<b>41,752.30</b>	<b>(6,093.57)</b>	<b>35,658.73</b>
<b>As at March 31, 2016</b>			
Profit /(Loss) for the year	41,752.30	(6,093.57)	35,658.73
Other Comprehensive Income		(4,179.44)	(4,179.44)
<b>As at March 31, 2017</b>	<b>41,752.30</b>	<b>(10,273.01)</b>	<b>31,479.29</b>

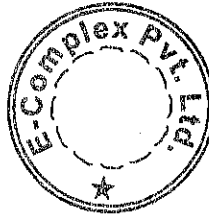
Note: Other Reserve is created pursuant to first time adoption of Ind-AS and not available for distribution as dividend.

As per our report of even date  
**For M.S. Sethi & Associates**  
 Chartered Accountants  
 Firm Reg.No : 109407W

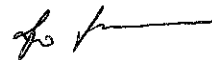


**Manoj Sethi**  
 Proprietor  
 Membership No.: 39784

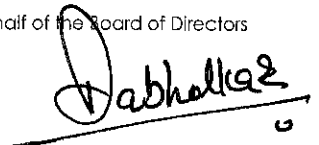
Place :- Mumbai  
 Date :- April 08, 2017



for and on behalf of the Board of Directors



**Venkat Rachkonda**  
 Director



**Ajit Dabholkar**  
 Director

# E Complex Private Limited

## Notes to Financial Statements

### Note - 1

#### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

**a BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III, applicable Ind AS, other applicable pronouncements and regulations.

**b Functional and Presentation Currency:**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

**c USE OF ESTIMATES:**

The preparation of Consolidated Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known/ materialised and if material, their effects are disclosed in the notes to the Consolidated Financial Statements.

**d CURRENT VERSUS NON CURRENT CLASSIFICATION :**

**i. The assets and liabilities in the balance sheet are based on current/ non-current classification. An asset as current when it is:**

- 1 Expected to be realised or intended to sold or consumed in normal operating cycle
  - 2 Held primarily for the purpose of trading
  - 3 Expected to be realised within twelve months after the reporting period, or
  - 4 Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

**ii A liability is current when:**

- 1 It is expected to be settled in normal operating cycle
  - 2 It is held primarily for the purpose of trading
  - 3 It is due to be settled within twelve months after the reporting period, or
  - 4 There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities are treated as non-current.

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

**e Property, Plant and Equipments**

- i. The Company has measured all of its plant & Equipments at fair value at the date of transition to Ind-AS. The Company has elected these value as deemed cost at transition date. All other property, plant & equipments have been carried at value in accordance with Indian GAAP.
- ii. Property, plant and equipments are stated at cost net of cenvat / value added tax less accumulated depreciation and impairment loss, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use.
- iii. Expenses incurred relating to project, net of income earned during project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work-in-Progress.

**f DEPRECIATION:**

- i. Depreciation on Tangible Fixed Assets is provided on the Straight Line Method over the useful life of assets prescribed in Part C of Schedule II to the Companies Act, 2013. The Management believes that the useful lives prescribed in Part C of Schedule II to the Companies Act, 2013 best represents the period over which management expects to use assets.
- ii. In respect of additions/extensions forming an integral part of existing assets, depreciation has been provided over residual life of the respective assets. Significant addition which are required to be replaced/performed at regular interval are depreciated over the useful life of their specific life.

**g INTANGIBLE ASSETS:**

Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Amortization is done over their estimated useful life on straight line basis from the date that they are available for intended use, subjected to impairment test. Software, which is not an integral part of the related hardware, is classified as an intangible asset and is amortized over the useful life of 3 - 5 years.

**h FAIR VALUE MEASUREMENT:**

Fair value is the price that would be received to sell an assets or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an assets or liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming that market participants act in their best economic interest. The fair value of property, plant & equipments as at transition date have been taken based on valuation performed by technical experts. The Company used valuation techniques which were appropriate in circumstances and for which sufficient data were available considering the expected loss/profit in case of financial assets or liabilities.

**i BORROWING COSTS:**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. Borrowing cost consist of interest, other cost incurred in connection with borrowings of fund and exchange differences to the extent regarded an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

**j INVENTORIES:**

The inventories i.e. Raw Materials, Stores and Spares, Work in progress and Finished Goods etc. have been valued at lower of cost or net realisable value. Cost of inventories comprise of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. The cost of steel plates, profiles & equipments is determined on Specific Identification Method and other raw materials & stores & spares at Weighted Average Method. The cost of Work-in-progress and Finished Stock is determined on absorption costing method. Scrap is valued at net realisable value.



# E Complex Private Limited

## Notes to Financial Statements

### k REVENUE RECOGNITION:

- i Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured; having regard to the nature of business of the company as SEZ Developer and corresponding technical guide on accounting for Special Economic Zones (SEZs) Development Activities issued by Institute of Chartered Accountants of India.
- ii Lease rentals on Land given on lease and Infrastructure facilities fees are accounted on accrual basis in accordance with the terms of the agreement.
- iii Revenue from sale of goods and services net of VAT is recognised when it is earned and no significant uncertainty exist as to its ultimate collection.
- iv. Interest income is recognized on a time proportion basis.
- iv. Dividend is considered when the right to receive is established.

