Aurofidel Outsourcing Limited

9th ANNUAL - REPORT
2016 – 2017

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,2017, the Statement of Profit and Loss, 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 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.

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 dueto fraud or error. In making those risk assessments, the auditor

B-303, Riddhi Siddhi Complex, Near ST Bus Depot, Sukarwadi, MG Road, Borivali (E), Mumbai 400 066.
Tel No: +91-22-28914748 / 49, Email : cabajrang.paras@gmail.com / bl.agarwal@cabajrang.com

BAJRANG PARAS & CO. Firm Reg. No. 118663W CHARTERED ACCOUNTANTS

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, 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) 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 asit appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss Statement 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e)On the basis of the written representations received from the directors as on 31st March, 2017taken on record by the Board of Directors, none of the directors are disqualified as on31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

BAJRANG PARAS & CO. Firm Reg. No. 106663W CHARTERED ACCOUNTANTS

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

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.

iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

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

Hitesh H. Solanki
Partner
Membership No. 136487
Place: Mumbai
Date: 24th May 2017

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.

BAJRANG PARAS & CO. CHARTERED ACCOUNTANTS Firm Reg. No. 118553W

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 2017, for a period of more than six months from the date they became payable except TDS payable of Rs. 24,37,308/-.

   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.

B-303, Riddhi Siddhi Complex, Near ST Bus Depot, Sukarwadi, MG Road, Borivali (E), Mumbai 400 066.
Tel No: +91-22-28914748 / 49, Email : cabajrang.paras@gmail.com / bl.agarwal@cabajrang.com

BAJRANG PARAS & CO. CHARTERED ACCOUNTANTS Firm Reg. No. 116653W

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)

Hitesh H. Solanki
Partner
Membership No. 136487
Place: Mumbai
Date: 24th May 2017

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 2017 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.

-303, Riddhi Siddhi Complex, Near ST Bus Depot, Sukarwadi, MG Road, Borivali (E), Mumbai 400 066. Tel No: +91-22-28914748 / 49, Email : cabajrang.paras@gmail.com / bl.agarwal@cabajrang.com

BAJRANG PARAS & CO. Firm Reg. No. 118863W CHARTERED ACCOUNTANTS

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 2017, 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. 118663W)

Hitesh H. Solanki
Partner
Membership No. 136487
Place: Mumbai
Date: 24th May 2017

BAJRANG PARAS & CO. Firm Reg. No. 118663W CHARTERED ACCOUNTANTS

Aurofidel Outsourcing Limited
CIN No. U72900MH2008PLC179836
Balance Sheet as at 31 March 2017

(Amount in Rs.)

	Particulars	Note No.	As at 31.03.17	As at 31.03.16
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	5,000,000	5,000,000
	(b) Reserves and surplus	3	(16,282,374)	18,947,616
			(11,282,374)	23,947,616
2	Current liabilities			
	(a) Short Term Borrowings	4	402,994,100	380,052,522
	(b) Trade payables		811,871	12,168,560
	(c) Other current liabilities	5	4,263,599	5,289,739
	(d) Short-term provisions	6	-	51,372
			408,069,570	397,562,193
	TOTAL		396,787,196	421,509,808
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets	7		
	(i) Tangible assets		-	1,260,001
	(ii) Intangible assets under development		5,482,519	5,482,519
	(c) Long-term loans and advances	8	2,898,932	7,952,379
			8,381,451	14,694,899
2	Current assets			
	(a) Trade receivables	9	-	25,066,219
	(b) Cash and cash equivalents	10	822,676	421,483
	(c) Short-term loans and advances	11	387,583,068	381,327,207
			388,405,744	406,814,909
	TOTAL		396,787,196	421,509,808
Significant Accounting Policies & notes to Accounts		1		

As Per our report of even date.
For Bajrang Paras & Co.
Chartered Accountants
Firm Reg. No. 118663W

BAJRANG PARAS & CO. Firm Reg. No. 118663W CHARTERED ACCOUNTANTS

(Hitesh H. Solanki)
Partner
M.No: 136487
Place: Mumbai
Date : 24th May 2017

For and on behalf of Board of Directors

Paresh Zaveri
Director
(DIN No. 01240552)

Amit Sheth
Director
(DIN No. 00122623)

Aurofidel Outsourcing Limited
CIN No. U72900MH2008PLC179836
Statement of Profit & Loss for the year ended 31 March 2017

(Amount in Rs.)

