

Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NINA WATERPROOFING SYSTEMS PRIVATE LIMITED Report on the Financial Statements

We have audited the accompanying financial statements of **NINA WATERPROOFING SYSTEMS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

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 matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

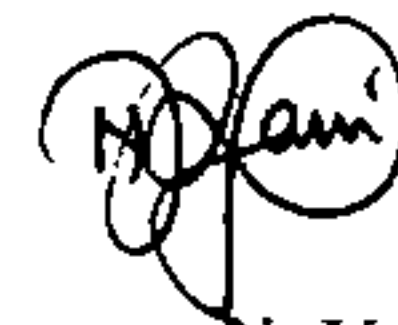
Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)



N. K. Jain

Partner

(Membership No.045474)

Place: Mumbai

Date: 5th May, 2016

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

TO THE MEMBERS OF NINA WATERPROOFING SYSTEMS PRIVATE LIMITED FOR THE YEAR ENDED 31ST MARCH, 2016

Report on the Internal Financial Controls Over Financial Reporting 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 **Nina Waterproofing Systems Private Limited** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone 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.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)



N. K. Jain
Partner
(Membership No.045474)

Place: Mumbai
Date: 5th May, 2016



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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

TO THE MEMBERS OF NINA WATERPROOFING SYSTEMS PRIVATE LIMITED FOR THE YEAR ENDED 31ST MARCH, 2016

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year to which the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 apply.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, cess and other material statutory dues applicable to it to the appropriate authorities, except there have been delays in depositing undisputed Sales Tax, Service Tax, Customs Duty, and Value Added Tax.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable except undisputed amounts payable in respect of Sales Tax as disclosed hereunder, are not paid till date:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates	Due Date	Date of subsequent payment
Central Sales Tax Act, 1956	VAT	12,25,065	April-July 2015	Various	Not Paid till date
	CST	3,751	April-Sept 2015	Various	Not Paid till date

- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31st March, 2016 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not accepted any loans or borrowings from government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

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- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)



N. K. Jain
Partner
(Membership No.045474)

Place: Mumbai
Date: 5th May, 2016

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NINA WATERPROOFING SYSTEMS PVT LTD
Balance Sheet

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	9,999,990	3,333,330
Reserves and Surplus	4	956,051,293	(320,982)
		<u>966,051,283</u>	<u>3,012,348</u>
Non-Current liabilities			
Deferred Tax Liabilities (net)	5	8,313,449	-
Other Long Term Liabilities	6	8,130,577	-
Long-Term Provisions	7	9,641,816	-
		<u>26,085,842</u>	<u>-</u>
Current liabilities			
Short-Term Borrowings	8	21,178,544	-
Trade Payables	9	-	-
- Payable to Micro & Small Enterprises		-	-
- Others		243,312,814	37,197
Other Current Liabilities	10	297,207,103	1,530,173
Short-Term Provisions	11	8,255,554	-
		<u>569,954,015</u>	<u>1,567,370</u>
TOTAL		<u><u>1,562,091,140</u></u>	<u><u>4,579,718</u></u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	12	27,624,961	9,266
Intangible Assets	13	290,719,488	9,266
		<u>318,344,449</u>	<u>-</u>
Non Current Investments	14	115,000,000	-
Long-Term Loans and Advances	15	8,552,431	-
Other Non-Current Assets	16	79,643,742	-
		<u>521,540,622</u>	<u>9,266</u>
Current Assets			
Inventories	17	205,913,911	-
Trade Receivables	18	519,182,355	-
Cash and Cash Equivalents	19	8,903,500	3,103,712
Short-Term Loans and Advances	20	35,904,691	1,466,740
Other Current Assets	21	270,646,061	-
		<u>1,040,550,518</u>	<u>4,570,452</u>
TOTAL		<u><u>1,562,091,140</u></u>	<u><u>4,579,718</u></u>
Significant accounting policies	2		
See accompanying notes forming part of the financial statements	1 to 48		

In terms of our Report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

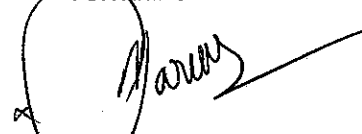


N. K. JAIN
Partner

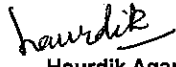
Place: Mumbai
Date : 5th May, 2016

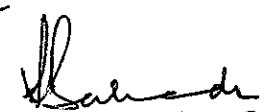


FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Mehul Parikh
Managing Director


Haurdik Agarwal
Head Finance & Accounts



Sanjay Bahadur
Director

Place: Mumbai
Date : 5th May, 2016

NINA WATERPROOFING SYSTEMS PVT LTD
Statement of Profit and Loss

(Amount in Rs.)

