

*Aurofidel Outsourcing
Limited*

*10th ANNUAL - REPORT
2017 – 2018*



Bajrang Paras & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of
Aurofidel Outsourcing Limited

Report on the Financial Statements

We have audited the accompanying financial statements **Aurofidel Outsourcing Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 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.

B-303, Riddhi Siddhi Complex, Near ST Bus Depot, Sukarwadi, MG Road, Borivali (E), Mumbai 400 066.

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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, 2018, and its loss, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss Statement including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules there under.





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- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which has impact on its financial position in its financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Bajrang Paras & Co.**
Chartered Accountants
(Firm Registration No. 118663W)

H. Solanki

Hitesh H. Solanki
Partner
Membership No. 136487
Place: Mumbai
Date:





Bajrang Paras & Co.

Chartered Accountants

Annexure to Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not own any immovable property.
2. Since the Company is engaged in service sector, there were no inventories in existence during the year; hence this clause is not applicable.
3. The Company has granted loans to one bodies corporate covered in the register maintained under section 189 of the Companies Act.
 - a) In our opinion, terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
 - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the principal is payable on demand and it is interest free.
 - c) Since the principal is payable on demand, overdue of the loan does not arise.
4. 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.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

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7. According to the information and explanations given to us in respect of statutory dues:
- a) Undisputed statutory dues in respect of sales tax, service tax, withholding taxes, provident fund, and employees' state insurance, cess as applicable and any other statutory dues have been regularly deposited with the appropriate authorities. There were no undisputed amounts payable in respect of Custom Duty, Sales Tax, Excise Duty, Cess and other material statutory dues in arrears as at 31st March 2018, for a period of more than six months from the date they became payable except TDS payable of Rs. 52,64,951/-.
 - b) There are no statutory dues pending to be deposited on account of disputes pending with various forums.
8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. 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.
10. 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.
11. The Company has not paid/provided for managerial remuneration in the books of accounts. Accordingly, paragraph 3(xi) of the Order is not applicable.
12. 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.
13. 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.
14. 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.



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15. 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.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Bajrang Paras & Co.**
Chartered Accountants
(Firm Registration No. 118663W)

H. Solanki

Hitesh H. Solanki
Partner
Membership No. 136487
Place: Mumbai
Date:





Bajrang Paras & Co.
Chartered Accountants

Annexure - B to The Auditors' Report

To the Members of
Aurofidel Outsourcing Limited

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

We have audited the internal financial controls over financial reporting of Aurofidel Outsourcing Limited ("the Company") as of 31 March 2018 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Bajrang Paras & Co.

Chartered Accountants

(Firm Registration No. 118662W)

H. Solanki

Hitesh H. Solanki

Partner

Membership No. 136487

Place: Mumbai

Date:



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Aurofidel Outsourcing Limited
CIN No. U72900MH2008PLC179836
Balance Sheet As at 31st March 2018

Sr. No.	Particulars	Notes	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.	As at April 1, 2016 Amount In Rs.
I.	ASSETS				
1	Non Current Assets				
	(a) Property, Plant and Equipment	4A	-	-	1,260,001
	(b) Other Intangible assets	4B	-	-	-
	(c) Intangible Assets under Development		5,482,519	5,482,519	5,482,519
	(d) Other non-current assets	5	46,399	46,399	46,399
			5,528,918	5,528,918	6,788,919
2	Current Assets				
	(a) Financial Assets				
	(i) Trade receivables	6	-	-	25,066,219
	(ii) Cash and cash equivalents	7	747,865	822,676	421,483
	(iii) Loans	8	442,826,539	377,847,542	371,591,681
	(b) Current Tax Assets (net)		184,763	2,852,533	7,905,980
	(c) Other current assets	9	9,735,526	9,735,526	9,735,526
			453,494,693	391,258,277	414,720,889
	TOTAL		459,023,611	396,787,195	421,509,808
II.	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity Share Capital	10	5,000,000	5,000,000	5,000,000
	(b) Other Equity	11	(42,757,762)	(16,282,374)	18,947,616
			(37,757,762)	(11,282,374)	23,947,616
	LIABILITIES				
1	Non Current Liabilities				
	(a) Provisions	12	-	-	51,372
					51,372
2	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	13	488,933,393	402,994,100	380,052,522
	(ii) Trade payables	14	937,200	811,871	12,168,560
	(b) Other Current Liabilities	15	6,910,781	4,263,599	5,289,739
			496,781,374	408,069,570	397,510,821
	TOTAL		459,023,611	396,787,196	421,509,808

