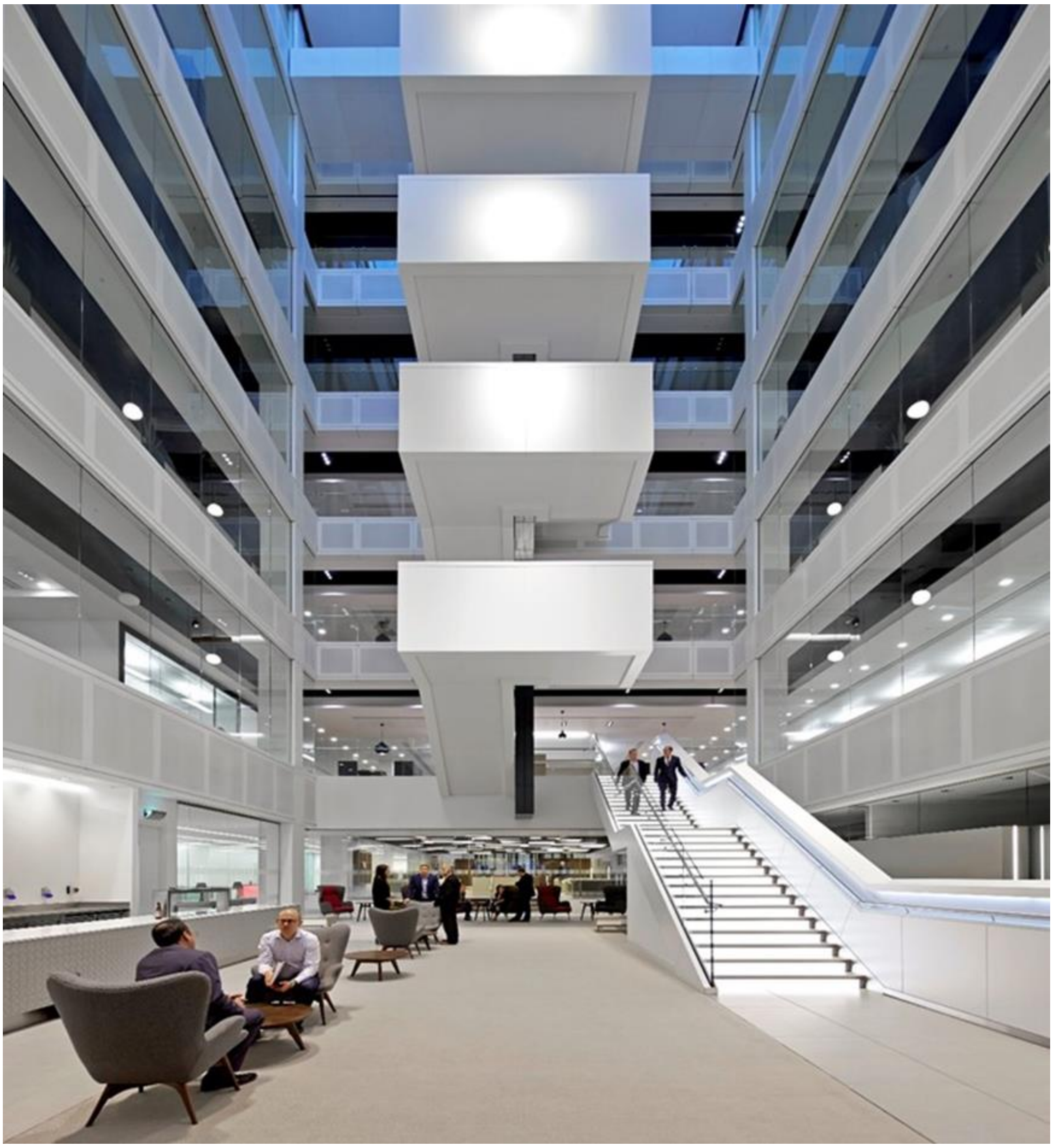
Value Ind AS Limited

Illustrative Ind AS consolidated financial statements
March 2019



pwc

This publication presents an illustrative financial statements of a fictional listed company, Value Ind AS Limited. It illustrates the financial reporting requirements that would apply to such a company under Indian Accounting Standards (Ind AS) as issued at 31 December 2018. Supporting commentary is also provided. For the purposes of this publication, Value Ind AS Limited is listed on a fictive stock exchange and is the parent entity in this consolidated financial statements.

This publication is for illustrative purposes only and should be used in conjunction with the relevant Ind AS and any other reporting pronouncements and legislation applicable in India.

PricewaterhouseCoopers Private Limited

For your feedback and suggestions, write to us at: pwc.update@in.pwc.com

Introduction

This publication presents illustrative consolidated financial statements of a fictitious listed company, Value Ind AS Limited. The financial statements comply with Indian Accounting Standards (Ind AS) and Schedule III (Division II) of the Companies Act, 2013 (Schedule III).

We have attempted to create a realistic set of financial statements for Value Ind AS Limited, a corporate entity that manufactures goods, provides services and holds investment property. However, as this publication is a reference tool, we have not removed any disclosures based on materiality. Instead, we have included illustrative disclosures for as many common scenarios as possible. Please note that the amounts disclosed in this publication are purely for illustrative purposes and may not be consistent throughout the publication.

New disclosure requirements and changes in accounting policies

Companies (Indian Accounting Standards) Amendment Rules, 2018 notified Ind AS 115, *Revenue from Contracts with Customers*. The amendment rules are effective from reporting periods beginning on or after 1 April 2018. This publication shows how the adoption of Ind AS 115 may affect a corporate entity. Note 43 provides example disclosures which explain the impact of the change in accounting policies due to adoption of Ind AS 115. There are also many new disclosures illustrated throughout the publication, in particular in note 6A, note 20, note 31, note 43 and Appendix A. You can find new or revised disclosures by looking for shading in the reference column.

In compiling the illustrative disclosures, we have made a number of assumptions in relation to the adoption of Ind AS 115. In particular, Ind AS 115 is adopted by Value Ind AS Limited retrospectively without using the practical expedient for completed contracts and contract modifications. For further specific assumptions made, please refer to the commentary to note 43. Under Ind AS 115, an entity has an option to adopt Ind AS 115 by applying modified retrospective method. Appendix A illustrates the key changes to the group's financial statements had the group elected to apply Ind AS 115 using the modified retrospective method.

The other amendments to Ind AS notified by the Companies (Indian Accounting Standards) Amendment Rules, 2018 and Companies (Indian Accounting Standards) Second Amendment Rules, 2018 that apply from 1 April 2018 and that are unrelated to the adoption of Ind AS 115 are primarily clarifications, see Appendix D. We have assumed that none of them required a change in Value Ind AS Limited's accounting policies. However, this assumption will not necessarily apply to all entities. Where there has been a change in policy that has a material impact on the reported amounts, this would also need to be disclosed in note 43.

The Ministry of Corporate Affairs amended Schedule III on 11 October 2018 notifying certain additional presentation and disclosure requirements such as presentation of trade-payables (current/non-current both) on face of the balance sheet as (a) total outstanding dues of micro and small enterprises; and (b) total outstanding dues other than micro and small enterprises.

Using this publication

The source for each disclosure requirement is given in the reference column. There is also commentary that (i) explains some of the more challenging areas, (ii) lists disclosures that have not been included because they are not relevant to Value Ind AS Limited and (iii) provides additional disclosure examples.