Particulars	Note No.	For the year ended 31st March 2016	For the period from 11th November 2014 to 31st March 2015
INCOME			
Revenue from Operations	22	1,437,399,041	-
Other Income	23	8,745,016	-
Total Income		1,446,144,057	-
EXPENSES			
Cost of Materials Consumed	24	665,010,304	-
Purchases of Stock-in-Trade (Traded goods)	25	21,879,909	-
Changes in inventories of Work-in-Progress	26	(39,123,950)	-
Direct Man Power & Site Expenses	27	418,911,769	-
Employee Benefits Expense	28	157,815,902	-
Finance Costs	29	569,870	-
Depreciation and Amortization Expense	30	43,522,859	234
Other Expenses	31	48,437,470	320,748
Total Expenses		1,317,024,133	320,982
Profit / (Loss) before Tax		129,119,924	(320,982)
Tax Expense			
Current Tax expense		31,100,000	-
Deferred Tax	5	8,313,449	-
Net Tax expense		39,413,449	-
Profit / (Loss) for the year / period		89,706,475	(320,982)
Earnings per share			
Basic and Diluted	38	111	(1)
Face Value of Share		10	10
Significant Accounting Policies	2		
See accompanying notes forming part of the financial statements	1 to 48		

In terms of our Report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



N. K. JAIN
Partner

Place: Mumbai
Date : 5th May, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Mehul Parikh
Managing Director



Sanjay Bahadur
Director



Haurdik Agarwal
Head Finance & Accounts

Place: Mumbai
Date : 5th May, 2016

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NINA WATERPROOFING SYSTEMS PVT LTD

CASH FLOW STATEMENT				
				(Amount in Rs.)
Particulars	For the year ended 31st March, 2016		For the Period from 11th November 2014 to 31st March 2015	
	A. Cash flow from operating activities			
Net Profit/(Loss) before tax		129,119,924		(320,982)
<u>Adjustments for:</u>				
Depreciation and amortization expense	43,522,859		234	
Share issue expense	800,000		-	
Provision for employee benefits	5,376,577		-	
Provision for warranty expense	1,450,000		-	
Interest income	(5,664,011)		-	
Unrealised foreign exchange loss	50,257		-	
Net gain on sale of Current Investments	(3,019,292)		-	
Provision for Doubtful Debts	7,693,058		-	
Finance costs	569,870		-	
		50,779,318		234
Operating profit / (Loss) before working capital changes		179,899,242		(320,748)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	145,524,175		-	
Trade receivables	(208,071,011)		-	
Short-term loans and advances	(28,522,183)		(1,466,740)	
Long-term loans and advances	(1,216,095)		-	
Other Current Assets	(192,152,543)		-	
Other non current assets	(315,000)		-	
		(284,752,657)		(1,466,740)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	1,893,981		37,197	
Other current liabilities	103,448,294		1,530,173	
		105,342,275		1,567,370
Cash generated from / (used in) operations		488,860		(220,118)
Net income tax paid		(35,227,350)		-
Net cash flow used in operating activities (A)		(34,738,490)		(220,118)
B. Cash flow from Investing activities				
Capital expenditure on fixed assets, including capital advances	(22,967,248)		(9,500)	
Amount paid against BTA considerations (Refer Note 46)	(718,740,541)		-	
Profit on sale of investments	3,019,292		-	
Interest received	1,105,641		-	
Investment in Deposits	(115,000,000)	(852,602,856)		(9,500)
Net cash flow used in investing activities (B)		(852,602,856)		(9,500)
C. Cash flow from financing activities				
Net Proceeds from issue of share capital	873,332,460		3,333,330	
Share issue expenses paid	(800,000)		-	
Net Proceeds from short-term borrowings	21,178,544		-	
Finance costs	(569,870)		-	
		893,141,134		3,333,330
Net cash flow generated from financing activities (C)		893,141,134		3,333,330
Net increase in Cash and cash equivalents (A+B+C)		5,799,788		3,103,712
Cash and cash equivalents at the beginning of the year		3,103,712		-
Cash and cash equivalents at the end of the year (Refer Note 19)		8,903,500		3,103,712

Notes:

- (i) Total Purchase consideration payable on acquisition of business aggregated to Rs 820,212,877/-. Of the above, the Company has paid an amount of Rs 718,740,541/- and the balance amount of Rs 101,472,336/- is payable by the Company to the Seller progressively over a period of three years i.e. by April 16, 2018. (Refer Note 46)
- (ii) Previous year's cash flow has been prepared based on previous year's audited financial statement.

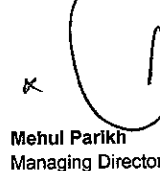
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N. K. JAIN
Partner

Place: Mumbai
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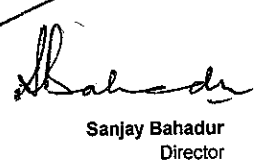
FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Mehul Parikh
Managing Director



Haurdik Agarwal
Head Finance & Accounts



Sanjay Bahadur
Director

Place: Mumbai
Date : 5th May, 2016

Notes forming part of financial statements.