### l GOVERNMENT SUBSIDY:

Government subsidy related to shipbuilding contracts are recognized at their fair value when there is reasonable assurance that the subsidy will be received, on the basis of percentage completion of the respective ships, on compliance with the relevant conditions and such grants are recognized in the Statement of Profit and Loss and presented under revenue from operations.

### m FOREIGN CURRENCY TRANSACTIONS:

- i. Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the year end are re measured at the exchange rate prevailing on the balance sheet date. In case of items, which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the Statement of Profit or Loss.

### n FINANCIAL INSTRUMENTS:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financials Assets

##### i Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset

##### ii Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- 1 at amortised cost
- 2 at fair value through other comprehensive income (FVTOCI)
- 3 at fair value through profit or loss (FVTPL)
- 4 Equity instruments measured at fair value through other comprehensive income FVTOCI

##### iii Financial Assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. such Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

##### 1 Financial Assets measured at fair value through other comprehensive income:

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

##### 2 Financial Assets measured at fair value through profit or loss:

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or

##### 3 Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as at FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or loss

##### 4 Derecognition of Financial Assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset

#### Financials Liabilities

##### i Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans & borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

##### ii Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as

##### iii Loans and Borrowings

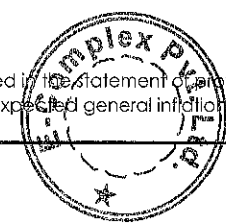
interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

##### iv Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### o OPERATING LEASE:

Lease assets taken on operating lease are not recognized. Payments made under the operating leases are recognized in the statement of profit and loss on a straight-line-basis over the terms of the lease except where the payments are structured to increase in line with expected general inflation.



# E Complex Private Limited

## Notes to Financial Statements

**p FINANCIAL DERIVATIVES:**

In respect of Derivative Contracts, premium paid and losses/gain on settlement and losses on restatement are recognised in the Statement of Profit and Loss.

**q EMPLOYEE BENEFITS:**

- i. Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss / Pre - Operative Expenses of the year in which the related service is rendered.
- ii. Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss / Pre - Operative Expenses for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are recognized in other comprehensive Income and not reclassified to profit or loss in subsequent period.

**r PROVISION FOR CURRENT AND DEFERRED TAX:**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax are recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rate and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

**s IMPAIRMENT OF ASSETS:**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

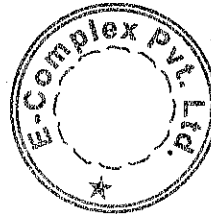
Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

**t PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, 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. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the financial statements when economic inflow is probable.

**u PRELIMINARY AND ISSUE EXPENSES:**

Preliminary Expenses related to issue of equity and equity related instruments are adjusted against the securities premium account.



## E Complex Private Limited

### Notes to Financial Statements

#### Note - 2 PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation and Amortisation			Net Block	
	As at 1-Apr-16	Additions	Deductions/ Adjustments	As at 31-Mar-17	For the year	Deductions / Adjustments	Up to 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
	Rs. in Lacs								
<b>Tangible Assets</b>									
Land and Site Development	49,073.00	-	-	49,073.00	-	-	-	49,073.00	49,073.00
Buildings	4,927.54	-	-	4,927.54	162.36	-	761.57	4,165.97	4,328.33
Plant and Equipments	7,949.20	-	-	7,949.20	548.89	-	3,130.70	4,818.49	5,367.38
Furniture and fixtures	80.83	-	-	80.83	7.00	-	62.31	18.52	25.52
Office Equipments	73.37	0.65	-	74.02	9.74	-	43.24	30.78	39.87
<b>Total</b>	<b>62,103.94</b>	<b>0.65</b>	<b>-</b>	<b>62,104.59</b>	<b>727.99</b>	<b>-</b>	<b>3,997.82</b>	<b>58,106.76</b>	<b>58,834.10</b>
Previous Year	61,726.16	377.78	-	62,103.94	713.36	-	3,269.83	58,834.10	
Capital Work in Progress								8,560.39	7,846.43

#### 2.1 Capital Work in Progress Includes:

Particulars	Rs. in Lacs	
	2016 - 2017	2015 - 2016
- Assets under Construction	160.73	6.71
- Preoperative expenses	8,399.66	7,839.72

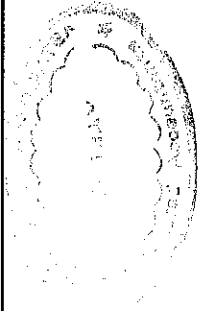
#### 2.2 Details of Preoperative expenditure are as under:

Particulars	Rs. in Lacs	
	2016 - 2017	2015 - 2016
Opening Balance	7,839.72	5,986.45
Add:		
Legal and Professional Charges	-	-
Finance Cost	559.94	1,853.27
Allocated to Fixed Assets	8,399.66	7,839.72
	<b>8,399.66</b>	<b>7,839.72</b>

2.3 In accordance with the Ind-AS 36 on "Impairment of Assets", the Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Assets during the year.

