JAGANNATHAN & SARABESWARAN
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NET ACCESS INDIA LIMITED

Report on the Financial Statements

We have audited the attached Balance Sheet of M/s. Net Access India Limited ("The Company") as at 31st March 2017 and 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the

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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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, its profit 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 (ii) of Section 143 of the Act, we give in Annexure-1 a statement on the matters specified in paragraph 3 and 4 of the Order.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.

   (f) The company has in place adequate internal financial control systems over financial reporting, and the controls were operatively effectively. Refer separate report in Annexure 2.

   (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 no 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.

JAGANNATHAN & SARABESWARAN Chartered Accountants

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

For Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S

Vivek Sarabeswaran
Partner
(M.No. 206383)

Place: Chennai
Date: 20.04.2017

JAGANNATHAN & SARABESWARAN
Chartered Accountants
CHENNAI-4

Annexure -1

Annexure to the Independent Auditors' report referred to in Report on other legal and regulatory requirements for the year ended 31st March, 2017 on Companies (Auditor's Report) Order, 2016

(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management 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 own any immovable properties.

(ii) The inventory of stock-in-trade has been physically verified during the year at reasonable intervals and, the frequency of verification is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such 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 entered into any transactions covered by the provisions of Sections 185 & 186 of the Companies Act, 2013.

(v) During the year the company has not accepted deposits from public.

(vi) Maintenance of cost records specified by the Central Government under sub-section (1) of Section 148 of the Companies Act is not applicable to the company.

(vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and there are no outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) There are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess that have not been deposited on account of any dispute.

(viii) The company has not defaulted in repayment of dues to financial institutions or banks.

(ix) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and there were no term loans raised during the year.

JAGANNATHAN & SARABESWARAN Chartered Accountants

(x) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

(xi) The provisions of Managerial remuneration under Section 197 read with Schedule V to The Companies Act, 2013 are not applicable to this company.

(xii) The company is not a Nidhi Company, and so this clause is not applicable.

(xiii) The provisions of Section 177 and 188 of Companies Act, 2013 are not applicable to this company.

(xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to information and explanations provided to us the company has not entered into any non-cash transactions with Directors or persons connected with him.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934.

For Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S

Vivek Sarabeswaran
Partner
(M. No.206383)

JAGANNATHAN & SARABESWARAN
Chartered Accountants
CHENNAI-4

Place: Chennai
Date: 20.04.2017

Annexure – 2

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NET ACCESS INDIA 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 Net Access India Limited ("the Company") as of March 31, 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. 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 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.

JAGANNATHAN & SARABESWARAN
Chartered Accountants
CHENNAI-4

Net Access India Ltd
Balance Sheet as at March 31, 2017

(In Rs.)

		Particulars	Notes	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
A		**ASSETS**				
	1	**Non-current assets**				
		(a) Property, Plant and Equipment	1	20,527,746	13,395,906	17,854,605
		(b) Capital work-in-progress	1	10,334,906	1,586,459	-
		(c) Other Intangible assets	1	3,924,570	5,151,164	4,945,549
		(d) Financial Assets				
		(i) Investments	2	530	530	530
		(ii) Other Financial Assets	3	3,599,216	2,272,148	2,232,698
		(e) Deferred tax assets (net)	4	1,189,902	-	-
		(f) Other non-current assets	5	25,997,848	33,170,842	27,715,024
		Total Non - Current Assets		65,574,718	55,577,049	52,748,406
	2	**Current assets**				
		(a) Inventories	6	2,097,505	1,497,884	1,531,862
		(b) Financial Assets				
		(i) Investments	2	2,305,252	14,918,627	13,793,025
		(ii) Trade receivables	7	36,797,825	42,157,784	32,061,190
		(iii) Cash and cash equivalents	8	60,903,168	11,428,762	5,021,624
		(iv) Other Financial assets	3	1,098,298	531,955	50,789
		(c) Other current assets	5	17,301,598	12,978,202	12,675,594
		(d) Assets classified as held for sale		-	-	-
		Total Current Assets		120,503,646	83,513,214	65,134,084
		Total Assets (1+2)		186,078,364	139,090,263	117,882,490
B		**EQUITY AND LIABILITIES**				
	1	**Equity**				
		(a) Share capital	9	50,000,000	16,000,000	16,000,000
		(b) Other Equity excluding non-controlling interests	10	54,599,408	64,903,364	54,251,213
		Total equity attributable to owners of the Company		104,599,408	80,903,364	70,251,213
		LIABILITIES				
	2	**Non-current liabilities**				
		(a) Financial Liabilities				
		(i) Borrowings	11	-	-	423,698
		(b) Provisions	12	1,103,160	106,286	52,540
		(c) Deferred tax liabilities (Net)	4	-	459,235	2,178,710
		(d) Other non-current liabilities		-	-	-
		Total Non - Current Liabilities		1,103,160	565,521	2,654,948
	3	**Current liabilities**				
		(a) Financial Liabilities				
		(i) Borrowings		-	-	-
		(ii) Trade payables	13	60,334,186	45,548,922	32,560,979
		(iii) Other financial liabilities	14	325,822	551,750	3,058,129
		(b) Provisions	15	3,991,061	2,009,119	1,657,180
		(c) Current Tax Liabilities (Net)		-	-	-
		(d) Other current liabilities	16	15,724,727	9,511,587	7,700,041
		(e) Liabilities associated with assets held for sale		-	-	-
		Total Current Liabilities		80,375,796	57,621,378	44,976,329
		Total Equity and Liabilities (1+2+3)		186,078,364	139,090,263	117,882,490
		See accompanying notes to the financial statements				