Appendix B gives further information about industry-specific disclosures. It also includes disclosures relating to correction of an error relating to prior year. A list of abbreviations used in this publication is presented in Appendix E.

The example disclosures are not the only acceptable form of presenting financial statements. Alternative presentations may be acceptable if they comply with the specific disclosure requirements prescribed in Ind AS and Schedule III.

Some of the disclosures in this publication would likely be immaterial if Value Ind AS Limited was a 'real life' company. The purpose of this publication is to provide a broad selection of illustrative disclosures which cover most common scenarios encountered in practice. The underlying story of the company only provides the framework for these disclosures and the amounts disclosed are for illustration purposes only. Disclosures should not be included where they are not relevant or not material in specific circumstances.

Preparers of financial reports should also consider local legal and regulatory requirements which may stipulate additional disclosures that are not illustrated in this publication.

Format

The structure used in this publication is not meant to be used as a template, but to provide you with possible ideas. It will not necessarily be suitable for all companies. The structure of financial reports should reflect the particular circumstances of the company and the likely priorities of its report readers. There is no "one size fits all" approach and companies should engage with their investors and users to determine what would be most relevant to them. Companies may use an alternative structure for presenting the notes to the financial statements.

Industry-specific requirements

VALUE Ind AS Limited does not illustrate the disclosures specifically relevant to specialised industries. However, Appendix B provides an illustration and explanation of the industry-specific disclosure requirements of Ind AS 106, *Exploration for and Evaluation of Mineral Resources* and Ind AS 41, *Agriculture*.

Value Ind AS Limited

Illustrative Ind AS consolidated financial statements - March 2019

Financial statements

Notes to the financial statements

Notes to the balance sheet

Notes to the statement of profit and loss

1(49),(51)(a)

Value Ind AS Limited

Illustrative financial statements – 31 March 2019

1(49) Financial statements

1(51)(b),(d) These financial statements are consolidated financial statements of the group consisting of Value Ind AS Limited and its subsidiaries. A list of subsidiaries is included in note 34.

1(51)(e) The financial statements are presented in Indian Rupee (INR) rounded off to the nearest lakhs.

1(138)(a) Value Ind AS Limited is a company limited by shares, incorporated and domiciled in India. Its registered office and principal place of business is:

Value Ind AS Limited

28, Diamond Street,

Mumbai – 400000.

10(17) The financial statements were authorised for issue by the directors on 21 May 2019.

All press releases, financial reports and other information are available at our investor relations section on our website: www.valueindas.com

Commentary - Financial statements

Financial statements presentation and disclosures

1(10) 1. According to Ind AS 1 *Presentation of Financial Statements*, a 'complete set of financial statements' comprises:
   (a) a balance sheet as at the end of the period;
   (b) a statement of profit and loss for the period;
   (c) a statement of changes in equity for the period;
   (d) a statement of cash flows for the period;
   (e) notes, comprising significant accounting policies and other explanatory information;
   (f) comparative information in respect of the preceding period; and
   (g) if the entity has applied an accounting policy retrospectively, made a retrospective restatement of items or has reclassified items in its financial statements: a balance sheet as at the beginning of the earliest comparative period.

Comparative information on first-time adoption of Ind AS

2. Transition date:

101(6) As per Ind AS 101, *First-time adoption of Indian Accounting Standards*, an entity shall prepare and present an opening Ind AS Balance Sheet at the date of transition to Ind ASs. This is the starting point for accounting in accordance with Ind AS**.** The date of transition for Value Ind AS Limited was 1 April 2016, accordingly transition related disclosures have not been included in these illustrative financial statements.

101(21) Ind AS 101 requires that an entity's first Ind AS financial statements shall include at least three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented.

Comparative information applicable for subsequent periods

1(38) 3. Except when an Ind AS permits or requires otherwise, comparative information shall be disclosed in respect of the preceding period for all amounts reported in the financial statements. Comparative information shall be included for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.

1(38B) 4. In some cases, narrative information provided in the financial statements for the previous period(s) continues to be relevant in the current period. For example, details of a legal dispute, the outcome of which was uncertain at the end of the immediately preceding reporting period and that is yet to be resolved, are disclosed in the current period. Users benefit from information that the uncertainty existed at the end of the immediately preceding reporting period, and about the steps that have been taken during the period to resolve the uncertainty.

Three balance sheets required in certain other circumstances

1(40A),(40B) 5. If an entity has
   (a) applied an accounting policy retrospectively, restated items retrospectively, or reclassified items in its financial statements, and
   (b) the retrospective application, restatement or reclassification has a material effect on the information presented in the balance sheet at the beginning of the preceding period,

   it must present a third balance sheet as at the beginning of the preceding period.

1(40D) 6. The date of the third balance sheet must be the beginning of the preceding period, regardless of whether the entity presents additional comparative information for earlier periods.

1(40C)
8
1(41) 7. Where the entity is required to include a third balance sheet, it must provide appropriate explanations about the changes in accounting policies, other restatements or reclassifications, as required under Ind AS 1 paragraph 41 and Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. However, the entity does not need to include the additional comparatives in the related notes. This contrasts with the position where an entity chooses to present additional comparative information as permitted by Ind AS 1 paragraphs 38C and 38D (for example a third statement of profit and loss).

Consistency

1(45) 8. The presentation and classification of items in the financial statements must be retained from one period to the next unless:
   (a) it is apparent that another presentation or classification would be more appropriate based on the criteria for the selection and application of accounting policies in Ind AS 8 (e.g. following a significant change in the nature of the entity's operations or a review of its financial statements), or
   (b) Ind AS requires a change in presentation.

Schedule III - General instructions for preparation of financial statements

Sch III 9. Every company to which Ind AS apply is required to prepare its financial statements in accordance with Schedule III. Modifications are permitted in certain circumstances for instance where modification is required to comply with Ind AS.

Commentary - Financial statements

Sch III 10. Where compliance with the requirements of the Act including Ind AS (except the option of presenting assets and liabilities in the order of liquidity) as applicable to the companies require any change in treatment or disclosure including addition, amendment, substitution or deletion in the head or sub-head or any changes inter se, in the financial statements or statements forming part thereof, the same shall be made and the requirements of Schedule III shall stand modified accordingly.

Sch III 11. The disclosure requirements specified in Schedule III are in addition to and not in substitution of the disclosure requirements specified in Ind AS. Additional disclosures specified in the Ind AS shall be made in the notes or by way of additional statement or statements unless required to be disclosed on the face of the financial statements. Similarly, all other disclosures as required by the Act shall be made in the notes in addition to the requirements set out by Schedule III.

Sch III 12. Depending upon the turnover of the company, Schedule III requires that figures appearing in the financial statements shall be rounded off as below:

Turnover	**Rounding off**
(i) less than one hundred crore rupees	to the nearest hundreds, thousands, lakhs or millions, or decimals thereof
(ii) one hundred crore rupees or more	to the nearest lakhs, millions or crores, or decimals thereof

Once a unit of measurement is used, it should be used uniformly in the financial statements.

Sch III 13. Schedule III sets out the minimum requirements for disclosure on the face of the financial statements, i.e., balance sheet, statement of changes in equity, the statement of profit and loss and notes. Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry or sector-specific disclosure requirements or when required for compliance with the Act or under Ind AS.

Sch III 14. Where any Act or regulation requires specific disclosures to be made in the standalone financial statements of the company, the said disclosures shall be made in addition to those required under Schedule III. For instance disclosures relating to dues of micro and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006.

Since these are illustrative consolidated financial statements, the above disclosure has not been included.