#### 2.4 Borrowing Cost

During the year the Company has capitalised borrowing cost related to borrowings aggregating to Rs. 559.94 Lacs (Previous year: Rs. 1,853.27 Lacs). The rate used to determine the amount of borrowing Cost is Rs. 12.54%.



## E Complex Private Limited

### Notes to Financial Statements

#### Notes - 3

##### LOANS AND ADVANCES (Unsecured & considered good)

Particulars	As at March 31, 2017	As at March 31, 2016
Inter Corporate Deposit to Related Party (refer note no. 28)	8,882.03	8,921.43
Total	<u>8,882.03</u>	<u>8,921.43</u>

#### Notes - 4

##### OTHER FINANCIAL ASSETS (Unsecured & considered good)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest Receivable from related party (refer note no. 28)	4,588.66	3,593.73
Total	<u>4,588.66</u>	<u>3,593.73</u>

#### Notes - 5

##### OTHER NON CURRENT ASSETS (Unsecured & considered good)

Particulars	As at March 31, 2017	As at March 31, 2016
Capital Advances	12,985.00	12,985.00
Deposits	2.06	2.44
MAT credit entitlement	130.73	130.73
Total	<u>13,117.79</u>	<u>13,118.17</u>

5.1 Capital Advances are given for acquisition of land about 57.055 Acres or thereabout, situated at Belawade, Taluka Pen, District Raighad, Maharashtra. It is proposed to use the said land for the purpose of manufacturing of electronic warfare systems and fighter jet components.

5.2 The amount paid as MAT is allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Income Tax Act, 1961 ("the Act"). Based on the future projection of the performances, the Company will be liable to pay the Income Tax as per provisions, other than under section 115JB, of the Act. Accordingly the Company has accounted MAT Credit as advised in Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961" issued by The Institute of Chartered Accountants of India.

#### Notes - 6

##### INVENTORIES

Particulars	As at March 31, 2017	As at March 31, 2016
Work In Progress	-	388.27
Stores and Spares	7.30	-
Total	<u>7.30</u>	<u>388.27</u>

#### Notes - 7

##### TRADE RECEIVABLES (Unsecured)

Particulars	As at March 31, 2017	As at March 31, 2016
Considered Good	-	-
Considered Doubtful	4,210.44	4,210.44
Less: Provision for Impairment	<u>4,210.44</u>	<u>4,210.44</u>
Total	<u>-</u>	<u>-</u>

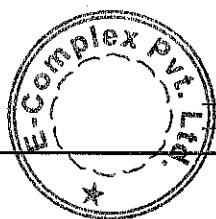
#### Notes - 8

##### CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2017	As at March 31, 2016
Balances with Banks		
- In Current Accounts	25.09	166.77
Total	<u>25.09</u>	<u>166.77</u>

8.1 Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 - 30.12.2016

Particulars	SBN	Other Denomination Notes	Total
Opening Cash in hand as on 8.11.16	-	153.00	153.00
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	-	-
Less: Amount Deposited in Banks	-	-	-
Closing Cash in hand as on 30.12.2016	<u>-</u>	<u>153.00</u>	<u>153.00</u>



# E Complex Private Limited

## Notes to Financial Statements

### Notes - 9

#### OTHER CURRENT ASSETS (Unsecured & considered good)

Particulars	As at March 31, 2017	As at March 31, 2016
Advance recoverable in cash or in kind or for the value to be received (Subject to Confirmation)		
Against purchase of material / services	11.61	43.88
Others	138.12	114.30
Total	149.73	158.18

### Notes - 10

#### SHARE CAPITAL

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Equity Shares</b>		
Authorised		
60,000,000 (Previous Year 60,000,000) Equity shares of Rs. 10/- each	6,000.00	6,000.00
<b>Issued, Subscribed and paid up</b>		
21,709,327 (Previous Year 21,709,327) Equity Shares of Rs. 10/- each fully paid up	2,170.93	2,170.93
Total	2,170.93	2,170.93

#### 10.1 Reconciliation of Equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2017		As at March 31, 2016	
	No of Shares	Amount	No of Shares	Amount
Equity shares at the beginning of the year	21,709,327	2,170.93	21,709,327	2,170.93
Add: Shares Issued during the year	-	-	-	-
Equity shares at the end of the year	21,709,327	2,170.93	21,709,327	2,170.93

#### 10.2 Shareholders holding more than 5% Shares in the Company/Holding Company

Shares held by	No. of Shares	% Holding	No. of Shares	% Holding
Reliance Defence and Engineering Limited - Holding Company	21,709,327	100.00%	21,709,327	100.00%

#### 10.3 Terms and Rights attached to Equity Shares

The Company has only one class of Equity Share having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity share holders will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.