In terms of our report attached

For Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S

Vivek Sarabeswaran
Partner
M.No.206383

JAGANNATHAN & SARABESWARAN Chartered Accountants *CHENNAI-4*

M R G Appa Rao
Director

Sridharan Rangarajan
Director

Chennai
20th April,2017

Net Access India Ltd

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

(In Rs.)

Particulars	Notes	FY 2016-17	FY 2015-16
Continuining Operations			
I Revenue from operations	17	393,825,523	295,772,110
II Other Income	18	2,883,019	1,058,931
III Total Revenue (I + II)		**396,708,543**	**296,831,041**
IV EXPENSES			
(a) Cost of materials consumed		-	-
(b) Purchases of finished, semi-finished and other products		64,106,938	27,714,635
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade		(599,622)	33,975
(d) Excise duty on sales		-	-
(e) Employee benefit expense	19	120,888,119	93,670,847
(f) Finance costs		58,761	246,252
(g) Depreciation and amortisation expense	1	9,286,435	9,446,782
(h) Impairement on Financial asset		429,495	955,838
(i) Reversal on impairment on financial asset		-	-
(j) Other expenses	20	167,135,320	139,677,011
Total Expenses		**361,305,448**	**271,745,340**
V Profit/(loss) before tax (III- IV)		**35,403,095**	**25,085,701**
VI Tax Expense			
(1) Current tax	21	12,925,187	10,155,483
(2) Deferred tax	4	(1,649,137)	(1,719,474)
Total tax expense		**11,276,050**	**8,436,009**
VII Profit/(loss) for the period		**24,127,045**	**16,649,692**
VIII Other comprehensive income		(431,001)	20,342
A (i) Items that will not be recycled to profit or loss		-	
(b) Remeasurements of the defined benefit liabilities / (asset)		(431,001)	20,342
(c) Equity instruments through other comprehensive income			
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that may be reclassified to profit or loss		-	-
(c) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-
IX Total comprehensive income for the period (VII+VIII)		**23,696,045**	**16,670,034**
X Earnings per equity share (for continuing operation):			
(1) Basic & Diluted	30	7.18	10.42

In terms of our report attached

For Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S

Vivek Sarabeswaran
Partner
M.No.206383

Chennai
20th April,2017

JAGANNATHAN & SARABESWARAN Chartered Accountants CHENNAI-4

M R G Appa Rao
Director

Sridharan Rangarajan
Director

Net Access India Limited
Cash flow statement for the year ended 31st March, 2017

(In Rs.)