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements
As per our report of even date

For Bajrang Paras & Co.
Chartered Accountants
Firm Registration No. 118663W

For and on behalf of the Board of Directors

Hitesh H. Solanki
Partner
Membership No.: 136487

Paresh Zaveri
Director
DIN No. 01240552

Amit Sheth
Director
DIN No. 00122623

Place : Mumbai
Date : 24 May 2018

Aurofidel Outsourcing Limited
CIN No. U72900MH2008PLC179836
Statement of Profit and Loss for the year ended 31st March 2018

Particulars	Notes	2017-2018 Amount In Rs.	2016-2017 Amount In Rs.
Revenue from operations	16	-	600,000
Other incomes	17	462,181	3,554,822
Total Revenue		462,181	4,154,822
Expenses:			
Employee benefits expenses	18	6,165	3,700
Finance cost	19	26,551,810	23,944,543
Depreciation and amortization expenses	4	-	1,260,001
Other Expenses	20	379,594	14,178,352
Total Expenses		26,937,569	39,386,596
Profit/(loss) before tax		(26,475,388)	(35,231,774)
Tax expense:			
Current tax		-	-
Earlier year Tax		-	(1,784)
Deferred tax		-	-
Profit/(loss) after tax		(26,475,388)	(35,229,990)
Other Comprehensive Income			
Items will not be reclassified to profit & loss		-	-
Total Comprehensive Income		(26,475,388)	(35,229,990)
Earning per share on Equity Shares of Rs. 10 each			
- Basic & Diluted	24	(52.95)	(70.46)

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements
As per our report of even date

For Bajrang Paras & Co.
Chartered Accountants
Firm Registration No. 118663W

For and on behalf of the Board of Directors

Hitesh h. Solanki
Partner
Membership No.: 136487

Paresh Zaveri
Director
DIN No. 01240552

Amit Sheth
Director
DIN No. 00122623

Place : Mumbai
Date : 24 May 2018

Aurofidel Outsourcing Limited
CIN No. U72900MH2008PLC179836
Cash Flow Statement For The Year Ended March 31, 2018

Particulars	For the year ended March 31, 2018 Amount In Rs.	For the year ended March 31, 2017 Amount In Rs.
A. Cash Flow From Operating Activities :		
Net profit before tax as per statement of profit and loss	(26,475,388)	(35,231,774)
<u>Adjustments for :</u>		
Depreciation	-	1,260,001
Sundry balance write off	-	13,766,219
Credit balance write back	(120,171)	(2,611,896)
Interest Income	(342,010)	(942,926)
Interest Expenses	26,551,810	23,944,543
Operating Cash Flow Before Changes in Working Capital	(385,759)	184,167
Changes in current assets and liabilities		
(Increase)/Decrease in Loans	(64,978,997)	5,044,139
Increase/ (Decrease) in trade payables	125,329	(11,356,689)
Increase/(Decrease) in Other Current Liabilities	2,767,353	1,534,383
Cash Generated/(Used in) From Operations	(62,472,074)	(4,594,000)
Payment of Taxes (Net of Refunds)	2,667,770	5,055,231
Net Cash Flow Generated/(Used in) From Operating Activities (A)	(59,804,304)	461,231
B. Cash Flow From Investing Activities :		
Payment of property, plant & equipments & Intangibles	-	-
Interest income	342,010	942,926
Net Cash Flow Generated/(Used in) From Investment Activities (B)	342,010	942,926
C. Cash Flow From Financing Activities :		
(Repayment) / Borrowing from financial institutions/Others	85,939,293	22,941,578
Financial Expenses	(26,551,810)	(23,944,543)
Net Cash From Generated/(Used in) Financing Activities (C)	59,387,483	(1,002,965)
Net Increase In Cash Or Cash Equivalents (A+B+C)	(74,811)	401,192
Cash And Cash Equivalents At Beginning Of Year	822,676	421,484
Cash And Cash Equivalents As At the End Of Year	747,865	822,676