Materiality

1(7),(29)-(31) 15. Whether individual items or groups of items need to be disclosed separately in the primary financial statements or in the notes depends on their materiality. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether the omission or misstatement could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. In particular circumstances either the nature or the amount of an item or an aggregate of items could be the determining factor. Further, an entity may also be required to present separately immaterial items, when required by law.

Exemption from preparation of consolidated financial statements

16. An intermediate parent need not present consolidated financial statements if it meets all the following conditions as per Companies (Accounts) Amendments Rules, 2016.

(a) It is a wholly owned subsidiary or is a partially owned subsidiary of another company and all its other members, including those not otherwise entitled to vote, have been intimated in writing and for which the proof of delivery of such intimation is available with the company, do not object to the company not presenting consolidated financial statements.

(b) It is a company whose securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India.

(c) Its ultimate or any intermediate holding company files consolidated financial statements with the registrar which are in compliance with the applicable accounting standards.

The above exemption from preparing consolidated financial statements is substantially similar to the exemption given in paragraph 4(a) of Ind AS 110, *Consolidated Financial Statements*. Ind AS 110 only requires parent company to inform other shareholders about its intention of not presenting consolidated financial statements, however it does not specify the mode of intimation. Further, Ind AS 110 does not specifically require ultimate or intermediate holding company to file its Ind AS consolidated financial statements with the Registrar.

Power to amend the financial statements

10(17) 17. An entity shall disclose the fact whether the entity's owners or others have the power to amend the financial statements after issue.

Commentary – Financial statements

Disclosures not illustrated: not applicable to Value Ind AS Limited

18. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Item	Nature of disclosure
27(16)(a)	Exemption from preparing consolidated financial statements in accordance with paragraph 4(a) Ind AS 110	Disclose • the fact that the financial statements are separate financial statements • that the exemption has been used • details about the entity that produces consolidated financial statements that comply with Ind AS which include the reporting entity in question • a list of significant investments and the policies applied in accounting for these investments
27(17)	Separate financial statements	Disclose the fact that the statements are separate financial statements, a list of significant investments and the policies applied in accounting for these investments
21(51),(53)-(57)	Foreign currency translation	• When the presentation currency is different from the functional currency, that fact shall be stated, together with disclosure of the functional currency and the reason for using a different presentation currency • Disclose the fact when there have been changes in the functional currency of either the reporting entity or a significant foreign operation, the reason for the change and the date of change in functional currency • Clearly identify supplementary information that is presented in a currency other than the parent entity's functional or presentation currency
1(36)	Reporting period is shorter or longer than one year	Disclose the period covered, the reason for different period and the fact that the amounts are not entirely comparable

Disclosures not illustrated: going concern disclosures

1(25) 19. When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. Financial statements shall be prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed. When the financial statements are not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern.

20. Where there are material uncertainties about the entity's ability to continue as a going concern, this fact should be disclosed upfront.

21. A disclosure of material uncertainties about the entity's ability to continue as a going concern should:

(a) adequately describe the principal events and conditions that give rise to the significant doubt on the entity's ability to continue as a going concern

(b) explain management's plans to deal with these events or conditions, and

(c) state clearly that:

i. there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, and

ii. the entity may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

(All amounts in INR lakhs, unless otherwise stated)

1(10)(a),(54)

Consolidated balance sheet

1(113),(51),(c),(e)		Notes	31 March 2019	31 March 2018 Restated**	1 April 2017 Restated**
	ASSETS				
1(60),(66)	**Non-current assets**				
1(54)(a)	Property, plant and equipment	3	137,048	97,023	88,145
Sch III	Capital work-in-progress	3	17,450	3,100	-
1(54)(b)	Investment properties	4	7,419	7,179	7,255
Sch III	Goodwill	5	8,670	4,530	4,530
1(54)(c)	Other intangible assets	5	12,033	10,895	11,210
Sch III	Intangible assets under development*		-	-	-
Sch III	Biological assets other than bearer plants*		-	-	-
1(54)(e)	Investments accounted for using the equity method	34(e)	2,776	2,128	1,604
1(54)(d)	Financial assets				
Sch III	i. Investments	6(a)	38,165	32,253	32,299
Sch III	ii. Loans	6(c)	3,084	2,601	2,182
Sch III	iii. Other financial assets	6(e)	1,187	625	754
1(54)(o),(56)	Deferred tax assets	7	4,598	2,774	2,054
Sch III	Other non-current assets	8	21,586	10,565	7,466
	Total non-current assets		**254,016**	**173,673**	**157,499**
1(60),(66)	**Current assets**				
1(54)(g)	Inventories	9	66,392	58,465	58,957
1(54)(d)	Financial assets				
Sch III	i. Investments	6(a)	10,695	9,170	8,416
1(54)(h)	ii. Trade receivables	6(b)	30,712	30,078	28,210
1(54)(i)	iii. Cash and cash equivalents	6(d)	25,031	7,035	6,131
Sch III	iv. Bank balances other than (iii) above*		-	-	-
Sch III	v. Loans	6(c)	623	546	548
Sch III	vi. Other financial assets	6(e)	2,856	2,093	1,052
115(105)	Contract assets [12]	6A	1,486	2,597	1,897
1(55),Sch III	Other current assets	10	459	543	366
			138,254	**110,527**	**105,577**
1(54)(j) 105(38)	Assets classified as held for sale	11	210	19,310	-
	Total current assets		**138,464**	**129,837**	**105,577**
	Total assets		**392,480**	**303,510**	**263,076**

		Notes	31 March 2019	31 March 2018 Restated**	1 April 2017 Restated**
	EQUITY AND LIABILITIES				
	Equity				
1(54)(r)	Equity share capital	12(a)	22,400	12,600	12,000
Sch III	**Other equity**				
1(54)(r),(55)	Equity component of compound financial instruments [10]	13(a)	372	-	-
1(54)(r),(55)	Reserves and surplus [10]	12(b)	216,092	160,796	128,893
1(54)(r),(55)	Other reserves [10]	12(c)	4,233	3,215	2,420
1(54)(r)	**Equity attributable to owners of Value Ind AS Limited**		**243,097**	**176,611**	**143,313**
1(54)(q)	Non-controlling interests	34(b)	24,742	16,248	14,109
	Total equity		**267,839**	**192,859**	**157,422**
	LIABILITIES				
1(60),(69)	**Non-current liabilities**				
1(54)(m)	Financial Liabilities				
Sch III	i. Borrowings	13(a)	41,455	35,565	36,537
Sch III	ii. Other financial liabilities	13(b)	1,670	199	312
1(54)(l)	Provisions	14	241	91	-
1(55)	Employee benefit obligations [10]	15	5,416	3,420	3,401
1(54)(o),(56)	Deferred tax liabilities	16	12,085	9,864	7,776
1(55)	Government grants [10]	18	2,352	2,550	2,924
Sch III	Other non-current liabilities*		-	-	-
	Total non-current liabilities		**63,219**	**51,689**	**50,950**
1(60),(69)	**Current liabilities**				
1(54)(m)	Financial liabilities				
Sch III	i. Borrowings	13(a)	2,807	2,685	1,433
1(54)(k)	ii. Trade payables				
Sch III	(a) total outstanding dues of micro and small enterprises	13(c)	1,011	1,977	1,195
Sch III	(b) total outstanding dues other than (ii) (a) above	13(c)	37,000	27,000	33,000
Sch III	iii. Other financial liabilities	13(b)	8,909	8,837	10,825
115(105)	Contract liabilities [12]	6A	833	866	810
1(54)(l)	Provisions	14	1,412	443	130
1(55)	Employee benefit obligations [10]	15	2,300	2,034	1,800
1(55)	Government grants [10]	18	938	1,017	1,166
1(54)(n)	Current tax liabilities	17	2,803	1,905	850
Sch III	Other current liabilities	19	3,409	3,208	3,495
			61,422	**49,972**	**54,704**
1(54)(p) 105(38)	Liabilities directly associated with assets classified as held for sale	33	-	8,990	-
	Total current liabilities		**61,422**	**58,962**	**54,704**
	Total liabilities		**124,641**	**110,651**	**105,654**
	Total equity and liabilities		**392,480**	**303,510**	**263,076**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