Particulars	FY 2016-17		FY 2015-16	
A. Cash flow from operating activities				
Net Profit before tax		35,403,095		25,106,043
Depreciation	9,286,435		9,446,782	
Interest and finance charges	58,761		246,252	
Provision for doubtful debts	429,495		955,838	
Loss on sale of fixed assets				
Interest received	(1,117,581)		(240,329)	
Dividend received	(869,588)		(544,345)	
Other income	(7,869)		-	
Tax net of provision	-		-	
Provision no longer required	(415,510)		(151,377)	
		7,364,143		9,712,821
Operating Profit before working capital changes		**42,767,238**		**34,818,864**
Adjustments for (increase)/decrease in working capital				
Trade and other receivables	4,930,464		(10,136,045)	
Long term loans and advances	(5,752,192)		(15,611,301)	
Inventories	(599,622)		33,978	
Short term loans and advances	(4,889,739)		(783,773)	
Provision no longer required	415,510		151,377	
Trade payables & current liabilites	17,115,999		12,987,943	
Other current liabilities and short term provisions	6,208,222		(1,247,662)	
		17,428,642		(14,605,482)
Taxes paid		-		-
Net cash from operating activities (A)		**60,195,880**		**20,213,382**
B Cash flow from investing activities				
Purchase of fixed assets	(25,271,127)		(6,780,158)	
Interest received	1,117,581		240,329	
Dividend received	869,588		544,345	
Profit on disposal of assets	7,869		-	
(Purchase)/Redemption of investments	9,613,376		(7,125,602)	
		(13,662,713)		(13,121,086)
Net cash from / (used in) investing activities (B)		**46,533,167**		**7,092,296**
C Cash flow from financing activities				
Fresh issue of Equity Shares	34,000,000		-	
Borrowings / (repayment) of borrowings	-		(421,023)	
Interest and finance charges paid	(58,761)		(246,252)	
Redemption of Investments (net)				
Dividend payment inclusive of dividend distribution tax	(34,000,000)		(6,017,882)	
Net cash from / (used in) financing activities (c)		**(58,761)**		**(6,685,158)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**46,474,406**		**407,138**
Cash and cash equivalents-Opening balance	4,428,762		4,021,624	
Cash and cash equivalents -Closing balance	50,903,168		4,428,762	
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**46,474,406**		**407,138**

In terms of our report attached

For Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S

Vivek Sarabeswaran
Partner
M.No.206383

Chennai
20th April , 2017

JAGANNATHAN & SARABESWARAN Chartered Accountants CHENNAI-4

M R G Appa Rao
Director

Sridharan Rangarajan
Director

Net Access India Ltd
Notes forming part of the financial statements for the year ended March 31,2017

A. Corporate Information

Net Access India ltd is a subsidiary of M/s Carborandum Universal Ltd. The Company commenced its operations in 2000 and provides IT infrastructure solutions and services to the Murugappa Group and other Companies. The Company offers customers the most appropriate technologies from a wide range leading vendors & manages the technology infrastructure pan-India.

B. Significant accounting policies

i. Basis on preparation and presentation of financial statements

The financial statements have been prepared and presented in accordance with the Indian Accounting Standards (Ind AS) as prescribed by the Companies (Indian Accounting Standards) Rules, 2015 and Schedule III of the Companies Act, 2013 ("the Act"). Upto the year ended March 31,2016,the Company prepared its financial statements in accordance with the requirements of previous GAAP, which included Standards notified under the Companies (Accounting Standards) Rules,2006.These are the Company's First Ind AS financial statements.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transactions between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value , such as net realisable value in Ind AS 2 or value in use as in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b. Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability , either directly or indirectly; and

c. Level 3 inputs are unobservable inputs for the asset or liability;

JAGANNATHAN & SARABESWARAN
Chartered Accountants
CHENNAI-4

Net Access India Ltd
Notes forming part of the financial statements for the year ended March 31,2017

ii. **Property, plant and equipment and depreciation**

The Company has no property. All tangible assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of these items.

All assets are depreciated on basis of useful life as prescribed in Schedule II of The Companies Act, 2013. Assets acquired during the year are depreciated on pro-rata basis.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its plant and machinery, furniture and office equipment recognized as of April 01, 2015 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

iii. **Intangible assets and amortization**

Intangible assets (computer software) acquired separately are carried at cost less accumulated amortisation. Amortisation is recognised on a straight-line basis over their estimated useful life as determined under Schedule II of the Companies Act 2013.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible assets recognized as of April 01, 2015 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

iv. **Financial instruments – Financial assets and financial liabilities**

A financial instrument being a financial asset or a financial liability is recognized only when the Company has become party to the contractual provisions of the instrument. Financial assets and financial 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 of the financial asset or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Any subsequent changes in fair value of a financial asset or liability are recognized in the profit and loss account.

Unconditional trade receivables and payables are recognized as assets or liabilities when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash. Unconditional trade receivables are measured at their transaction price. The Company has applied the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivable, other contractual rights to receive cash or other financial asset. Expected credit losses are the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Group expects to receive , discounted at the effective interest rate . The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

JAGANNATHAN & SARABESWARAN Chartered Accountants CHENNAI-4

Net Access India Ltd

Notes forming part of the financial statements for the year ended March 31,2017

The Company measures the loss allowance for financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on that financial instruments has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to the 12 month expected credit losses that are a portion of the lifetime cash shortfalls that will result if defaults occur within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the 12 months.