	Particulars	Note No.	Year ended 31.03.17	Year ended 31.03.16
I.	Revenue from operations	12	600,000	27,329,089
II.	Other income	13	3,554,822	1,458,892
III.	Total Revenue		4,154,822	28,787,981
IV.	Expenses:			
	Operating and Other Expenses	14	14,178,352	1,345,548
	Employee benefits expense	15	3,700	335,167
	Finance costs	16	23,944,543	24,426,092
	Depreciation and amortization expense	7	1,260,001	1,378,547
	Total expenses		39,386,596	27,485,355
V.	Profit before tax		(35,231,774)	1,302,627
VI	Tax expense:			
	Current tax		-	250,000
	Earlier year tax		(1,784)	(905)
	Deferred tax		-	-
VII	Profit (Loss) for the period		(35,229,990)	1,053,532
	Earnings per share (see also note no. 24)			
	Basic and Diluted		(70.46)	2.11
Significant Accounting Policies & notes to Accounts		1		

As Per our report of even date.

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

(Hitesh H. Solanki)
Partner
M.No: 136487
Place: Mumbai
Date : 24th May 2017

For and on behalf of Board of Directors

Paresh Zaveri
Director
(DIN No. 01240552)

Amit Sheth
Director
(DIN No. 00122623)

Aurofidel Outsourcing Limited
CIN No. U72900MH2008PLC179836
Cash Flow Statement for the year ended March 31, 2017

(Amount in Rs.)

Particulars	As At 31.03.2017		As At 31.03.2016	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax		(35,231,774)		1,302,027
Add / (Less) : Adjustment for				
Depreciation and Amortisation	1,260,001		1,378,547	
Sundry balance write off	13,766,219		-	
Credit Balance written back	(2,611,896)		-	
Interest Income	(942,926)		(1,458,892)	
Interest Expenses	23,944,543		24,426,092	
Operating Profit before Working Capital Changes		184,168		25,648,374
Adjustment for:				
Change in Trade receivables	-		(19,023,050)	
Change in Trade Payables, Current Laibilties and Provisions	(9,822,307)		(1,635,887)	
Change in Other current assets, Loans and Advances	5,044,139		2,037,098	
Cash generated from Operations		(4,778,168)		(18,621,839)
Direct taxes Paid (net of refund)		5,998,157		6,456,523
Net Cash Flow from Operating Activities (A)		1,404,157		13,483,058
B. CASH FLOW FROM INVESTING ACTIVITIES				
Interest Income	-		1,458,892	
Purchase of Fixed Assets (including capital advances)	-		-	
Net Cash used in Investing Activities (B)		-		1,458,892
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Secured/Unsecured Loans (Net)	22,941,578		4,107,592	
Interest Paid	(23,944,543)		(24,426,092)	
Net Cash generated from Financing Activities (C)		(1,002,965)		(20,318,500)
Net Increase in Cash and Cash Equivalents (A+B+C)		401,192		(5,376,551)
Cash and cash equivalents at the beginning of the year		421,484		5,798,034
Cash and cash equivalents at the end of the year		822,676		421,484
Net Increase in Cash and Cash Equivalents		401,192		(5,376,550)

As Per our report of even date.

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

BAJRANG PARAS & CO. Firm Reg. No. 118663W CHARTERED ACCOUNTANTS

(Hitesh H. Solanki)
Partner
M.No: 136487
Place: Mumbai
Date : 24th May, 2017

For and on behalf of Board of Directors

Paresh Zaveri
Director
(DIN No. 01240552)

Amit Sheth
Director
(DIN No. 00122623)

Aurofidel Outsourcing Limited

Notes on financial statements for the year ended March 31, 2017

1 Summary of significant accounting policies

a Basis of preparation of financial statements

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention.

b Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

c Classification of assets and liabilities

The Revised Schedule III to the Companies Act, 2013 requires assets and liabilities to be classified either Current or Non-current.