**Schedule III requires these items to be presented on the face of the balance sheet. They have been included for illustrative purposes though they are not applicable to Value Ind AS Limited.*

*** See note 43 for details about restatements for changes in accounting policies consequent to adoption of Ind AS 115.*

Commentary - Balance sheet

Current/non-current distinction

1(60),Sch III 1. An entity presents current and non-current assets and current and non-current liabilities as separate classifications in its balance sheet except when a presentation based on liquidity provides information that is reliable and is more relevant. When that exception applies, all assets and liabilities are presented broadly in order of liquidity. However, it is to be noted that Schedule III to the Act does not permit presentation in the order of liquidity.

1(66) 2. An entity shall classify an asset as current when:

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent (as defined in Ind AS 7, *Statement of Cash Flows*) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets shall be classified as non-current.

1(69) 3. An entity shall classify a liability as current when:

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

1(61) 4. An entity shall disclose the amount expected to be recovered or settled after more than twelve month for each asset and liability line item that combines amounts expected to be recovered or settled: (a) no more than twelve months after the reporting period, and (b) more than twelve months after the reporting period.

1(66)-(70) 5. Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting period. Some current liabilities, such as trade payables and some accruals for employee and other operating costs, are part of the working capital used in the entity's normal operating cycle. Such operating items are classified as current liabilities even if they are due to be settled more than 12 months after the reporting period.

1(68) 6. The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in the form of cash or cash equivalents. When the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months.

19(133) 7. Ind AS 19, *Employee Benefits* does not specifically require an entity to distinguish the current and non-current portions of assets and liabilities arising from post-employment benefits because such a distinction may sometimes be arbitrary and difficult to prepare. This is particularly the case for funded plans, where the funded status of the plan to be reflected in the balance sheet reflects the net of plan assets and liabilities. As a result, Value Ind AS Limited has presented the net plan asset or liability as a single non-current item.

GN Sch III 7.9(c) However, entities may apply the principles in the Guidance Note on Division II – Ind AS Schedule III for classification of post-employment benefits. As per the Guidance Note, in respect of funded post-employment defined benefit plans, amounts due for payment within 12 months to the fund may be treated as 'current'. Regarding unfunded post-employment benefit plans, settlement obligations which are due within 12 months in respect of employees who have resigned or expected to resign or are due for retirement within the next 12 months is 'current'. The remaining amount attributable to other employees, who are likely to continue in the services for more than a year, is classified as "non-current".

Normally an actuary should determine the amount of current and non-current liability for unfunded post-employment benefit obligations.

Separate line items

107(8) 8. Paragraph 8 of Ind AS 107, *Financial Instruments: Disclosures* requires disclosure, either in the balance sheet or in the notes, of the carrying amounts of financial assets and liabilities by the following categories:

a) Financial assets measured at fair value through profit or loss (FVPL), showing separately those mandatorily classified and those designated upon initial recognition.

b) Financial liabilities measured at FVPL, showing those that meet the definition of held for trading and those designated upon initial recognition.

c) Financial assets measured at amortised cost.

d) Financial liabilities measured at amortised cost.

e) Financial assets measured at fair value through other comprehensive income (FVOCI), showing separately debt and equity instruments.

Commentary - Balance sheet

9. VALUE Ind AS Limited has chosen to disclose the detailed information in relation to financial assets and financial liabilities by category in the notes. However, depending on the materiality of these items and the nature of the entity's business, it may also be appropriate to disclose the financial assets and financial liabilities by major category on the face of the balance sheet and provide some of the more detailed information in the notes.

1(54),(55)

10. Paragraph 54 of Ind AS 1 and Schedule - III sets out the line items that are required to be presented in the balance sheet. Additional line items, heading and subtotals should be added when they are relevant to an understanding of the entity's financial position. For example, Ind AS 1 does not prescribe where employee benefit obligations and government grants should be presented in the balance sheet. Value Ind AS Limited has elected to present all employee benefit obligations and government grants as separate current and non-current line items on the face of the balance sheet, as this provides more relevant information to its users. Alternatively, companies can present these items as part of notes to the financial statements. For example, employee benefit obligations may be presented under provisions as indicated by Schedule III.

    Similarly, Value Ind AS Limited has elected to present the components of other equity on the face of the balance sheet.

GN Sch III 8.2.1.7

11. Instruments other than equity share capital which are entirely equity in nature from the issuer's perspective may be presented as a separate line item on the face of the balance sheet under 'equity' after 'equity share capital' but before 'other equity'.

115(105)

12. Ind AS 115 requires the presentation of any unconditional rights to consideration as a receivable separately from contract assets. Value Ind AS Limited has therefore reclassified its contract assets and contact liabilities upon adoption of Ind AS 115 and presented them as a separate line items in the balance sheet.

13. A return right gives an entity a contractual right to recover the good from a customer (returns asset) if the customer exercises its option to return the good and obtain a refund. The returns asset will be presented and assessed for impairment separately from the refund liability. Ind AS 115 and other standards do not specify how an entity should present returns asset. Value Ind AS Limited has included the returns assets in 'other current assets' and disclosed them separately in the note.

14. Classification of refund liabilities:

    Value Ind AS Limited has a policy to sell its products to the end customer with a right of return within 28 days. Further, it sells furniture to its wholesale customers with retrospective volume discounts based on aggregate sales over a 12 months period. The group has recognised refund liability in respect of customer's right to return the product and volume discounts in accordance with Ind AS 115.

    The group has concluded that the arrangement for return and volume discount is executory as there is no obligation to deliver cash until the goods are returned or additional volume of purchases are made by the customer. Accordingly, the group has presented its refund liabilities as 'other current liabilities'.

    The classification of refund liability as financial or non-financial liability depends on specific facts and circumstances and may require significant judgement. When a refund liability meets the definition of a financial liability in accordance with Ind AS 32, *Financial Instruments: Presentation* then it is subject to the disclosure requirements in Ind AS 107, *Financial Instruments: Disclosures*.