Notes:

- a) The accompanying significant accounting policies and notes form an integral part of the standalone financial statements.
b) Statement of Cash Flow has been prepared under the Indirect Method as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows".

As per our report of even date

For Bajrang Paras & Co.
Chartered Accountants
Firm Registration No. 118663W

For and on behalf of the Board of Directors

Hitesh H. Solanki
Partner
Membership No.: 136487

Paresh Zaveri
Director
DIN No. 01240552

Amit Sheth
Director
DIN No. 00122623

Place : Mumbai
Date: 24 May 2018

Aurofidel Outsourcing Limited
Statement of Changes in Equity for the year ended 31st March 2018

Note A :- Equity share Capital

PARTICULARS	Note	Amount In Rs.
As at 1st April 2016		5,000,000
Changes in Equity share capital during the year		-
As at 31st March 2017		5,000,000
Changes in Equity share capital during the year		-
As at 31st March 2018	10	5,000,000

Note B : Other Equity

Particulars	Capital Reserves	Reserves & Surplus			Total Other Equity
		Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2016	-	-	-	18,947,616	18,947,616
Profit for the year	-	-	-	(35,229,990)	(35,229,990)
Other Comprehensive Income for the year, net of Income Tax	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	(16,282,374)	(16,282,374)
Dividends/Tax on Dividend	-	-	-	-	-
Reversal of Dividends/Tax on Dividend	-	-	-	-	-
(Short) / excess provision for tax	-	-	-	-	-
Transfer from Retained Earnings	-	-	-	-	-
Balance as at March 31, 2017	-	-	-	(16,282,374)	(16,282,374)
Profit for the year	-	-	-	(26,475,388)	(26,475,388)
Other Comprehensive Income for the year, net of Income Tax	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	(42,757,762)	(42,757,762)
Dividends/Tax on Dividend	-	-	-	-	-
Reversal of Dividends/Tax on Dividend	-	-	-	-	-
(Short) / excess provision for tax	-	-	-	-	-
Transfer from Retained Earnings	-	-	-	-	-
Balance as at March 31, 2018	-	-	-	(42,757,762)	(42,757,762)

As per our report of even date

For Bajrang Paras & Co.
Chartered Accountants
Firm Registration No. 118663W

For and on behalf of the Board of Directors

Hitesh h. Solanki
Partner
Membership No.: 136487

Paresh Zaveri
Director
DIN No. 01240552

Amit Sheth
Director
DIN No. 00122623

Place : Mumbai
Date : 24 May 2018

Aurofidel Outsourcing Limited
Notes to the financial statements for the year ended March 31, 2018

1. Company overview

Aurofidel Outsourcing is incorporated in Maharashtra and mainly in the business of Outsourcing.

2. Basis of preparation of financial statements

a) Accounting convention

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ("the Act"), read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards Amendment) Rules 2016 and Other provisions of the Act to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI).

These financial statements for the year ended March 31, 2018 are the first financial statement that the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'the Previous GAAP') used for its statutory reporting requirements in India immediately before adopting Ind AS.

b) Basis of preparation & presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out under Ind AS and in the Schedule III to the Act. Based on the nature of the services and their realisation in Cash and Cash Equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Company's financial statements are presented in Indian Rupees, which is also its functional currency.

c) Key accounting judgement, estimates and assumptions

The preparation of the financial statements required the management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Aurofidel Outsourcing Limited

Notes to the financial statements for the year ended March 31, 2018

d) Foreign currency transaction

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the year is recognized in the Statement of Profit and Loss.