1. **Corporate Information**

Nina Waterproofing Systems Private Limited ("the Company") is Specialized in waterproofing Work. It offers end-to-end solutions in waterproofing. The Company has its major presence across the construction spectrum - including residential, commercial, industrial, institutional and infrastructure segments. Its Principal place of business is at Mumbai. The Company was incorporated on 11th Nov, 2014.

2. **Significant Accounting Policies**

2.1 **Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with applicable rules of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention on a going concern basis.

2.2 **Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialised.

2.3 **Fixed Assets (Tangible/ Intangible)**

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

2.4 **Depreciation and amortisation**

Depreciable amount for assets is the cost of an asset or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, which have been taken over pursuant to business transfer agreement (BTA) (Refer Note 46), in whose case the life of the assets has been assessed as under based on internal technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc:

- a) Furniture : 3 to 5 years.
- b) Office Equipments : 1 to 5 years.
- c) Plant & Machinery : 1 to 5 years.
- d) Vehicles : 1 to 10 years.

Intangible assets are amortised over their estimated useful life on the straight-line method as follows:

- a) Goodwill acquired by the Company - 10 years
- b) Trademarks acquired by the Company - 10 years.
- c) Computer Software - 5 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.5 **Investments**

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.6 **Inventories**

Inventories consisting of stock of material and work-in-process are valued at the lower of cost (First in first out) and net realisable value, after providing for obsolescence and other losses where considered necessary.

The above Cost includes cost of direct material, labour and apportioned overheads.

2.7 **Revenue recognition**

Revenue is primarily derived from waterproofing and related services and from the sale of waterproofing material. Arrangements with customers for waterproofing related services are on a time-and-material basis.

Revenue on time-and-material contracts are recognized as sale as and when the related services are performed and certified by the client. Services performed and not certified by the client, are recognized as Sales and unbilled revenue under other current assets. Incomplete services are recorded at cost as work in progress and disclosed under Inventories.

Interest income is recognised on accrual basis.

Claims/Insurance claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt.

2.8 **Foreign currency transactions and translations**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items (other than forward contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.9 **Accounting for forward contracts**

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

Notes forming part of financial statements.

2.10

Employee benefits

Employee benefits include Provident Fund, Employee State Insurance Scheme, Employee Pension Fund, Gratuity Fund and Compensated Absences.

Defined contribution plans

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- b) In case of non-accumulating compensated absences, when the absences occur.

2.11

Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and Deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

2.12

Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised nor disclosed in the financial statements.

2.13

Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash in hand and short-term investments with an original maturity of three months or less.

2.14

Cash flow statement

Cash flows are reported using the indirect method, whereby profit / loss before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.

2.15

Impairment of assets

The carrying value of assets/ cash generating units at each Balance Sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is an indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

2.16

Provision for Warranty

The estimated liability for service warranties is recorded when products applied and services provided. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product applied service failures. The timing of outflows will vary as and when warranty claim will arise - being typically up to ten years service provided against the apply method. As per the terms of the contracts, the Company provides post-contract warranty to some of its customers. The Company accounts for the post-contract provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

2.17

Operating cycle

Based on the varied nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has considered its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. SHARE CAPITAL

		(Amount in Rs.)	
		As at	As at
		31st March 2016	31st March 2015
Authorised Capital :			
1,100,000 (1,100,000) Equity Shares of Re 10 each		11,000,000	11,000,000
	TOTAL	11,000,000	11,000,000
Issued, Subscribed and Paid up Capital :			
999,999 (333,333) Equity Shares of Re 10 each, fully paid-up		9,999,990	3,333,330
	TOTAL	9,999,990	3,333,330

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	As at		As at	
	31st March 2016		31st March 2015	
	Number of Shares	Rs.	Number of Shares	Rs.
Equity Shares				
Shares outstanding at the beginning of the year	333,333	3,333,330	-	-
Shares issued on Incorporation	-	-	100,000	1,000,000
Shares issued during the year	666,666	6,666,660	233,333	2,333,330
Shares outstanding at the end of the year	999,999	9,999,990	333,333	3,333,330

b. Terms/ Rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholders are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the company, remaining assets of the company after distribution of all preferential amounts will be distributed in proportion to the number of equity shares held. The Company has not declared any dividend during the year.

c. Details of shareholders holding more than 5% shares in the Company:

	As at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mehul Parikh	-	-	50,000	15
Mehul Parikh (Held as a partner of Jupiter Waterproofing Services)	300,000	30	50,000	15
Pidilite Industries Ltd (Holding Company)	699,999	70	233,333	70

d. No equity shares were allotted without payment being received in cash.