a) An asset shall be classified as current when it satisfies any of the following criteria:
   i) It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
   ii) It is held primarily for the purpose of being traded;
   iii) It is expected to be realized within twelve months after the reporting date; or
   iv) It is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
b) All assets other than current assets shall be classified as non-current.
c) A liability shall be classified as current when it satisfies any of the following criteria:
   i) It is expected to be settled in the company's normal operating cycle;
   ii) It is held primarily for the purpose of being traded;
   iii) It is due to be settled within twelve months after the reporting date; or
   iv) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Operating Cycle

An operating cycle is the time between the acquisition of assets and their realization in cash or cash equivalents.
Based on the nature of services and the time between the acquisition of assets for and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

d Fixed Assets and depreciation

Tangible Assets :

Fixed assets are stated at the cost of acquisition less accumulated depreciation / amortisation and impairment loss, if any. The cost of fixed assets includes freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to the acquisition / construction and installation of the respective fixed assets upto the time the assets are ready for their intended use.

Intangible Assets :

Costs that are directly associated with identifiable and unique software products acquired by the Company and have probable economic benefits exceeding the cost beyond one year are recognized as software products.

All assets, both tangible and intangible, are depreciated / amortized over a period of three years.

BAJRANG PARAS & CO. CHARTERED ACCOUNTANTS Firm Reg. No. 118663W

Notes on financial statements for the year ended March 31, 2017

e Impairment

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

f 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.

g Inventories

Inventories which comprise stock-in-trade is carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.

h Employee benefits

i) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

ii) Post employment benefits

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

iii) Defined benefit plans

The Company's gratuity benefit scheme and post-retirement medical benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

i Operating Leases

Lease rentals in respect of assets acquired on operating leases are recognised in the statement of profit and loss on a straight line basis over the lease term.

BAJRANG PARAS & CO. Firm Reg. No. 118663W CHARTERED ACCOUNTANTS

Notes on financial statements for the year ended March 31, 2017

j Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.

The deferred tax charge or credit (reflecting the tax effects of timing difference between accounting income and taxable income for the year). Deferred tax charge or credit and the corresponding deferred tax assets or liabilities are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax asset are recongnised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date for appropriateness of their carrying value at each balance sheet date and written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

k Provisions and contingencies

The Company recognises a provision when there is a present obligation as a result of past (or obligating) 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 obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made.

Provision reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

l Earnings per share

The basic and diluted earnings per share ('EPS') is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year.

BAURANG PARAS & CO. Firm Reg. No. ACCOUNTANTS

Aurofidel Outsourcing Limited
Notes on finacial statements for the year ended 31 March, 2017

Note 2 : Share Capital

Share Capital	As at 31.03.17		As at 31-03-2016	
	Shares	Amount	Shares	Amount
Authorised 50,00,000 Equity Shares of Rs. 10/- each	5,000,000	50,000,000	5,000,000	50,000,000
Issued, Subscribed & Paid up Capital 5,00,000 (previous year 5,00,000) Equity Shares of Rs.10/- each	500,000	5,000,000	500,000	5,000,000
Total	500,000	5,000,000	500,000	5,000,000

Note 2 (a) :- Out of the above Shares, 5,00,000 Shares are held by Aurionpro Solutions Limited, the Holding Company.

Note 2 (b) :- The company has only one class of equity with a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per Share.

Note 2 (c) :- Shares held by each shareholder holding more than 5 percent of shares.

Name of Shareholder	As at 31-03-2017		As at 31-03-2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Aurionpro Solutions Limited	500,000	100.00%	500,000	100.00%