Monetary assets and liabilities in foreign currency which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss in the year in which they arise.

Non-monetary foreign currency items are carried at cost.

3. Significant Accounting Policies

The Company has applied the following accounting policies to all periods presented in the financial statements.

a) Revenue Recognition

Revenue from Business Process Outsourcing Operations arises from both time based and unit price client contracts. Such revenue is recognized on completion of the related services and is billable in accordance with the specific terms of contracts with clients.

b) 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. Financial instruments also include derivative contracts such as foreign exchange forward contracts.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Financial assets at amortised cost

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

Aurofidel Outsourcing Limited

Notes to the financial statements for the year ended March 31, 2018

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

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

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

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. Financial instruments also include derivative contracts such as foreign exchange forward contracts.

iv) Financial liabilities

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

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

v) Derecognition of financial instruments

The Company derecognizes a financial liability (or a part of a financial liability) from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

c) Employee benefits

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans:

Defined contribution plan:

Contributions to defined contribution schemes such as contribution to Provident Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plan:

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to a Trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Statement of Profit and Loss. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting

Aurofidel Outsourcing Limited

Notes to the financial statements for the year ended March 31, 2018

period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

d) Provisions

The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are disclosed only when an inflow of economic benefit is probable.

e) Income Tax

a) Current Income Tax

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Company operates.

b) Deferred Tax:

Deferred tax is provided using the balance sheet approach on differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.

Current and Deferred Tax are recognised in the Statement of Profit and Loss except to items recognised directly in Other Comprehensive income or equity, in which case the deferred tax is recognised in Other Comprehensive Income and equity respectively.

f) Earnings per share

In determining Earnings per Share, the Company considers net profit after tax and includes post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of the shares, excluding the shares owned by the Trust, outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when result will be anti - dilutive. Dilutive potential equity Shares are deemed converted as at the beginning of the period, unless issued at a later date.

Aurofidel Outsourcing Limited

Notes to the financial statements for the year ended March 31, 2018

g) Borrowing Costs

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

h) Useful economic lives and impairment of other assets

a) Property, Plant and Equipment

Property plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment losses if any. Cost includes expenditure directly attributable to the acquisition of the asset and cost incurred for bringing the asset to its present location and condition for its intended use.

On transition to Ind AS, the Company has elected the option of fair value as deemed cost for buildings and factory buildings as on the date of transition. Other Tangible Assets are restated retrospectively.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress" and are stated at cost.

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- i) Computers is depreciated in 6 years based on technical evaluation of useful life done by the management.
- ii) Leasehold improvements are amortized over the period of lease term or useful life, whichever is lower.
- iii) Individual assets costing up to Rupees five thousand are depreciated in full in the period of purchase.

The residual values, useful lives and method of depreciation of PPE is reviewed at each financial year end and adjusted prospectively, if appropriate.

b) Intangible assets

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues, if not, it is impaired or changed prospectively basis revised estimates.

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Notes to the financial statements for the year ended March 31, 2018

Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. Computer Software is amortised over a period of 5 years or over license period, whichever is lower.

Upon first-time adoption of Ind AS, the Company has elected to measure its intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2017.

Aurofidel Outsourcing Limited
Notes to the financial statements for the year ended March 31, 2018

NOTE 4 :- Property , Plant & Equipment

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April, 2017	Additions	Deduction	Balance as at 31 March, 2018	Balance as at 1 April, 2017	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2018	Balance as at 31 March, 2018	Balance as at 31 March, 2017
	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.
(A) Tangible assets										
Computer	9,546,942	-	-	9,546,942	9,546,942	-	-	9,546,942	-	-
Furniture and Fixtures	2,032,663	-	-	2,032,663	2,032,663	-	-	2,032,663	-	-
Leasehold Improvement	11,757,530	-	-	11,757,530	11,757,530	-	-	11,757,530	-	-
Office Equipments	1,983,064	-	-	1,983,064	1,983,064	-	-	1,983,064	-	-
Airconditioner	3,430,088	-	-	3,430,088	3,430,088	-	-	3,430,088	-	-
(B) Intangible Assets										
Computer Software	15,244,550	-	-	15,244,550	15,244,550	-	-	15,244,550	-	-
Total	43,994,837	-	-	43,994,837	43,994,837	-	-	43,994,837	-	-