### Notes - 11

#### LONG TERM BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Secured Loans</b>		
50 (Previous Year: 50) 14% Secured Non Convertible Debentures of Rs. 1 Crore each	5,000.00	5,000.00
<b>Rupee Term Loan From:</b>		
Bank	116.85	125.81
<b>Unsecured Loans from:</b>		
Body Corporate	800.00	800.00
Related Parties	16,110.03	16,511.20
Total	22,026.88	22,437.01

#### 11.1 14% Secured Non-Convertible Debentures

- (i) 14% Secured Non Convertible Debentures (NCDs) carry Coupon rate of 14% payable semi annually.
- (ii) The Company has the right to redeem the Debentures in full or in multiples of Rs. 10 crores at any time after 12 month from the Date of allotment of Debentures i.e. 30th March 2015 as per the Schedule below:-

Period	Applicable rate for redemption premium, quarterly compounded
Redemption within 24 months from the date of issuance	4.00 % p.a. on the amount redeemed
Redemption within 36 months from date of issuance, but post 24 months	8.00 % p.a. on the amount redeemed, from the beginning of the term.
Redemption post 36 months	10.00 % p.a. on the amount redeemed, from the beginning of the term.

- (iii) The NCDs are secured by first charge and mortgage
- On the parcel of land covering survey no. 735 P-2 situated at Village Rampara - II, Taluka - Rajula, District - Amreli in the State of Gujarat together with all buildings, structures, furnitures and fittings or anything permanently erected/attached/installed or to be erected/installed.
  - On the parcel of land admeasuring 27.48 hectare situated at Vilage Chhanje, Taluka Uran and District Raigarh in te state of Maharashtra belonging to other Corporates.
- (iv) These NCDs are further guaranteed by the Holding Company and personal guarantee of some of the directors of the Holding Company.
- (v) The Company was required to provide Debenture Redemption Reserve (DRR) of Rs. 624.12 Lacs upto 31st March, 2017 (P.Y Rs 312.07 lacs) in terms of the Trust Deed executed and the provisions of the Companies Act 2013. In the absence of profits available, no provision for DRR is made in the books of account as at 31st March, 2017. The requisite provisions will be made out of the profits available in the future years.

11.2 The Rupee Term Loan from Bank as referred above including Rs. 41.32 Lacs included in Current maturities of Long term debenture note no 16 is secured/to be Secured by exclusive charge on land situated at 675P2, Rampura Village II border, Registration district - Amreli, Taluka Rajula, Gujarat.

## E Complex Private Limited

### Notes to Financial Statements

- 11.3 The Rupee Term Loans from Bank is further guaranteed by one of the director of the Company
- 11.4 Unsecured Loan from Body Corporates as referred above are secured by way of unencumbered shares of Reliance Defence and Engineering Limited and SKIL Infrastructure Limited.
- 11.5 Repayment Terms**
- i The Rupee Term Loan from Bank including Rs 41.32 lacs included in Current maturities of Long term debts in note no 16 carry an interest rate of 13.50% p.a. and repayable in 60 monthly equated installments (including interest) starting from January 30, 2015 to November 28, 2019
  - ii Unsecured Loan from Body Corporates as referred above carry an interest rate of 14% p.a. payable semi annually and additional fixed interest at the time of principal repayment @ 4% compounded quarterly within 24 months & 8 % compounded quarterly within 24 months to 36 months & 10% p.a compounded quarterly above 36 months & repayable at the end of 36 Month from the date of first disbursement i.e. 27th October, 2015. Additional interest has been provided @ 4% as the same will be repaid with in 24 months.
- 11.6 The Unsecured Loan from related parties carry an interest rate of 18% PA and repayable on April 2019.
- 11.7 As at March 31, 2017, the Company has overdue of Rs. 372.20 Lacs (previous Year: Rs. NIL) towards Interest.

#### Notes - 12

##### OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016
Deposits from related party (Refer note 28)	7,370.00	7,370.00
Interest Accrued but not due on Borrowings	4,984.16	2,336.28
Total	12,354.16	9,706.28

#### Notes - 13

##### DEFERRED TAX LIABILITIES/(ASSETS)

As required by Ind AS- 12 on "Income Taxes " Deferred Tax comprises of the following items:

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Opening Balance</b>	(1,382.92)	375.37
<b>Tax Expenses (Income) recognised in:</b>		
Statement of Profit and Loss		
Difference in Tax Base of Property, plant and equipment	273.08	53.57
Employee benefits	-	8.22
Expenses Disallowed in Tax	469.90	(469.90)
Depreciation Losses/Business Loss	(872.87)	(1,350.18)
	(129.89)	(1,758.29)
<b>Closing Balance</b>	(1,512.81)	(1,382.92)

**13.1 Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate:**

Since the Company has incurred loss during the year 2016-17 and previous year 2015-16 and no tax is payable for these years as per provisions of Income Tax Act, 1961, the calculation of effective tax rate is not relevant and hence, not given.

- 13.2 As at 31st March, 2017 the Company has net deferred tax assets of Rs. 1,512.81 Lacs (P.Y. Rs. 1,382.92 Lacs). In the absence of convincing evidences that sufficient future taxable income will be available against which deferred tax assets can be realised, the same has not been recognised in the books of account in line with Ind-AS 12 on Income Taxes.