4. RESERVES AND SURPLUS

		(Amount in Rs.)	
		As at	As at
		31st March 2016	31st March 2015
Securities Premium Account			
Balance as per last financial statements		-	-
Add : Premium on Shares issued during the year		866,665,800	-
Closing Balance		866,665,800	-
Surplus / (Deficit) in Statement of Profit and Loss			
Balance as per last financial statements		(320,982)	-
Add: Profit / (Loss) for the year		89,706,475	(320,982)
Closing Balance		89,385,493	(320,982)
	TOTAL	956,051,293	(320,982)

5. Deferred Tax Liabilities (Net)

		(Amount in Rs.)	
		As at	As at
		31st March 2016	31st March 2015
Tax effect of items constituting Deferred Tax Liabilities			
On difference between book and tax depreciation / amortisation		14,619,458	-
Tax effect of items constituting Deferred Tax Liabilities		14,619,458	-
Tax effect of items constituting Deferred Tax Assets			
Provision for Employee Benefits		3,762,453	-
Provision for doubtful debts		2,543,556	-
Tax effect of items constituting Deferred Tax Assets		6,306,009	-
	TOTAL	8,313,449	-

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6. Other Long Term Liabilities

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Payables towards BTA (Refer Note 46)	8,130,577	-
TOTAL	8,130,577	-

7. Long-Term Provisions

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Provision for Employee Benefits Gratuity	9,641,816	-
TOTAL	9,641,816	-

8. Short-Term Borrowings

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Secured Short Term Loans from Banks - Buyer's Credit	21,178,544	-
TOTAL	21,178,544	-

Secured by first charge by way of hypothecation of the company's entire stocks of materials, semi finished and finished goods such other moveable's including book-debts, bills whether, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating banks.

9. Trade Payables

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Trade Payables Payable to Micro & Small Enterprises (Refer Note 42)	-	-
Others		
Acceptances	15,903,062	-
Other than Acceptances	227,409,752	37,197
TOTAL	243,312,814	37,197

10. Other Current Liabilities

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Other Payables :		
Statutory Remittances	25,364,191	-
Employee related Liabilities	8,054,202	-
Retention Deposits Payable	3,150,773	-
Advance from customers	151,715,955	-
Payables towards BTA (Refer Note 46)	93,341,759	-
Accrued Liabilities for Expenses	15,580,223	1,530,173
TOTAL	297,207,103	1,530,173

11. Short-Term Provisions

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Provision for Employee Benefits Gratuity	1,737,832	-
Compensated absences	5,067,722	-
Provision for Warranty Expense (Refer Note 45)	1,450,000	-
TOTAL	8,255,554	-

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14. Non-current Investments

		(Amount in Rs.)	
		As at	As at
		31st March 2016	31st March 2015
Long Term Investments (at cost) (Non Trade)			
Unquoted Investment in Deposit with			
IL & FS Financials Services Limited		17,500,000	-
Infrastructure Leasing & Financials Services Limited		97,500,000	-
TOTAL		115,000,000	-

15. Long Term Loans and Advances

		(Amount in Rs.)	
		As at	As at
		31st March 2016	31st March 2015
Unsecured, considered good			
Security deposits			
		4,226,874	-
Advance Income Tax (Net of Provisions Rs. 31,100,000, Previous Period - NIL)			
		4,127,350	-
Balance with Government Authorities			
		198,207	-
TOTAL		8,552,431	-

16. Other Non-Current Assets

		(Amount in Rs.)	
		As at	As at
		31st March 2016	31st March 2015
Unsecured, considered good			
Fixed Deposits with Bank (Under Lien)			
		315,000	-
Interest Accrued on Deposit with			
Bank		7,730	-
Others		4,550,640	-
Retention Monies Receivable			
		74,770,372	-
TOTAL		79,643,742	-

17. Inventories (At lower of cost and net realizable value)

		(Amount in Rs.)	
		As at	As at
		31st March 2016	31st March 2015
Stock of Material			
		166,789,961	-
(Including Goods in Transit: Rs. 17,357,396, Previous Period - NIL)			
Work-in-Progress			
		39,123,950	-
TOTAL		205,913,911	-

18. Trade Receivables

		(Amount in Rs.)	
		As at	As at
		31st March 2016	31st March 2015
Outstanding for period exceeding six months from the date they were due for payment			
Unsecured, considered good			
		185,673,229	-
Considered doubtful			
		7,693,058	-
		193,366,287	-
Less: Provision for doubtful receivables			
		7,693,058	-
	Total (A)	185,673,229	-
Other Trade Receivables			
Unsecured, considered good			
		333,509,126	-
	Total (B)	333,509,126	-
	TOTAL (A+B)	519,182,355	-

Trade Receivable includes dues from Private companies in which any Director is a director or a member. (Refer Note 40)

19. Cash and Cash Equivalents

		(Amount in Rs.)	
		As at	As at
		31st March 2016	31st March 2015
Cash on Hand			
		-	-
Balances with banks			
In Current Account			
		8,903,500	770,382
In Escrow Account			
		-	2,333,330
	TOTAL	8,903,500	3,103,712
Of the above the balances that meet definition of cash and cash equivalents as per Accounting Standard 3 of Cash Flow Statement.			
		8,903,500	3,103,712

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NINA WATERPROOFING SYSTEMS PVT LTD

Notes forming part of financial statements.