Investments held for trading are subsequently measured at fair value through the profit and loss account.

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfer the financial asset and substantially all the risks and reward of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss account.

v. Inventories

Inventories of traded products are valued at the lower of cost and net realisable value. Cost includes cost of purchases, duties and taxes, transport, handling and other costs net of trade discounts and rebates. Inventories are valued using the weighted average cost formula

vi. Revenue recognition

For the sale of traded products, revenue is recognized on transfer of significant risks and rewards of ownership to the buyer which coincides with the dispatch of the products to the customers. Service income is recognized over the duration of the contract.

Interest income is accounted on accrual basis and divided income is accounted for when the right to receive the payment is established. Investment gain / loss is recognized at the time of sale / redemption thereof.

vii. Provisions

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

viii. Post-employment benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

The liability for retirement benefit of gratuity to employees as at the Balance Sheet date is determined using the Projected Unit Credit method and is funded to a Gratuity fund. The unfunded portion of the liability for gratuity is provided for in the accounts. The actuarial gain or loss is recognized in Other Comprehensive Income (OCI).

AGANNATHAN & SARABESWARAN
Chartered
Accountants

Net Access India Ltd
Notes forming part of the financial statements for the year ended March 31,2017

ix. Foreign currency transactions & balances

Transactions in Foreign currencies are accounted for in rupee terms at the relevant applicable exchange rates on the date of transaction. Foreign currency monetary items are translated using the closing rate and the resultant gain/loss, if any, is recognized in the profit and loss account.

x Leasing

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance lease are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss

xi. Income taxes

Current tax for current period and prior periods if any, is determined on income for the year chargeable to tax in accordance with Income Tax Act, 1961. Current and deferred tax are recognized as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.

A deferred tax liability shall be recognized for all taxable temporary differences. Deferred tax assets have been recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Current tax liabilities or assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted by the end of the reporting period.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted by the end of the reporting period.

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Net Access India Ltd
Notes forming part of the financial statements for the year ended March 31,2017

xii. Earnings per share

Earnings per Share Basic earnings per share is calculated by dividing net profit after tax for the year attributable to equity shareholders of the company by the weighted average number of equity shares issued.

xiii. Contingent liabilities:

Contingent liability is disclosed for:
(i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company; or
(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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Net Access India ltd
Notes forming part of the financial statements for the year ended March 31,2017

Property, plant and equipment

Note 1
(In Rs.)

Carrying amounts of:	As at 31.03.2017	31.3.2016	01.04.2015
Freehold land	-	-	-
Buildings	-	-	-
Plant and equipment	14,748,806	10,399,630	14,090,450
Furniture and fittings	5,201,391	2,272,742	2,894,235
Vehicles	-	-	-
Vehicle under finance lease	577,548	723,533	869,920
	20,527,746	13,395,906	17,854,605
Capital work-in-progress	10,334,906	1,586,459	-
	30,862,652	14,982,365	17,854,605

(In Rs.)

	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Vehicle under finance lease	Total
Cost or Deemed cost							
Balance at April 1, 2015 (Deemed cost)	-	-	14,090,450	2,894,235	-	869,920	17,854,605
Additions	-	-	2,569,080	14,068	-	-	2,583,148
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2016	-	-	16,659,530	2,908,303	-	869,920	20,437,753
Additions (2)	-	-	9,730,784	3,755,629	-	-	13,486,413
Disposals	-	-	116,685	-	-	-	116,685
Balance at March 31, 2017			26,273,629	6,663,932	-	869,920	33,807,481

(In Rs.)

	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Vehicle under finance lease	Total
Accumulated depreciation and impairment							
Balance at April 1, 2015							-
Eliminated on disposal of Disposals							-
Depreciation expense	-	-	6,259,901	635,560	-	146,387	7,041,847
Balance at March 31, 2016	-	-	6,259,901	635,560	-	146,387	7,041,847
Additions	-	-	5,319,541	826,980	-	145,985	6,292,506
Disposals	-	-	54,618	-	-	-	54,618
Balance at March 31, 2017			11,524,823	1,462,540	-	292,372	13,279,735

(In Rs.)

Capital work in progress movement	
Balance at April 1, 2015	-
Addition during the year	6,780,158
Capitalised during the year	5,193,699
Balance at March 31, 2016	1,586,459
Addition during the year	24,002,194
Capitalised during the year	15,253,747
	10,334,906

(In Rs.)