#### Notes - 14

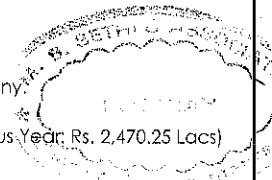
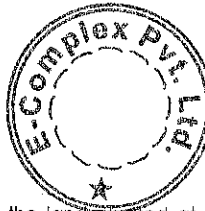
##### SHORT TERM BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Secured Loans</b>		
Cash Credit Facility from bank	578.74	576.38
<b>Unsecured Loans from:</b>		
Related parties	14,124.97	7,078.99
Body Corporates	5,403.87	9,566.97
Total	20,107.58	17,222.34

- 14.1 The Secured Loan from Bank is secured by registered mortgage of the land situated at Survey no 589/P2, 668/P2/ and 515 Village Lunsapur, Taluka Jafrabad, Dist. Amreli, PIN-36560, Gujarat, India.
- 14.2 Unsecured Loans from Body Corporates as referred to above are secured by:
- (i) First charge on mortgage of land admeasuring about 151.426 acre situated at Borgaon, Taluka Pen, District Raigad in the State of Maharashtra owned by other corporates.
  - (ii) Pledge of 4,922,754 fully paid up equity shares of the Reliance Defence and Engineering Limited and 10,404,336 fully paid up equity share of SKIL Infrastructure Limited.
  - (iii) Corporate guarantee of Holding Company and SKIL Infrastructure Limited.

14.3 The Loans from bank and Unsecured Loans from Body Corporates are further guaranteed by one of the director of Holding Company.

- 14.4 As on March 31, 2017, the Company has overdue of Rs. 3,665.97 Lacs (Previous Year: Rs. 9,566.97 Lacs) and Rs. 241.70 Lacs (Previous Year: Rs. 2,470.25 Lacs) towards the principal and interest respectively.





## E Complex Private Limited

### Notes to Financial Statements

#### Notes - 15 TRADE PAYABLES

Particulars	<i>Rs in Lacs</i>	
	As at March 31, 2017	As at March 31, 2016
Others	369.14	258.73
Total	369.14	258.73

15.1 There are no Micro and Small Enterprises to whom the Company owes dues which are outstanding as at March 31, 2017. This information as required to be disclosed under Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

15.2 All trade payables are non interest bearing and payable or to be settled within normal operating cycle of the Company.

#### Notes - 16 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	<i>Rs in Lacs</i>	
	As at March 31, 2017	As at March 31, 2016
Current Maturities of Long Term Borrowings	41.32	1,178.66
Interest Accrued and due on Borrowings	613.90	2,470.25
Interest Accrued but not due on Borrowings	3,915.47	1,675.88
Creditors for Capital Goods	319.48	306.70
Statutory Dues	518.32	532.66
Total	5,408.49	6,164.15

#### Notes - 17 REVENUE FROM OPERATIONS

Particulars	<i>Rs in Lacs</i>	
	for the year ended March 31, 2017	for the year ended March 31, 2016
Lease Rent Income	360.50	352.01
Infrastructure Facility Fees	1,090.00	1,090.00
Construction Support Services	417.39	-
Total	1,867.89	1,442.01

#### Notes - 18 OTHER INCOME

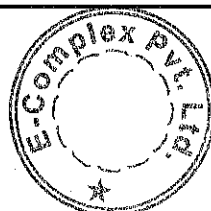
Particulars	<i>Rs in Lacs</i>	
	for the year ended March 31, 2017	for the year ended March 31, 2016
Interest Income	1,013.77	1,880.73
Miscellaneous Income	-	0.06
Total	1,013.77	1,880.79

#### Notes - 19 CHANGES IN INVENTORIES OF WORK IN PROGRESS

Particulars	<i>Rs in Lacs</i>	
	for the year ended March 31, 2017	for the year ended March 31, 2016
At the end of the year Work in progress	-	388.27
Less :- At the beginning of the year Work in progress	388.27	236.63
Changes in Inventories	388.27	(151.64)

#### Notes - 20 EMPLOYEE BENEFITS EXPENSES

Particulars	<i>Rs in Lacs</i>	
	for the year ended March 31, 2017	for the year ended March 31, 2016
Salaries, Wages and Allowances	10.87	78.91
Contribution to Provident and Other Fund	-	4.05
Staff Welfare Expenses	-	1.48
Total	10.87	84.44



## E Complex Private Limited

### Notes to Financial Statements

#### 20.1 Employee Benefits

In terms of Ind AS 19 "Employee Benefits" the disclosure of employee benefits as defined in the accounting standards are given below:

##### Defined Contribution Plan

Particulars	2016 - 2017	2015 - 2016
Employers Contribution to Provident Fund	-	2.06
Employers Contribution to Pension Fund	-	1.99
	-	4.05

##### Defined Benefit Plan

The present value of the obligation is determined based on actuarial valuation using Projected Units Credit Method, which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to buildup the final obligation.

#### a) Gratuity (Unfunded)

i) Reconciliation of opening and closing balances of the present value of the defined gratuity benefit obligation.