20. Short Term Loans and Advances

(Amount in Rs.)

	As at 31st March 2016	As at 31st March 2015
Unsecured, considered good		
Security deposits	318,809	-
Advances to vendors	28,860,875	-
Prepaid Expenses	300,766	1,432,340
Balances with Government Authorities	931,433	34,400
Loans and Advances to Employees	5,493,008	-
TOTAL	35,904,691	1,466,740

21. Other Current Assets

(Amount in Rs.)

	As at 31st March 2016	As at 31st March 2015
Unsecured, considered good		
Uncertified Revenue from Works Contract	162,529,008	-
Retention Monies Receivable	108,117,053	-
TOTAL	270,646,061	-

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NINA WATERPROOFING SYSTEMS PVT LTD

Notes forming part of financial statements.

22. Revenue From Operations

		(Amount in Rs.)	
		For the year ended 31st March 2016	For the period from 11th November 2014 to 31st March 2015
Sales of Products			
Chemicals		39,581,020	-
Sale of Services			
Certified Revenue from Works Contract		1,235,289,013	-
Uncertified Revenue from Works Contract		162,529,008	-
	TOTAL	1,437,399,041	-

23. Other Income

		(Amount in Rs.)	
		For the year ended 31st March 2016	For the period from 11th November 2014 to 31st March 2015
Interest on:			
Bank Deposits		7,999	-
Other Deposits		5,656,012	-
Net gain on sale of Current Investments		3,019,292	-
Other non-operating Income:			
Insurance claim received		61,713	-
	TOTAL	8,745,016	-

24. Cost of Materials Consumed

		(Amount in Rs.)	
		For the year ended 31st March 2016	For the period from 11th November 2014 to 31st March 2015
Inventory at the beginning of the year		-	-
Add : Purchases (Chemicals as per BTA refer note 46)		351,438,086	-
Add : Purchases (Chemicals)		480,362,179	-
		831,800,265	-
Less : Inventory at the end of the year		166,789,961	-
	TOTAL	665,010,304	-

25. Purchases of Stock in Trade (Traded goods)

		(Amount in Rs.)	
		For the year ended 31st March 2016	For the period from 11th November 2014 to 31st March 2015
Chemicals		21,879,909	-
	TOTAL	21,879,909	-

26. Change in Inventories of Work in Progress

		(Amount in Rs.)	
		For the year ended 31st March 2016	For the period from 11th November 2014 to 31st March 2015
Inventories at end of the year			
Work-in-Progress	(A)	39,123,950	-
		39,123,950	-
Inventories at beginning of the year			
Work-in-Progress	(B)	-	-
	TOTAL	(39,123,950)	-

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Notes forming part of financial statements.

27. Direct Man Power & Site Expenses

	(Amount in Rs.)	
	For the year ended 31st March 2016	For the period from 11th November 2014 to 31st March 2015
Manpower Cost at Sites	368,019,227	-
Site Establishment Expenses	50,892,542	-
TOTAL	418,911,769	-

28. Employee Benefits Expense

	(Amount in Rs.)	
	For the year ended 31st March 2016	For the period from 11th November 2014 to 31st March 2015
Salaries and Wages	150,083,755	-
Contribution to Provident and Other Funds	3,939,381	-
Gratuity Expense	1,417,796	-
Staff Welfare Expenses	2,374,970	-
TOTAL	157,815,902	-

29. Finance Costs

	(Amount in Rs.)	
	For the year ended 31st March 2016	For the period from 11th November 2014 to 31st March 2015
Interest expense on:		
Borrowings	320,404	-
Delayed / deferred payment of Statutory Dues	249,466	-
TOTAL	569,870	-

30. Depreciation and Amortization Expense

	(Amount in Rs.)	
	For the year ended 31st March 2016	For the period from 11th November 2014 to 31st March 2015
Depreciation (Refer Note 12)	14,286,638	-
Amortization (Refer Note 13)	29,236,221	234
TOTAL	43,522,859	234