	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Vehicle under finance lease	Total
Carrying amount							
Balance at April 1, 2015	-	-	14,090,450	2,894,235	-	869,920	17,854,605
Additions	-	-	2,569,080	14,068	-	-	2,583,148
Disposals	-	-	-	-	-	-	-
Depreciation expense-Accumulated			(6,259,901)	(635,560)	-	(146,387)	(7,041,847)
Balance at March 31, 2016	-	-	10,399,629	2,272,743	-	723,534	13,395,906
Additions	-	-	9,730,784	3,755,629	-	-	13,486,413
Disposals	-	-	62,067	-	-	-	62,067
Depreciation expense	-	-	5,319,541	826,981	-	145,986	6,292,507
Balance at March 31, 2017	-	-	14,748,806	5,201,391	-	577,548	20,527,746

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Net Access India ltd
Notes forming part of the financial statements for the year ended March 31,2017

Note 1

Property, plant and equipment

Assets pledged as security

Finance lease secured against the assets purchased under the lease agreement

Capitalised borrowing cost :
No borrowing cost has been capitalized on property, plant and equipment for the year ended 31st March 2017 & 31st March 2016

Contractual obligations : Refer Note No. 22 for disclosure of contractual commitments for the acquisition of property, plant and equipment

Under Ind AS 101:
In accordance with Ind-AS transitional provisions, the company opted to consider previous GAAP carrying value of property, plant and equipment, investment property, and intangible assets as deemed cost on transition date.

Details of Deemed cost as at 01-04-2015

(In Rs.)

	Gross block		
	Cost	Depreciation	Written down value as at 01-04-2015
Freehold land	-	-	-
Buildings	-	-	-
Plant and equipment	50,638,970	36,548,519	14,090,451
Furniture and fittings	6,472,821	3,578,587	2,894,234
Vehicles	-	-	-
Vehicle under finance lease	1,128,064	258,144	869,920
Total	58,239,855	40,385,250	17,854,605

Other Intangible assets

(In Rs.)

Carrying amounts of :	As at 31.03.2017	As at 31.3.2016	As at 01.04.2015
Trademark/Goodwill	-	-	1,000
Software	3,924,570	5,151,164	4,944,549
Technical Know how	-	-	-
Intangible assets under development	-	-	-
	3,924,570	5,151,164	4,945,549

(In Rs.)

	Goodwill	Software	Technical know how	Total
Cost or deemed cost				
Balance at April 1, 2015	1,000	4,944,549	-	4,945,549
Additions	-	2,610,551	-	2,610,551
Disposals	-	-	-	-
Balance at March 31, 2016	1,000	7,555,100	-	7,556,100
Additions	-	1,767,335	-	1,767,335
Disposals	-	-	-	-
Balance at March 31, 2017	1,000	9,322,435	-	9,323,435

(In Rs.)

	Goodwill	Software	Technical know-how	Total
Accumulated depreciation and impairment				
Balance at April 1, 2015				
Amortisation expense	1,000	2,403,935	-	2,404,935
Balance at March 31, 2016	1,000	2,403,935	-	2,404,935
Additions	-	2,993,929	-	2,993,929
Disposals	-	-	-	-
	-	-	-	-
Balance at March 31, 2017	1,000	5,397,865	-	5,398,865

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Net Access India ltd
Notes forming part of the financial statements for the year ended March 31,2017

Property, plant and equipment — Note 1

(In Rs.)

	Goodwill	Software	Technical know how	Total
Carrying amount				
Balance at April 1, 2015	1,000	4,944,549	-	4,945,549
Additions	-	2,610,551	-	2,610,551
Acquisition through business combination	-	-	-	-
Amortisation expense	(1,000)	(2,403,935)	-	(2,404,935)
Balance at March 31, 2016	-	**5,151,164**	-	**5,151,164**
Additions	-	1,767,335	-	1,767,335
Disposals	-	-	-	-
Acquisition through business combination	-	-	-	-
Amortisation expense	-	2,993,929	-	2,993,929
Balance at March 31, 2017	-	3,924,570	-	3,924,570

Details of Deemed cost of Intangible assets as at 01-04-2015

(In Rs.)

	Gross block		
	Cost	Depreciation	Written down value as at 01-04-2015
Goodwill	4,896,146	4,895,146	1,000
Software	6,269,546	1,324,997	4,944,549
Technical know-how	-	-	-
Total	11,165,692	6,220,143	4,945,549

Significant intangible assets

The company does not hold any significant intangible assets that are not recognised as an asset.

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