(All amounts in INR lakhs, unless otherwise stated)

1(10)(b),(10A)

Consolidated statement of profit and loss

Reference		Notes	Year ended 31 March 2019	Year ended 31 March 2018 Restated**
1(113),(51)(c),(e)				
	Continuing operations			
1(82)(a),Sch III	Revenue from operations [31]	20	221,783	201,107
1(102)	Other income	21(a)	4,430	3,444
1(85)	Other gains/(losses) – net [1]	21(b)	1,233	1,203
	Total income		**227,446**	**205,754**
	Expenses			
1(102)	Cost of materials consumed	22(a)	78,382	76,039
Sch III	Purchases of stock-in-trade		62,763	45,632
1(102), Sch III	Changes in inventories of work-in-progress, stock-in-trade and finished goods	22(b)	(7,038)	(2,428)
1(85)	Excise duty [1]		-	3,174
1(102)	Employee benefit expense	23	20,237	17,786
1(102)	Depreciation and amortisation expense	24	10,820	9,761
1(85)	Impairment of goodwill and other non-current assets [1]	3, 5	2,100	-
1(82)(ba)	Net impairment losses on financial and contract assets [30]	29	443	454
1(102)	Other expenses	25	9,591	8,801
1(82)(b)	Finance costs	26	3,203	2,794
Sch III	**Total expenses**		**180,501**	**162,013**
	Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		**46,945**	**43,741**
1(82)(c)	Share of net profit of associates and joint ventures accounted for using the equity method	34	616	483
	Profit before exceptional items and tax		**47,561**	**44,224**
Sch III	Exceptional items*		-	-
Sch III	**Profit before tax from continuing operations**		**47,561**	**44,224**
1(82)(d) 12(77)	Income tax expense	27		
Sch III	- Current tax		14,795	12,555
Sch III	- Deferred tax		556	702
	Total tax expense		**15,351**	**13,257**
	Profit from continuing operations		**32,210**	**30,967**
Sch III	**Discontinued operations**			
Sch III	Profit from discontinued operation before tax	33	876	2,101
Sch III	Tax expense of discontinued operations	27, 33	263	630
105(33)(a), 1(82)(ea)	**Profit from discontinued operation**		**613**	**1,471**
1(81A)(a)	**Profit for the year**		**32,823**	**32,438**

(All amounts in INR lakhs, unless otherwise stated)

		Notes	Year ended 31 March 2019	Year ended 31 March 2018 Restated**
	Other comprehensive income			
1(82A)(a)(ii)	*Items that may be reclassified to profit or loss*			
1(7)(da),(82A)	Changes in the fair value of debt instruments at FVOCI*		-	-
1(7)(e),(82A)	Gains on cash flow hedges	12	1,153	1,003
1(7)(g),(h) 1(82A)	Costs of hedging	12	(228)	(91)
1(82A)	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	12, 34	59	44
1(7)(c),(82A) 21(32)	Exchange differences on translation of foreign operations	12	(238)	(280)
105(38)	Exchange differences on translation of discontinued operation [18]	33	65	(30)
1(7)(c),(82A) 109(6.5.13)	Gains on net investment hedge	12	480	-
1(91)(b),Sch III	Income tax relating to these items	12	(295)	(287)
			996	**359**
1(82A)(a)(i)	*Items that will not be reclassified to profit or loss*			
1(7)(d),(82A)	Changes in the fair value of equity investments at FVOCI	12	221	440
1(7)(e),(82A)	Losses on cash flow hedges [16]	12	(170)	(112)
109(6.5.15)(b)	Costs of hedging [16]	12	(42)	(35)
1(82A)	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	12	32	38
1(7)(b),(82A) 19(120)(c)	Remeasurements of post-employment benefit obligations	15	756	720
1(91)(b),Sch III	Income tax relating to these items	12	(239)	(315)
			558	**736**
1(81A)(b)	**Other comprehensive income for the year, net of tax**		**1,554**	**1,095**
1(81A)(c)	**Total comprehensive income for the year**		**34,377**	**33,533**

**Schedule III requires these items to be presented on the face of the statement of profit and loss. They have been included for illustrative purposes though they are not applicable to Value Ind AS Limited.*

(All amounts in INR lakhs, unless otherwise stated)

		Notes	Year ended 31 March 2019	Year ended 31 March 2018 Restated**
1(81B)(a)	Profit is attributable to:			
1(81B)(a)(i)	Owners of Value Ind AS Limited		28,165	30,182
1(81B)(a)(ii)	Non-controlling interests		4,658	2,256
			32,823	**32,438**
Sch III	Other comprehensive income is attributable to:			
	Owners of Value Ind AS Limited		1,397	1,212
	Non-controlling interests		157	(117)
			1,554	**1,095**
1(81B)(b)	Total comprehensive income is attributable to:			
1(81B)(b)(i)	Owners of Value Ind AS Limited		29,562	31,394
1(81B)(b)(ii)	Non-controlling interests		4,815	2,139
			34,377	**33,533**
	Total comprehensive income attributable to owners of Value Ind AS Limited arises from:			
	Continuing operations		28,949	29,923
105(33)(d)	Discontinued operations		613	1,471
			29,562	**31,394**
			INR	INR
33(66),Sch III	**Earnings per equity share for profit from continuing operation attributable to owners of Value Ind AS Limited:**			
	Basic earnings per share	40	15.07	22.88
	Diluted earnings per share		14.26	22.19
33(66),Sch III	**Earnings per equity share for profit from discontinued operation attributable to owners of Value Ind AS Limited:**			
	Basic earnings per share	40	0.33	1.17
	Diluted earnings per share		0.31	1.13
33(66),Sch III	**Earnings per equity share for profit from continuing and discontinued operation attributable to owners of Value Ind AS Limited:**			
	Basic earnings per share	40	15.40	24.05
	Diluted earnings per share		14.57	23.32

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

*** See note 43 for details about restatements for changes in accounting policies consequent to adoption of Ind AS 115.*

Commentary - Statement of profit and loss

Additional line items

1(85), Sch III
GN Sch III 9.2

1. Additional line items, headings and subtotals shall be presented in the statement of profit and loss when such presentation is relevant to an understanding of the entity's financial performance. For example, Value Ind AS Limited has elected to present gains or losses arising from financial instruments, gains or losses on disposal of property, plant and equipment and foreign exchange differences in a separate line item "other gains/(losses) - net" on the face of the statement of profit and loss. Alternatively, these items may be presented within "other income" as recommended in the Guidance Note.
2. Having said that, additional sub-headings should be used with care. In order to be useful, information must be relevant and faithfully represent what it purports to represent. That is, it must be complete, neutral and free from error. The apparent flexibility in Ind AS 1 can, therefore, only be used to enhance users' understanding of the company's financial performance. It cannot be used to detract from the amounts that must be disclosed under Ind AS (statutory measures).

1(85A)

3. Ind AS 1 specifically provides that additional subtotals must:
   (a) be comprised of items made up of amounts that are recognised and measured in accordance with Ind AS;
   (b) be presented and labelled such that they are clear and understandable;
   (c) be consistent from period to period; and
   (d) not be displayed with more prominence than the subtotals and totals required in Ind AS for the statement of profit and loss.
4. In addition, we recommend that entities consider the following principles:
   (a) the subtotals should not introduce bias or overcrowd the statement of profit and loss;
   (b) additional line items or columns should contain only revenue or expenses of the entity itself;
   (c) additional line items, columns and subtotals should only be presented when they are used internally to manage the business; and
   (d) the overall message of the statement of profit and loss should not be distorted or confused.
5. Earnings before interest and tax (EBIT) may be an appropriate sub-heading to show in the statement of profit and loss, as it usually distinguishes between the pre-tax profits arising from operating and from financing activities.
6. Where an entity discloses alternative performance measures, these should not be given greater prominence than the Ind AS measure of performance. This might be achieved by including the alternative performance measure in the notes to the financial statements or as a footnote to the primary financial statement. Where an entity presents such a measure on the face of the primary statement, it should be clearly identified. Management should determine the overall adequacy of the disclosures and whether a specific presentation is misleading in the context of the financial statements as a whole. This judgement might be disclosed as a significant judgement in accordance with paragraph 122 of Ind AS 1.