31. Other Expenses

	(Amount in Rs.)	
	For the year ended 31st March 2016	For the period from 11th November 2014 to 31st March 2015
Rent	4,605,563	-
Insurance	1,258,685	-
Repairs & Maintenance Expenses	1,353,382	21,333
Electricity Expenses	1,074,111	-
Advertisement and Publicity	492,173	-
Legal, Professional and Consultancy fees	4,070,746	-
Communication Expenses	2,645,183	-
Printing and Stationery	883,484	-
Travelling and Conveyance Expenses	6,259,996	-
Rates & Taxes Paid	5,020,898	14,600
Provision for Warranty Expenses (Refer Note 45)	1,450,000	-
Provision for Doubtful Debts	7,693,058	-
Payments to Auditor (Refer Note 43)	920,000	15,000
Bank Charges	2,695,576	618
Net loss on foreign currency transactions and translation	5,843,680	-
Miscellaneous expenses	2,170,935	269,197
TOTAL	48,437,470	320,748

32. Contingent Liabilities and Commitments

		(Amount in Rs.)	
		As at 31st March, 2016	As at 31st March, 2015
A)	Contingent liabilities not provided for:		
	Guarantees given by Banks in favour of others	229,613,500	-
B)	Commitments:		
(a)	Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	4,730,193	-
(b)	Other Commitments - Non Cancellable Operating Leases (Refer Note 44)		
33.	The net amount of exchange differences (credited) / debited to Statement of Profit and Loss	5,843,680	-
34.	Details of consumption of Imported and Indigenous Materials and percentage thereof :		

	For the year ended 31st March, 2016	For the period from 11th November 2014 to 31st March 2015	For the year ended 31st March, 2016	For the period from 11th November 2014 to 31st March 2015
	(Amount in Rs.)		%	
Materials				
Imported (Includes purchase under BTA refer note 46)	250,400,168	-	37.7	-
Indigenous	414,610,136	-	62.3	-
TOTAL	665,010,304	-	100.0	-

35. Value of Imports calculated on CIF basis

		(Amount in Rs.)	
		For the year ended 31st March, 2016	For the period from 11th November 2014 to 31st March 2015
Materials		101,319,892	-
Capital Goods		4,733,837	-
TOTAL		106,053,729	-

36. Expenditure in foreign currency (accrual basis)

		(Amount in Rs.)	
		For the year ended 31st March, 2016	For the period from 11th November 2014 to 31st March 2015
Foreign Travel		34,943	-
Professional fees		251,111	-
TOTAL		286,054	-

37. Segment information

In accordance with the principles given in Accounting Standard on Segment Reporting (AS 17) notified by Companies (Accounting Standards) Rules, 2006, the Company has one reportable business segment i.e. "Waterproofing Services". The Company has no other reportable segment. Further, business of the Company is within India hence there is no Geographical segment.

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NINA WATERPROOFING SYSTEMS PVT LTD

Notes forming part of financial statements.

38. Earnings Per Share (EPS)

The following reflects the Profit and Share data used in the Basic and Diluted EPS computations:

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Basic & Diluted:		
Total Operations for the year / period		
Profit / (Loss) for the year	89,706,475	(320,982)
Weighted average number of equity shares in calculating basic EPS	808,218	333,333
Par value per share (Re.)	10.00	10.00
Earning per share (Basic) (Rs.)	111	(1)

39. Details of Unhedged foreign currency exposure as at the end of Year.

Foreign currency exposures as on the balance sheet date that have not been hedged by the company under a derivative instrument / forward cover are given below.

Amounts payable in foreign currency on account of the following:

	Foreign Currency		(Amount in Rs.)	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
EUR	151,287	-	11,353,169	-
USD	369,660	-	24,510,276	-
AED	26,326	-	475,263	-
AUD	67,403	-	3,420,224	-

40. Related Party Disclosures

Related Party Disclosures as required by AS-18, "Related Party Disclosure" are given below:

(i) Relationships:

a. Pidilite Industries Ltd	Holding Company
b. Percept Waterproofing Services Ltd	Significant Influence of Holding Company
c. Nina Concrete Systems Pvt Ltd	Significant Influence of Managing Director
d. Mekaul Constructions Technologies Pvt Ltd	Significant Influence of Managing Director
e. Penetron India Pvt Ltd	Significant Influence of Managing Director

(ii) Key Management Personnel :

a. Shri Mehul K. Parikh	Managing Director
b. Smt Hetal M. Parikh	Director

Transactions with Related Parties for the year ended 31st March, 2016 are as follows :