Particulars	2016 - 2017	2015 - 2016
Defined Benefit Obligation at beginning of the year	-	2.92
Current & Past Service Cost	-	-
Current Interest Cost	-	-
Actuarial (Gain) / Loss	-	-
Benefits paid/Reversed	-	2.92
Defined Benefit Obligation at end of the year	-	-

ii) Reconciliation of Present Value of Obligation and Fair Value of Plan Assets

Particulars	2016 - 2017	2015 - 2016
Fair Value of Plan Assets at the end of the year	-	-
Present Value of Defined Benefit Obligation at end of the year	-	-
Liabilities / (Assets) recognised in the Balance Sheet	-	-

iii) Expenses recognised during the year.

Particulars	2016 - 2017	2015 - 2016
Current & Past Service Cost	-	-
Interest Cost	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain) / Loss	-	-
Net Cost Recognised in statement of Profit and Loss	-	-

iv) Assumptions used to determine the defined benefit obligations

Particulars	2016 - 2017	2015 - 2016
Mortality Table (LIC)	NA	(2006 - 08 ultimate)
Discount Rate (p.a.)	NA	NA
Estimated Rate of Return on Plan Asset	NA	NA
Expected Rate of increase in Salary (p.a.)	NA	NA

#### b) Leave Encashment (Unfunded)

i) Reconciliation of opening and closing balances of the present value of the defined leave encashment benefit obligation.

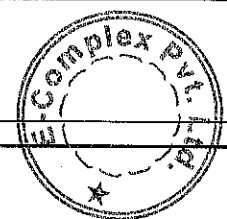
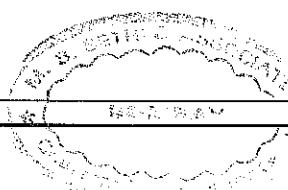
Particulars	2016 - 2017	2015 - 2016
Defined Benefit Obligation at beginning of the year	-	23.68
Current & Past Service Cost	-	-
Current Interest Cost	-	-
Actuarial (Gain) / Loss	-	-
Benefits paid/Reversed	-	23.68
Defined Benefit Obligation at end of the year	-	-

ii) Reconciliation of Present Value of Obligation and Fair Value of Plan Assets.

Particulars	2016 - 2017	2015 - 2016
Fair Value of Plan Assets at the end of the year	-	-
Present Value of Defined Benefit Obligation at end of the year	-	-
Liabilities / (Assets) recognised in the Balance Sheet	-	-

iii) Expenses recognised during the year.

Particulars	2016 - 2017	2015 - 2016
Current & Past Service Cost	-	-
Interest Cost	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain) / Loss	-	-
Net Cost Recognised in statement of Profit and Loss	-	-



## E Complex Private Limited

### Notes to Financial Statements

iv) Assumptions used to determine the defined benefit obligations.

Particulars	2016 - 2017	2015 - 2016
Mortality Table	NA	(2006 - 08 ultimate)
Discount Rate (p.a.)	NA	NA
Estimated Rate of Return on Plan Asset	NA	NA
Expected Rate of Increase in Salary (p.a.)	NA	NA

#### Notes - 21 FINANCE COSTS

Particulars	<i>Rs in Lacs</i>	
	for the year ended March 31, 2017	for the year ended March 31, 2016
Interest Expenses	5,686.14	6,983.27
Other Borrowing Costs	-	5.03
Total	5,686.14	6,988.30

#### Notes - 22 OTHER EXPENSES

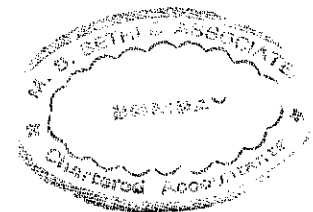
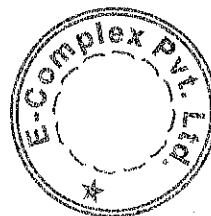
Particulars	<i>Rs in Lacs</i>	
	for the year ended March 31, 2017	for the year ended March 31, 2016
Power, Fuel and Water	15.34	29.15
Hire Charges	13.48	-
Repairs and Maintenance	22.03	34.36
Rent, Rates and Taxes	29.83	28.02
Travelling, Conveyance and Vehicle Hire Charges	5.94	-
Land Revenue charges	-	2.46
Security Expenses	63.43	84.23
Legal and Professional Charges	81.02	222.07
Payment to Auditors	0.37	0.37
Sundry Balances w/off	-	30.02
Miscellaneous Expenses	16.40	13.94
Total	247.84	444.62

#### 22.1 Payment to Auditors includes:

Particulars	<i>Rs in Lacs</i>	
	for the year ended March 31, 2017	for the year ended March 31, 2016
Audit Fees	0.25	0.25
Tax Audit Fees	0.12	0.12
Total	0.37	0.37

#### Notes - 23 Earnings per share (Basic and Diluted)

Particulars	<i>Rs in Lacs</i>	
	for the year ended March 31, 2017	for the year ended March 31, 2016
Net profit/(loss) after Tax	(4,179.44)	(4,380.91)
Amount available for calculation of Basic and Diluted EPS	(a) (4,179.44)	(4,380.91)
Weighted Average No. of Equity Shares outstanding for Basic and diluted EPS	(b) 21,709,327	21,709,327
Basic and Diluted Earnings per share of Rs. 10/- each (in Rs.)	(a) / (b) (19.25)	(20.18)