BAJRANG PARAS & CO. CHARTERED ACCOUNTANTS Firm Reg. No. 118663W

Aurofidel Outsourcing Limited

Notes on finacial statements for the year ended 31 March, 2017

Particulars	As at 31-03-2017	As at 31-03-2016
Note 3 : Reserve & Surplus		
Surplus in Profit and Loas Account		
Opening balance	**18,947,616**	17,894,084
Add : Net Profit for the current year	**(35,229,990)**	1,053,532
Closing Balance	**(16,282,374)**	18,947,616
Note 4 : Short Term Borrowings		
Unsecured		
(i) Loans from Holding Company	**402,994,100**	380,052,522
Total	**402,994,100**	380,052,522
Note 5 : Other Current Liabilities		
(i) Tax deducted at source payable	**4,263,499**	2,474,732
(ii) Service tax payable/Vat Payable	-	2,814,907
(iii) Provident fund, professional tax, ESIC payable	**100**	100
Total	**4,263,599**	5,289,739
Note 6 : Short Term Provsions		
(i) Gratuity Provision (funded)	-	51,372
Total	-	51,372

BAJRANG PARAS & CO. CHARTERED ACCOUNTANTS Firm Reg. No. 118663W

Aurofidel Outsourcing Limited

Notes on financial statement for the year ended 31 March, 2017

Note 7 : Fixed Assets

	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 01-04-2016	Additions during the year	Disposals during the year	Balance as at 31-03-2017	Balance as at 01-04-2016	Depreciation for the year	On disposals	Balance as at 31-03-2017	Balance as at 31-03-2017	Balance as at 31-03-2016
A	Tangible Assets										
	Computer	9,546,942	-	-	9,546,942	8,286,941	1,260,001	-	9,546,942	-	1,260,001
		(9,546,942)	-	-	(9,546,942)	(7,004,073)	(1,282,868)		(8,286,941)		
	Furniture and Fixtures	2,032,663	-	-	2,032,663	2,032,663		-	2,032,663	-	-
		(2,032,663)			(2,032,663)	(2,027,541)	(5,122)		(2,032,663)		
	Air Conditioner	3,430,088	-	-	3,430,088	3,430,088	-	-	3,430,088	-	-
		(3,430,088)	-	-	(3,430,088)	(3,430,088)	-		(3,430,088)		
	Office equipment	1,983,064		-	1,983,064	1,983,064		-	1,983,064	-	-
		(1,889,312)	(93,752)		(1,983,064)	(1,892,507)	(90,557)		(1,983,064)		
	Leasehold Improvements	11,757,530	-	-	11,757,530	11,757,530	-	-	11,757,530	-	-
		(11,757,530)	-	-	(11,757,530)	(11,757,530)	-		(11,757,530)		
	Total	28,750,287	-	-	28,750,287	27,490,286	1,260,001	-	28,750,287	-	1,260,001
B	Intangible Assets										
	Computer software	15,244,550	-	-	15,244,550	15,244,550		-	15,244,550	-	-
		(15,244,550)	-	-	(15,244,550)	(15,244,550)	-		(15,244,550)		
	Total	15,244,550	-	-	15,244,550	15,244,550	-	-	15,244,550	-	-
C	Intangible assets under Development	5,482,519	-	-	5,482,519	-	-		-	5,482,519	5,482,519
	Grand Total	49,477,356	-	-	49,477,356	42,734,836	1,260,001	-	43,994,837	5,482,519	6,742,520

* Previous year figures are in bracket.

BAJRANG PARAS & CO. Firm Reg. No. 118663W CHARTERED ACCOUNTANTS

Aurofidel Outsourcing Limited

Notes on financial statement for the year ended March 31, 2017

Particulars	As at 31-03-2017	As at 31-03-2016
Note 8 : Long Term Loans and Advances (Unsecured, considered good)		
(i) Security Deposits	**46,399**	46,399
(ii) Advance Tax & TDS Receivable	**2,852,533**	7,905,980
Total	**2,898,932**	7,952,379
Note 9 : Trade Receivable's (Unsecured, considered good)		
(i) Less than Six Months		-
(ii) More than Six Months	-	25,066,219
Total	**-**	25,066,219
Note 10 : Cash & Cash Equivalents		
(i) Cash in Hand	-	21,425
(ii) Bank Balance in Current Account	**822,676**	400,058
Total	**822,676**	421,483
Note 11 : Short Term Loans & Advances		
(i) Security Deposits to Related party	**366,470,539**	371,514,678
(ii) Advance to Suppliers	**9,735,526**	9,735,526
(iii) Other advances	**11,377,003**	77,003
Total	**387,583,068**	381,327,207