							(Amount in Rs.)
	Nature of Transaction	Remuneration to Directors	Pidilite Industries Ltd	Percept Waterproofing Services Ltd	Nina Concrete Systems Pvt Ltd	Mekaul Construction Technologies Pvt Ltd	Penetron India Pvt Ltd
a	Sales /Works Contact Income		-	-	96,546,486	-	799,409
			(-)	(-)	(-)	(-)	(-)
b	Business Purchase		-	-	820,212,877	-	-
			(-)	(-)	(-)	(-)	(-)
c	Purchases and Other Services		115,478,649	6,304,069	720,000	54,919	387,282
			(-)	(-)	(-)	(-)	(-)
d	Remuneration to Directors:						
	Managing Director	11,038,244	-	-	-	-	-
	Director	4,587,657	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
e	Outstanding Balances :						
	- Debtors including advances		-	-	62,632,028	54,919	799,409
			(-)	(-)	(-)	(-)	(-)
	- Creditors		(90,034,253)	(53,205)	(99,144)	-	(1,357,220)
			(-)	(-)	(-)	(-)	(-)
	- Net Receivable/(Payable)		(90,034,253)	(53,205)	62,532,884	54,919	(557,811)
			(-)	(-)	(-)	(-)	(-)

Figures in bracket indicates previous period's figures

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41. Employee Benefits

The Company has classified various employee benefits as under :

(A) Defined Contribution Plans

- (a) Provident Fund
- (b) State Defined Contribution Plans
 - Employers' Contribution to Employees' State Insurance
 - Employers' Contribution to Employees' Pension Scheme 1995

The Provident Fund and the State Defined Contribution Plans are operated by the Regional Provident Fund Commissioner for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

The Company has recognised the following amounts in the Statement of Profit and Loss :

	(Amount in Rs.)	
	For the year ended 31st March, 2016	For the period from 11th November 2014 to 31st March 2015
(i) Contribution to Employees' Provident Fund & Pensions Scheme 1995	3,704,443	-
(ii) Contribution to Employees' State Insurance Scheme	234,938	-
TOTAL	3,939,381	-

(B) Defined Benefit Plans

- (a) Gratuity
- (b) Compensated absences

Valuations in respect of gratuity have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions :

(i) Discount Rate (per annum)	7.80%	-
(ii) Rate of increase in Compensation levels (per annum)	5.00%	-
(iii) Expected Rate of Return on Assets	NA	-
(iv) Attrition Rate	13.00%	-
(v) Retirement Age	60 years	-

- (vi) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.
- (vii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

	(Amount in Rs.)	
	31st March 2016	31st March 2015
	Gratuity Non Funded	Gratuity Non Funded
(i) Changes in Present value of Obligation		
(a) Opening Present value of Obligation	-	-
(b) Obligation as per BTA	11,070,793	-
(c) Interest Cost	787,462	-
(d) Current Service Cost	1,049,328	-
(e) Benefits Paid	(1,108,941)	-
(f) Actuarial (Gains)/Loss	(418,994)	-
(g) Closing Present value of Obligation	11,379,648	-
(ii) Changes in Fair value of Plan Assets		
(a) Opening Present value of Plan Assets	-	-
(b) Expected Return on Plan Assets	-	-
(c) Actuarial Gain/(Loss)	-	-
(d) Employer's Contributions	-	-
(e) Benefits Paid	-	-
(f) Closing Fair value of Assets	-	-
(iii) Actual Return on Plan Assets		
(a) Expected Return on Plan Assets	-	-
(b) Actuarial Gains/(Losses) on Plan Assets	-	-
(c) Actual Return on Plan Assets	-	-
(iv) Reconciliation of the Present Value of Defined Present Obligations and Fair Value of Assets		
(a) Closing Present value of Funded Obligation	11,379,648	-
(b) Closing Fair value of plan Assets	-	-
(c) Funded (Asset) / Liability recognised in the Balance Sheet	11,379,648	-
(v) Amounts recognized in the Balance Sheet		
(a) Closing Present value of Obligation	11,379,648	-
(b) Closing Fair value of Plan Assets	-	-
(c) (Asset) / Liability recognized in the Balance Sheet	11,379,648	-
(vi) Expenses recognized in the Statement of Profit and Loss		
(a) Current Service Cost	1,049,328	-
(b) Interest Cost	787,462	-
(c) Expected Return on Plan Assets	-	-
(d) Net Actuarial (Gain) / Loss	(418,994)	-
(e) Total Expenses recognized in the Statement of Profit and Loss	1,417,796	-
(vii) Experience adjustments		
Particulars	31st March 2016	31st March 2015
Fair value of Plan Assets, End of Period	-	-
Projected Benefit Obligation, End of Period	11,379,648	-
(Surplus)/Deficit in the Plan	11,379,648	-
Experience Adjustments on Plan Assets	-	-
(Gains)/losses due to change in Assumptions	(1,204,079)	-
Experience (Gains)/Losses on PBO	785,085	-
Total (Gain)/Loss	(418,994)	-

This being the second year of the company, experience adjustment information in respect of previous one year only has been furnished. Compensated absences amounting to Rs. 5,067,722 charged to statement of Profit & Loss are in the nature of short term employee benefits and have been provided at actuals based on year end leave balances of the eligible employees.