## E Complex Private Limited

### Notes to Financial Statements

#### Note - 24

##### CONTINGENT LIABILITIES AND COMMITMENTS

(No Cash Outflow is expected except as stated otherwise)

##### 24.1 CONTINGENT LIABILITIES

Particulars	<i>Rs in Lacs</i>	
	As at March 31, 2017	As at March 31, 2016
a) <b>Corporate Guarantee</b> (Given to Body Corporates for credit facilities taken by fellow subsidiary company)	8,428.13	11,000.00
b) <b>Demands not acknowledged as Debts</b>		
i) Income Tax	6.15	42.66
ii) Demands not acknowledged as Debts-Third Party Claims (Related to demand raised by Vendors and Lenders)	123.20	111.84

##### 24.2 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) (Cash flow is expected on execution of such Capital Contracts on Progressive basis)	1,279.00	1,279.00
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#### Note - 25

The company has issued a Bond cum legal undertaking for Rs. 9,000 Lacs (Previous Year Rs. 9,000 Lacs) in favour of The President of India acting through the Development Commissioner of the Kandla Special Economic Zone as a security for compliance of applicable provisions of the SEZ Act 2005 and SEZ rules 2006.

#### Note - 26

In the opinion of the management, Current Assets, Loans and Advances are of the value stated, if realized in the ordinary course of business.

#### Note - 27

##### SEGMENT REPORTING

The risk - return profile of the Company's business is determined predominantly by the nature of its products. The Company is engaged only in the business of SEZ Infrastructure and Development. As such, there are no separate reportable segments. Further all the operations of the Company are predominantly conducted within India, as such there are no separate reportable geographical segments. Revenue from Operation is only from One Customer.

#### Note - 28

##### RELATED PARTY DISCLOSURES

##### a) List of Related parties

##### 1 Holding Company

Reliance Defence and Engineering Limited (RDEL)

##### 2 Fellow Subsidiary

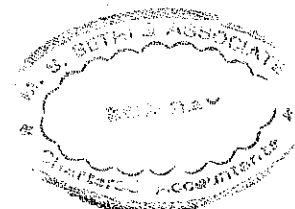
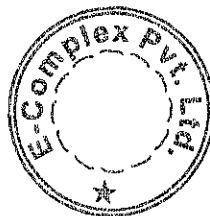
Reliance Marine and Offshore Limited (RMOL)  
PDOC Pte. Ltd.  
Reliance Lighter Than Air Systems Private Limited (RLTASPL)  
Reliance Engineering and Defence Services Limited (REDSL)  
Reliance Technologies and Systems Private Limited (RTSPL)

##### 3 Enterprises in which key managerial personnel or their relatives are able to exercise significant influence (Other Related Parties)

Reliance Infrastructure Limited (R Infra)  
SKIL Infrastructure Limited (SKIL)

##### b) Terms and Conditions of transactions with related parties

The Transactions from related parties are made on arm's length price. Outstanding balances at the year-end are unsecured and interest have been accounted on market rate except the advances which is merely reimbursement of expenses. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



## E Complex Private Limited

### Notes to Financial Statements

**c) Details of transactions with related parties**

**Transactions with related parties for the year ended March 31, 2017 and Closing balances**

*Rs in Lacs*

Nature of Transactions	RDEL	REDSL	RMOL	SKIL	R Infra	RTASPL
<b>Income</b>						
Lease Rent	360.50 (352.01)	- (-)	- (-)	- (-)	- (-)	- (-)
Infrastructure Facility	1,090.00 (1,090.00)	- (-)	- (-)	- (-)	- (-)	- (-)
Construction support service	417.39 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Interest Income	- (-)	- (-)	1,023.90 (1,880.73)	- (-)	- (-)	- (-)
<b>Expenditure</b>						
Interest Expenses on ICD	547.08 (586.70)	2,942.08 (2,247.27)	- (-)	340.77 (48.48)	632.89 (9.71)	- (-)
<b>Lease Deposit</b>						
	7,370.00 (7,370.00)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Interest accrued but not due</b>						
	1,440.45 (948.08)	4,984.16 (2,336.28)	- (-)	389.25 (48.48)	578.34 (8.74)	- (-)
<b>Borrowings</b>						
Balance as at 01.04.2016	5,055.76 (5,546.98)	16,511.20 (11,010.71)	- (-)	1,018.22 (-)	1,005.00 (-)	- (-)
Received during the year	- (-)	- (5,500.49)	- (-)	2,194.00 (1,018.22)	6,825.00 (1,005.00)	- (-)
Repaid during the year	1,973.02 (491.21)	401.18 (-)	- (-)	- (-)	- (-)	- (-)
Balance as at 31.03.2017	3,082.74 (5,055.77)	16,110.02 (16,511.20)	- (-)	3,212.22 (1,018.22)	7,830.00 (1,005.00)	- (-)
<b>Loans and Advances</b>						
Balance as at 01.04.2016	- (-)	- (-)	8,921.43 (11,196.00)	- (-)	- (-)	- (-)
Given during the year	- (-)	- (-)	- (-)	- (-)	- (-)	0.33 (-)
Returned during the year	- (-)	- (-)	39.73 (2,274.57)	- (-)	- (-)	- (-)
Balance as at 31.03.2017	- (-)	- (-)	8,881.70 (8,921.43)	- (-)	- (-)	0.33 (-)
<b>Interest Receivables</b>						
	- (-)	- (-)	4,588.66 (3,593.73)	- (-)	- (-)	- (-)
<b>Corporate Guarantee</b>						
	- (-)	8,428.13 (11,000.00)	- (-)	- (-)	- (-)	- (-)