GN Sch III 6.14

7. Owing to the flexibility allowed by Schedule III, a company may choose to present certain important measure of financial performance as an additional line item on the face of the statement of profit and loss. [For example, the Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)]. The method of computation adopted by companies for presenting such measures should be followed consistently over the years. Further, the company should also disclose the policy followed in the measurement of such line items.

Re-ordering of line items

1(86)

8. Entities should re-order the line items and descriptions of those items where this is necessary to explain the elements of performance. However, entities are again governed by the overall requirement for a 'true and fair view' and should not make any changes unless there is a good reason to do so.

1(82)(c)
115(App A)

9. The share of the profit or loss of associates and joint ventures accounted for using the equity method should not be included as part of the entity's revenue. Combining the entity's share of the associate's revenue with its own revenue would be inconsistent with the balance sheet treatment where the entity's investment is presented as a separate line item. This is different to the accounting for joint operations where the entity combines its share of the joint operation's revenue with its own. Where a group conducts a significant proportion of its business through equity-accounted investments and wishes to highlight that fact to the reader of the statement of profit and loss, it may choose to give additional financial information by way of a footnote and cross-reference to the notes. In any case, for each associate and joint venture that is material to the reporting entity, Ind AS 112, *Disclosure of Interests in Other Entities* requires disclosure of summarised financial information about the associate or joint venture.

Finance income and finance cost

1(82)(b)

10. Ind AS 1 and Schedule III requires an entity to present finance costs on the face of the statement of profit and loss, but it does not require the separate presentation of finance income. The classification of finance income will depend on an entity's accounting policy for such items. Refer to the commentary "Other income and expense items" for details.

Commentary - Statement of profit and loss

Discontinued operations

105(33)(a),(b)
1(82)(ea)

11. As per Ind AS 105, *Non-current Assets Held for Sale and Discontinued Operations*, entities shall disclose a single amount in the statement of profit and loss comprising the total of (i) the post-tax profit or loss of discontinued operations and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation. However, Schedule III requires presentation of pre-tax profit/(loss) from discontinued operations and related tax expense on the face of the statement of profit and loss. An analysis of profit/ (loss) from discontinued operations is also required by paragraph 33 of Ind AS 105. This analysis may be presented in the notes or in the statement of profit and loss. In the case of Value Ind AS Limited, the above analysis is presented in note 33. If it is presented in the statement of profit and loss it must be presented in a section identified as relating to discontinued operations; that is, separately from continuing operations. The analysis is not required for disposal groups that are newly acquired subsidiaries that meet the criteria to be classified as held for sale on acquisition (refer to paragraph 11 of Ind AS 105).

Earnings per share

33(73)

12. While entities are permitted to disclose earnings per share based on alternative measures of earnings, these must be presented in the notes to the financial statements only.

33(68),Sch III

13. As per Ind AS 33, *Earnings per Share*, an entity that reports a discontinued operation must disclose the basic and diluted earnings per share for the discontinued operation either in the statement of profit and loss or in the notes to the financial statements. However, Schedule III requires presentation of basic and diluted EPS for discontinued operations on the face of the statement of profit and loss.

Components of other comprehensive income

1(7)

14. Components of other comprehensive income (OCI) are items of income and expense (including reclassification adjustments) that are specifically required or permitted by other Ind AS to be included in other comprehensive income and are not recognised in profit or loss. They currently include:
    (a) revaluation gains and losses relating to property, plant and equipment or intangible assets
    (b) remeasurements of net defined benefit liabilities/(assets)
    (c) gains and losses arising from translating the financial statements of a foreign operation
    (d) gains and losses on remeasuring financial assets that are measured or designated as at fair value through OCI
    (e) the effective portion of gains and losses on hedging instruments in a cash flow hedge
    (f) for particular liabilities designated as at fair value through profit or loss, the change in the fair value that is attributable to changes in the liability's credit risk
    (g) changes in the value of the time value of options when separating the intrinsic value and time value of an option contract and designating as the hedging instrument only the changes in the intrinsic value
    (h) changes in the value of the forward elements of forward contracts when separating the forward element and spot element of a forward contract and designating as the hedging instrument only the changes in the spot element, and changes in the value of the foreign currency basis spread of a financial instrument when excluding it from the designation of that financial instrument as the hedging instrument
    (i) bargain purchase gain arising from business combination when there is clear evidence for the underlying reason for classification of the business combination as a bargain purchase
    (j) the investor's share of the other comprehensive income of equity-accounted investments, and
    (k) current and deferred tax credits and charges in respect of items recognised in other comprehensive income.

1(82A)

15. Items of OCI arising from equity accounted investments must be presented in total for items which may be reclassified and those that will not be reclassified to profit or loss.

109(6.5.11)(d)(i)

16. For cash flow hedges of a forecast transaction which subsequently results in the recognition of a non-financial item (such as a fixed asset or inventory), or where a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the carrying value of that item must be adjusted for the accumulated gains or losses recognised directly in equity. This is often referred to as a 'basis adjustment in a cash flow hedge'. This is not a reclassification adjustment, as defined in Ind AS 1, and hence it does not affect other comprehensive income.

Commentary - Statement of profit and loss

Summary

17. The requirements surrounding components of OCI can be summarised as follows:

Item	**Reference**	**Requirement in standard**	**Presentation in Value Ind AS Limited**
Each component of OCI recognised during the period, classified by nature	Ind AS 1(82A)	Statement of profit and loss	Statement of profit and loss
Reclassification adjustments during the period relating to components of OCI	Ind AS 1(92)	Statement of profit and loss or notes	Note 12
Tax relating to each component of OCI, including reclassification adjustments	Ind AS 1(90)	Statement of profit and loss or notes	Note 12
Reconciliation for each component of equity, showing separately • profit/loss • OCI • transactions with owners	Ind AS 1(106)(d)	Statement of changes in equity and notes	Statement of changes in equity and note 12

105(38) *Discontinued operations*

18. Ind AS 105 is unclear as to whether entities need to separate out items of other comprehensive income between continuing and discontinued operations. We believe that it would be consistent with the principles of Ind AS 105 to do so, as it would provide a useful base for predicting the future results of the continuing operations. We also note that entities must present separately any cumulative income or expense recognised in other comprehensive income that relates to a non-current asset or disposal group classified as held for sale.

Information to be presented either in the statement of profit and loss or in the notes

Material items of income and expense

1(97) 19. When items of income or expense are material, their nature and amount must be disclosed separately either in the statement of profit and loss or in the notes.

1(86),(97) GN Sch III 9.6 20. Ind AS 1 does not provide a specific name for the types of items that should be separately disclosed. Where an entity discloses a separate category of 'exceptional', 'significant' or 'unusual' items either in their statement of profit and loss or in the notes, the accounting policy note should include a definition of the chosen term. The presentation and definition of these items must be applied consistently from year to year. It is to be noted that Schedule III requires the presentation of exceptional items on the face of the statement of profit and loss. However, Schedule III also does not define the term "exceptional items". Ind AS 1 paragraph 98 mentions that circumstances may give rise to the separate disclosure of items of income and expenses (e.g. write-down of inventories, restructuring, litigation settlements etc.) Exceptional items should not be presented in a way that implies they are extraordinary. Extraordinary items are prohibited under Ind AS; it is therefore, particularly important that presentation of exceptional items should not undermine this prohibition.