Previous year

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April, 2016	Additions	Deduction	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2017	Balance as at 31 March, 2017	Balance as at 31 March, 2016
	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.	Amount In Rs.
(A) Tangible assets										
Computer	9,546,942	-	-	9,546,942	8,286,941	1,260,001	-	9,546,942	-	1,260,001
Furniture and Fixtures	2,032,663	-	-	2,032,663	2,032,663	-	-	2,032,663	-	-
Leasehold Improvement	11,757,530	-	-	11,757,530	11,757,530	-	-	11,757,530	-	-
Office Equipments	1,983,064	-	-	1,983,064	1,983,064	-	-	1,983,064	-	-
Airconditioner	3,430,088	-	-	3,430,088	3,430,088	-	-	3,430,088	-	-
(B) Intangible Assets										
Computer Software	15,244,550	-	-	15,244,550	15,244,550	-	-	15,244,550	-	-
Total	43,994,837	-	-	43,994,837	42,734,836	1,260,001	-	43,994,837	-	1,260,001

Aurofidel Outsourcing Limited
Notes to the financial statements for the year ended March 31, 2018

PARTICULARS	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.	As at April 1, 2016 Amount In Rs.
Note 5 :- Other Non Current Assets (Unsecured, Considered Good)			
Security deposits	46,399	46,399	46,399
Total	46,399	46,399	46,399
Note 6 :- Trade Receivables (Unsecured, Considered Good)			
Considered Good	-	-	25,066,219
Considered Doubtful	-	-	-
Less : Provisions for doubtful receivables	-	-	-
Total	-	-	25,066,219
Note 7 :- Cash And Cash Equivalents			
Balances with banks			
(i) In current accounts	397,865	822,676	400,058
Cash on hand	350,000	-	21,425
Total	747,865	822,676	421,483
Note 8 :- Loans (Current)			
Loans to Others	73,531,000	11,377,003	77,003
Loan to Related Party	369,295,539	366,470,539	371,514,678
Total	442,826,539	377,847,542	371,591,681
Note 9 :- Other Current Assets			
Advance to Suppliers	9,735,526	9,735,526	9,735,526
Total	9,735,526	9,735,526	9,735,526

Aurofidel Outsourcing Limited
Notes to the financial statements for the year ended March 31, 2018

Note 10 (a) :- Equity

PARTICULARS	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.	As at April 1, 2016 Amount In Rs.
Authorised Capital 50,00,000 (31 March 2017 : 50,00,000, 01 April, 2016 : 50,00,000) Equity Shares of Rs.10 each	50,00,000	50,00,000	50,00,000
Total	50,00,000	50,00,000	50,00,000
Issued, Subscribed and Paid up 50,00,000 (31 March 2017 : 50,00,000, 01 April, 2016 : 50,00,000) Equity Shares of Rs.10 each , fully paid-up	5,00,000	5,00,000	5,00,000
Total	5,00,000	5,00,000	5,00,000

Note 10 (b) :- The company has only one class of equity with a par value of Rs. 10/- per share. Each holder of equity shares is entitle to one vote per share.