**Note - 29**

**FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES:**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and advances from Customers. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include Investment, loans and advances, trade and other receivables, and cash and bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a finance committee that advises on financial decision and the appropriate financial risk governance framework for the Company. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

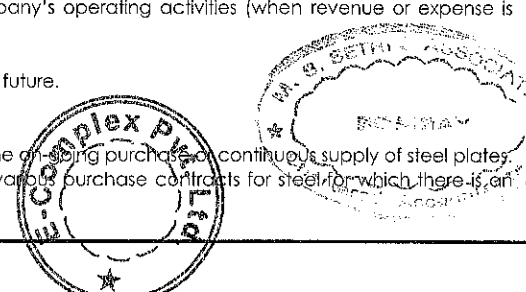
**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to realise in future.

**Commodity price risk**

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase of continuous supply of steel plates. Due to the significant increase in volatility of the price of the steel, the Company also entered into various purchase contracts for steel for which there is an active market.



# E Complex Private Limited

## Notes to Financial Statements

### Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

### Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

### Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

### Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, Letter of Credit and working capital limits.

### Note - 30

#### CAPITAL MANAGEMENT:

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

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

### Note - 31

#### OPERATING LEASE

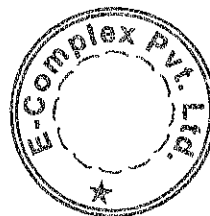
The Company has entered in to a non cancellable leasing agreements for Land and Infrastructure Facilities for a period of 30 years which are renewable by mutual consent on mutually agreeable terms. There is an escalation clause in the lease agreement during the lease period in line with expected general inflation. There are no restrictions imposed by lease arrangements and there are no sub leases. There are no contingent rents. Disclosures as required under Ind-AS 17 on "Lease" are given below:

Future minimum Lease payments under non-cancellable operating lease:

Sr No	Particulars	Land		Infrastructure	
		2016 - 2017	2015 - 2016	2016 - 2017	2015 - 2016
1	Lease Income Credited to Statement of Profit and Loss during the year	360.50	352.01	1,090.00	1,090.00
2	Future Minimum Lease payments payable in:				
	i Less than one year	362.32	360.50	1,090.00	1,090.00
	ii One to five years	1,574.25	1,543.07	4,810.00	4,660.00
	iii More than five years	2,485.60	3,060.76	7,692.50	9,969.28

### Note - 32

On September 20, 2012, the Revenue Department ordered the Collector, Dist Amreli to send a proposal to the Government of Gujarat ('GOG') for raising a demand for payment of 100% premium on the land approximately 451 acres granted to the E Complex Private Limited (ECPL), the Petitioners (formerly known as Metadist Industries Private Limited) for industrial purpose alleging that there is transfer of land / change of ownership of land on account change in shareholding pattern, directorships and change of name of ECPL, change of user and for failure to complete the project within the specified period of three years. ECPL has filed the Writ Petition asserting that the legal entity to which the land of allotted is the same and as such there is no transfer of land. Further, the land was allotted for industrial purpose and being used for industrial purpose, as such there is no change of user. As per principle of proportionality, for minor irregularities harsh action like demand for 100% premium cannot be initiated. The matter is pending before the High Court. The Company has also filed representation to Government of Gujarat in regard to payment of premium and the same is pending.



# E Complex Private Limited

## Notes to Financial Statements

### Note - 33

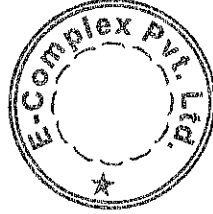
Previous year figures have been reworked, regrouped, rearranged and reclassified, wherever necessary to make them comparable with those of the current year.

As per our report of even date  
For **M.S. Sethi & Associates**  
Chartered Accountants  
Firm Reg.No : 109407W



**Manoj Sethi**  
Proprietor  
Membership No.: 39784

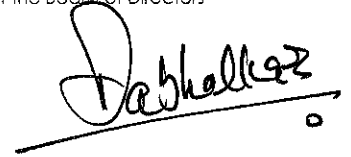
Place :- Mumbai  
Date :- April 08, 2017



for and on behalf of the Board of Directors



**Venkat Rachkonda**  
Director



**Ajit Dabholkar**  
Director