21. An entity must take care to ensure that each class of expenses includes all items related to that class. Material restructuring cost may, for example, include redundancy payments (i.e. employee benefit cost), inventory write-downs (changes in inventory) and impairments in property, plant and equipment. It would not be acceptable to show restructuring costs as a separate line item in an analysis of expenses where there is an overlap with other line items.

Reclassification adjustments

1(92),(94) 22. An entity shall also disclose separately any reclassification adjustments relating to components of other comprehensive income either in the statement of profit and loss or in the notes. Value Ind AS Limited provides this information in note 12.

1(7),(95),(96) 23. Reclassification adjustments are amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in the current or previous periods. They arise, for example, on disposal of a foreign operation and when a hedged forecast transaction affects profit or loss. They do not arise on the disposal of property, plant and equipment measured at fair value under the revaluation model or the settlement of the defined benefit pension schemes. While these components are also recognised in OCI, they are not reclassified to profit or loss in subsequent periods. Reclassification adjustments also do not arise in relation to cash flow hedge accounting, where amounts are removed from the cash flow hedge reserve, or a separate component of equity, and are included directly in the initial cost or other carrying amount of an asset or liability. These amounts are directly transferred to assets or liabilities.

Commentary - Statement of profit and loss

1(99),(100),(102)

Classification of expenses

24. An analysis of expenses shall be presented using a classification based on the nature of expenses. Under the 'nature of expense' method, expenses are classified according to their nature (for example, depreciation, purchases of materials, transport costs, employee benefits and advertising costs) and are not reallocated among various functions within the entity.

1(29)

Materiality

25. An entity shall present separately each material class of similar items. An entity shall present separately items of a dissimilar nature or function unless they are immaterial except when required by law.

26. Materiality applies to the classification of expenses. Each material class should be separately disclosed, and unclassified expenses (for e.g. as 'other expenses') should be immaterial both individually and in aggregate.

Sch III

27. Schedule III requires separate disclosures in the notes of an item of income or expenditure which exceeds one per cent of the revenue from operations or INR 1,000,000, whichever is higher.

Offsetting

1(32)

28. Assets and liabilities, and income and expenses, must not be offset unless required or permitted by an Ind AS. Examples of income and expenses that are required or permitted to be offset are as follows:

1(34)(a)

(a) gains and losses on the disposal of non-current assets, including investments and operating assets, are reported by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses

1(34)(b)

(b) expenditure related to a provision that is recognised in accordance with Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets* and reimbursed under a contractual arrangement with a third party (e.g. a supplier's warranty agreement) may be netted against the related reimbursement

1(35)

(c) gains and losses arising from a group of similar transactions are reported on a net basis, for example, foreign exchange gains and losses or gains and losses arising on financial instruments held for trading. Such gains and losses are, however, reported separately if they are material.

29. Income which falls under the scope of Ind AS 115 cannot be netted off against related expenses.

Disclosure of specified separate line items in the statement of profit and loss

30. Ind AS 1 requires the separate presentation of the following line items in the statement of profit and loss:

1(82)(a) (a) interest revenue calculated using the effective interest rate method, separately from other revenue *

1(82)(aa) (b) gains and losses from the derecognition of financial assets measured at amortised cost *

1(82)(ba) (c) impairment losses determined in accordance with section 5.5 of Ind AS 109, *Financial Instruments* including reversals of impairment losses or impairment gains

1(82)(ca) (d) gains and losses recognised as a result of a reclassification of financial assets from measurement at amortised cost to fair value through profit or loss *

1(82)(cb) (e) gains and losses reclassified from OCI as a result of a reclassification of financial assets from the fair value through OCI measurement category to fair value through profit or loss *.

1(29),(30),(30A)

* not illustrated, as not material or not applicable to Value Ind AS Limited. As explained above, depending on materiality, it may not always be necessary to present these items separately in the primary financial statements. However, items that are of a dissimilar nature can only be aggregated if they are immaterial.

115(App A)

31. While Value Ind AS Limited recognises interest under the effective interest rate method, it does not consider this to be 'revenue' as the earning of interest is not part of the entity's ordinary activities but rather an incidental benefit.

(All amounts in INR lakhs, unless otherwise stated)

1(10)(c), (106)

Consolidated statement of changes in equity

A. Equity share capital

1(106)(d) Sch III

	Notes	
As at 1 April 2017		12,000
Changes in equity share capital	12	600
As at 31 March 2018		**12,600**
Changes in equity share capital	12	9,800
As at 31 March 2019		**22,400**

B. Other equity

		Notes	Attributable to owners of Value Ind AS Limited										Non-controlling interests	Total
				Reserves and surplus				Other reserves						
			Equity component of compound financial instruments	Securities premium	Retained earnings	Debenture redemption reserve	Share options outstanding account	FVOCI-equity investments	Cash flow hedging reserve	Costs of hedging reserve	Foreign currency translation reserve	Total other equity		
1(106)(d)	Balance at 1 April 2017		-	30,000	88,508	8,750	1,590	1,580	872	(32)	-	131,268	14,109	145,377
1(106)(b)	Change in accounting policy	43	-	-	45	-	-	-	-	-	-	45	-	45
1(106)(d)	**Restated balance at 1 April 2017**			**30,000**	**88,553**	**8,750**	**1,590**	**1,580**	**872**	**(32)**	**-**	**131,313**	**14,109**	**145,422**
1(106)(d)(i)	Profit for the year (restated*)		-	-	30,182	-	-	-	-	-	-	30,182	2,256	32,438
1(106)(d)(ii)	Other comprehensive income		-	-	566	-	-	308	624	(89)	(197)	1,212	(117)	1,095
1(106)(a)	**Total comprehensive income for the year**		**-**	**-**	**30,748**	**-**	**-**	**308**	**624**	**(89)**	**(197)**	**31,394**	**2,139**	**33,533**
109 (6.5.11)(d)(i)	Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	12(c)	-	-	-	-	-	-	131	18	-	149	-	149
			-	**-**	**-**	**-**	**-**	**-**	**131**	**18**	**-**	**149**	**-**	**149**
1(106)(d)(iii)	**Transactions with owners in their capacity as owners:**													
32(22),(35)	Issue of equity shares	12	-	1,800	-	-	-	-	-	-	-	1,800	-	1,800
	Dividends paid	30	-	-	(1,250)	-	-	-	-	-	-	(1,250)	-	(1,250)
ASB FAQ on DDT	Dividend distribution tax	30	-	-	(250)	-	-	-	-	-	-	(250)	-	(250)
102(50)	Employee stock option expense	39	-	-	-	-	855	-	-	-	-	855	-	855
			-	**1,800**	**(1,500)**	**-**	**855**	**-**	**-**	**-**	**-**	**1,155**	**-**	**1,155**
1(106)(d)	**Balance at 31 March 2018**		**-**	**31,800**	**117,801**	**8,750**	**2,445**	**1,888**	**1,627**	**(103)**	**(197)**	**164,011**	**16,248**	**180,259**

(All amounts in INR lakhs, unless otherwise stated)