Note 10 (c) :- Out of the above shares, 5,00,000 shares are held by Aurionpro Solutions Limited, the Holding Company

Note 10 (d) :- Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares held	% holding	No. of shares held	% holding	No. of shares held	% holding
Equity shares with voting rights Aurionpro Solution Limited	500,000	100%	500,000	100%	500,000	100%

Aurofidel Outsourcing Limited

Notes to the financial statements for the year ended March 31, 2018

PARTICULARS	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.	As at April 1, 2016 Amount In Rs.
Note 11: Other Equity			
Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance	(16,282,374)	18,947,616	17,894,084
Add: Profit / (Loss) for the year	(26,475,388)	(35,229,990)	1,053,532
	(42,757,762)	(16,282,374)	18,947,616
Total	(42,757,762)	(16,282,374)	18,947,616
Note 12 :- Provisions			
Provision for Gratuity	-	-	51,372
Total	-	-	51,372
Note 13 :- Borrowings (Current)			
Unsecured			
(i) Loans from Holding Company	488,933,393	402,994,100	380,052,522
Total	488,933,393	402,994,100	380,052,522
Note 14 :- Trade Payable (Current)			
- Due to Micro and Small Enterprises	-	-	-
- Due to Others	937,200	811,871	12,168,560
Total	937,200	811,871	12,168,560
Note 15 :- Other Current Liabilities (Current)			
Payable to tax authorities	6,910,781	4,263,599	5,289,739
Total	6,910,781	4,263,599	5,289,739

Aurofidel Outsourcing Limited
Notes to the financial statements for the year ended March 31, 2018

PARTICULARS	2017-2018 Amount in Rs.	2016-2017 Amount in Rs.
Note 16 :- Revenue from Operations		
Data Processing Income	-	600,000
Total	-	600,000
Note 17 :- Other Incomes		
Interest Income on IT Refund	342,010	942,926
Credit Balance write back	120,171	2,611,896
Total	462,181	3,554,822
Note 18 :- Employee Benefit Expenses		
Contribution to Provident Fund and Other Funds	6,165	3,700
Total	6,165	3,700
Note 19 :- Finance Costs		
Interest :		
On Borrowings	26,551,810	23,880,151
On delay payment of taxes	-	64,392
Total	26,551,810	23,944,543
Note 20 :- Other Expenses		
Bank Charges	6,091	495
Bad Debts	-	13,766,219
Legal & Professional charges	85,000	150,000
Auditors' Remuneration	200,000	200,000
Miscellaneous Expenses	88,503	61,638
Total	379,594	14,178,352

Aurofidel Outsourcing Limited
Notes to the financial statements for the year ended March 31, 2018

- 21 The Company does not have any contingent liability and commitments during the year.
22 Previous years figures have been regrouped/ rearranged wherever found necessary.

23 Related Party Disclosure

i) List of Related Parties

	Name of Related Party	Relationship
1	Aurionpro Solutions Limited	Holding Company
2	Auroscient Outsourcing Limited	Fellow Subsidiary
3	Mr. Amit R. Sheth	Key Management Personnel
4	Mr. Samir Shah	
5	Mr. Paresh Zaveri	

ii) Transaction with Related Parties & Outstanding Balance as on 31st March, 2018

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposit Receivable			
Auroscient Outsourcing Limited	369,295,539	366,470,539	371,514,678
Payable			
Aurionpro Solutions Limited	488,933,393	402,994,100	380,052,522

24 Earnings per share (EPS)

Particulars	2017-18	2016-17
Profit/(Loss) attributable to Equity Shareholders (used as numerator for calculating Basic EPS)	(26,475,388)	(35,229,990)
Weighted average number of Basic and Diluted Equity Shares (used as denominator for calculating Basic EPS)	500,000	500,000
Basic and Diluted Earnings per Share of Rs. 10 each	(52.95)	(70.46)

25 Auditors Remuneration:

Particulars	2017-18	2016-17
Audit Fees	200,000	200,000
Total	200,000	200,000

As Per our report of even date.

For Bajrang Paras & Co.
Chartered Accountants
Firm Reg. No. 118663W

For and on behalf of Board of Directors

(Hitesh H. Solanki)
Partner
M.No: 136487
Place: Mumbai
Date : 24 May 2018

Paresh Zaveri
Director
(DIN No. 01240552)

Amit Sheth
Director
(DIN No. 00122623)