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NINA WATERPROOFING SYSTEMS PVT LTD

Notes forming part of financial statements.

42. Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006

	(Amount in Rs.)	
	For the year ended 31st March, 2016	For the period from 11th November 2014 to 31st March 2015
(i) Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
TOTAL	-	-

The above information regarding dues to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company. This has been relied upon by the auditors.

43. Details of Payments to Auditor

	(Amount in Rs.)	
	For the year ended 31st March, 2016	For the period from 11th November 2014 to 31st March 2015
Audit fees	700,000	15,000
Other Services:	220,000	-
Certification Fees	920,000	15,000

44. Operating Lease

- a) Operating lease payment has been recognised in Statement of Profit and Loss under heading Rent under other expenses amounting to Rs. 4,605,563/- (Rs. NIL)
- b) General description of the leasing arrangement:
- i) Leased Assets : Godowns and Office space.
- ii) Future lease rentals are determined on the basis of agreed terms.
- iii) At the expiry of the lease term, the Company has an option either to vacate the asset or extend the term by giving notice in writing.

The Company has entered into operating lease arrangements for certain facilities. The lease is non-cancellable for a period of 3 years and may be renewed for a further period based on mutual agreement of the parties.

Future minimum lease payments	(Amount in Rs.)	
	For the year ended 31st March, 2016	For the period from 11th November 2014 to 31st March 2015
not later than one year	7,380,000	-
later than one year and not later than five years	14,541,774	-
later than five years	-	-

45. Provision for Warranty expense

Particulars	(Amount in Rs.)	
	For the year ended 31st March, 2016	For the period from 11th November 2014 to 31st March 2015
Balance as at Begaining of the year	-	-
Addition	1,450,000	-
Utilisation	-	-
Reversal (withdrawn as no longer required)	-	-
Balance as at Closing of the year	1,450,000	-

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Notes forming part of financial statements.

46. Note on Business Purchase Agreement

Pursuant to a Business Transfer Agreement (BTA) entered into by the company with Nina Concrete Systems Private Limited (NCSPL), the company acquired the waterproofing Business (the "Business"), including all its assumed assets and assumed liabilities, of NCSPL, a private limited company based in India (the "Seller"), as a going concern and on a slump sale basis for a lump-sum consideration, with effect from 17 April 2015.

The terms and conditions of the BTA included a total purchase consideration of Rs 820,212,877/-, part of which was paid by the Company to the Seller on the date of the Transaction (the "Up-front Payment") amounting to Rs. 696,000,000/-, Rs 20,000,000/- paid in December 2015 and Rs. 2,740,541/- net paid till Mar 16. A balance amount of Rs 101,472,336/- (Holdback Amount) will be payable by the Company to the Seller progressively over a period of three years i.e. by April 16, 2018.

An amount of Net Working Capital, i.e. Receivables, Inventories, Retention Monies receivables, etc which would not have been fully realised with in a period of three year i.e. by April 16, 2018, shall be deducted by the Company from the Holdback amount payable to seller.

For funding the transaction, 666,666 equity shares of face value Rs. 10 each at a premium of Rs. 1300 were issued and allotted on 16 July 2015.

As per BTA, all the employees as on the date of BTA were transferred to the Company on a continuous service basis.

In the above transaction an amount of Rs 36,529,190/- was paid towards goodwill, being the difference between purchase consideration and net assets acquired based on an independent valuation obtained in this regard, as detailed under:

	(Amount in Rs.)
Total Purchase Consideration (A)	820,212,877
Tangible Assets	28,762,751
Intangible Assets	262,508,060
Inventories	351,438,086
Trade Receivables	318,804,402
Retention Monies Receivable	153,263,890
Current Assets and Loans and Advances	9,124,754
Total Assets Acquired (B)	1,123,901,943
Current Liabilities	337,012,347
Employee Liabilities	3,205,909
Total Liabilities taken over (C)	340,218,256
(D) Net Assets Acquired (B) - (C)	783,683,687
Goodwill (E) = (A) - (D)	36,529,190
Gratuity Liability Assumed (F)*	11,070,793
Total Goodwill (E) + (F)	47,599,983

* Gratuity liability assumed represents gratuity payable to employees transferred to the company as at 17th April 2015 over and above the total purchase consideration, pursuant to the BTA.

In view of the above, the figures for the current year are not comparable with the figures of the corresponding previous period.

47. In the opinion of the Management, all assets other than Fixed Assets and Non- Current investments have a realisable value in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
48. Previous period's figures have been audited by the other auditor. Where required, previous period's figures have been regrouped / re-arranged to conform to current year's groupings and classifications.

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