		Notes	Attributable to owners of Value Ind AS Limited										Non-controlling interests	Total
			Equity component of compound financial instruments	Reserves and surplus				Other reserves				Total other equity		
				Securities premium	Retained earnings	Debenture redemption reserve	Share options outstanding account	FVOCI-equity investments	Cash flow hedging reserve	Costs of hedging reserve	Foreign currency translation reserve			
1(106)(d)	Balance at 31 March 2018 (as originally presented)		-	31,800	117,574	8,750	2,445	1,888	1,627	(103)	(197)	163,784	16,248	180,032
1(106)(b)	Change in accounting policy	43	-	-	227	-	-	-	-	-	-	227	-	227
	Restated balance at 1 April 2018		**-**	**31,800**	**117,801**	**8,750**	**2,445**	**1,888**	**1,627**	**(103)**	**(197)**	**164,011**	**16,248**	**180,259**
1(106)(d)(i)	Profit for the year		-	-	28,165	-	-	-	-	-	-	28,165	4,658	32,823
1(106)(d)(ii)	Other comprehensive income		-	-	480	-	-	155	688	(189)	263	1,397	157	1,554
1(106)(a)	**Total comprehensive income for the year**		**-**	**-**	**28,645**	**-**	**-**	**155**	**688**	**(189)**	**263**	**29,562**	**4,815**	**34,377**
109 (6.5.11) (d)(i)	Deferred hedging gains/(losses) and costs of hedging transferred to inventory	12(c)	-	-	-	-	-	-	169	23	-	192	-	192
	Transfer to retained earnings on acquisition of subsidiary	32	-	-	91	-	-	(91)	-	-	-	-	-	-
	Transfer to debenture redemption reserve		-	-	(175)	175	-	-	-	-	-	-	-	-
			-	**-**	**(84)**	**175**	**-**	**(91)**	**169**	**23**	**-**	**192**	**-**	**192**
1(106)(d) (iii)	**Transactions with owners in their capacity as owners:**													
32(22), (35)	Issue of equity shares, net of transaction costs	12	-	27,150	-	-	-	-	-	-	-	27,150	-	27,150
	Issue of optionally convertible bonds (net of deferred tax)	13(a)	372	-	-	-	-	-	-	-	-	372	-	372
	Non-controlling interests on acquisition of subsidiary	32	-	-	-	-	-	-	-	-	-	-	5,310	5,310
110(23)	Transactions with non-controlling interests	34	-	-	(150)	-	-	-	-	-	-	(150)	(1,571)	(1,721)
	Dividends paid	30	-	-	(1,395)	-	-	-	-	-	-	(1,395)	(50)	(1,445)
ASB FAQ on DDT	Dividend distribution tax	30	-	-	(285)	-	-	-	-	-	-	(285)	(10)	(295)
102(50)	Employee stock option expense	39	-	-	-	-	1,240	-	-	-	-	1,240	-	1,240
			372	**27,150**	**(1,830)**	**-**	**1,240**	**-**	**-**	**-**	**-**	**26,932**	**3,679**	**30,611**
1(106)(d)	**Balance at 31 March 2019**		**372**	**58,950**	**144,532**	**8,925**	**3,685**	**1,952**	**2,484**	**(269)**	**66**	**220,697**	**24,742**	**245,439**

**See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Commentary - Statement of changes in equity

1(106)

1. The statement of changes in equity shall include:
   (a) total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests
   (b) for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with Ind AS 8.

1(106)(d)

   (c) for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from:
      (i) profit or loss;
      (ii) other comprehensive income; and
      (iii) transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in loss of control.

1(108)
Sch III

2. Components of equity include each class of contributed equity, the accumulated balance of each class of other comprehensive income and reserves and surplus. Schedule III requires disclosure of individual reserves on the face of the statement of changes in equity.

1(107)

3. The amount of dividends recognised as distributions to owners during the period, and the related amount per share must be presented either in the statement of changes in equity or in the notes. In the case of Value Ind AS Limited these disclosures are made in note 30.

110(23)
GN Sch III 12.1

4. Changes in a parent's ownership interest after control is obtained that do not result in a change in control of the subsidiary are accounted for as equity transactions. Thus, if the parent maintains control, it will recognise no gain or loss in the income statement upon selling a subsidiary's shares. Similarly, the parent will not record any additional goodwill to reflect its subsequent purchases of additional shares in a subsidiary if there is no change in control. Instead, the carrying amount of the non-controlling interest will be adjusted to reflect the change in the non-controlling interest's ownership interest in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised in equity and attributed to the parent's equity holders. Value Ind AS Limited has recognised the difference between the amount by which non-controlling interest is adjusted and the fair value of the consideration paid in retained earnings within equity. Alternatively, the difference could also be recognised in a separate reserve (for example, non-controlling interest reserve or capital reserve) depending upon the legal requirement.

Sch III

5. Schedule III requires separate disclosure of amount of dividends proposed to be distributed to equity and preference shareholders for the period and the related amount per share. Arrears of fixed cumulative dividends on irredeemable preference shares shall also be disclosed separately.

Sch III

6. Where an issue of securities made for a specific purpose, the whole or part of the amount that has not been used for the specific purpose at the balance sheet date shall be indicated by way of a note how such unutilised amounts have been used or invested.

Sch III

7. Schedule III requires share application money pending allotment, money received against warrants, revaluation reserve and capital reserve to be presented on the face of statement of changes in equity. Value Ind AS Limited has not separately presented these components as they are not applicable to the group.

Sch III

8. A reserve specifically represented by earmarked investments shall disclose the fact that it so represented.

(All amounts in INR lakhs, unless otherwise stated)

1(10)(d)
7(1),(10)

Consolidated statement of cash flows

1(113)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018 Restated*
Cash flow from operating activities			
Profit before income tax from			
Continuing operations		47,561	44,224
Discontinued operations	33	876	2,101
7(18)(b),(20) **Profit before income tax including discontinued operations**		**48,437**	**46,325**
Adjustments for			
Depreciation and amortisation expense	3	10,820	9,761
Impairment of goodwill and other non-current assets	3, 5	2,100	-
Non-cash employee share-based payments	39	1,486	855
Gain on disposal of property, plant and equipment	21(b)	(743)	(430)
Gain on sale of subsidiary	33	(465)	-
Amortisation of government grants	21(a)	(1,033)	(1,180)
Gain on sale of investments	21(b)	(495)	(147)
Changes in fair value of financial assets at fair value through profit or loss	21(b)	(993)	(1,519)
Fair value adjustment to derivatives not designated as hedges	21(b)	132	121
Share of profits of associates and joint ventures	34	(616)	(483)
Unwinding of discount on security deposits	21(a)	(125)	(98)
Changes in fair value of contingent consideration	21(b)	400	-
Dividend and interest income classified as investing cash flows	21(a)	(1,724)	(927)
Finance costs	26	3,203	2,794
Net exchange differences		78	66
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:			
(Increase)/decrease in trade receivables		3,006	(12,408)
(Increase)/decrease in inventories		(5,588)	492
Increase in trade payables		6,050	3,022
(Increase) in other financial assets and liabilities		(852)	(562)
(Increase)/decrease in contract assets		1,111	(700)
(Increase)/decrease in other non-current assets		168	(244)
(Increase)/decrease in other current assets		84	(1,717)
Increase/(decrease) in provisions		(882)	137
Increase in employee benefit obligations		187	973
Increase/(decrease) in contract liabilities		(33)	56
Increase in other current liabilities		199	730
7(14)(a) **Cash generated from operations**		**63,912**	**44,917**
7(14)(f),(35),(36) Income taxes paid	17	14,070	12,130
Net cash inflow from operating activities		**49,842**	**32,787**

(All amounts in INR lakhs, unless otherwise stated)

		Notes	Year ended 31 March 2019	Year ended 31 March 2018 Restated*
7(10),(21)	**Cash flows from investing activities**			
7(39)	Payment for acquisition of subsidiary, net of cash acquired	32	(7,814)	-
7(16)(a)	Payments for property, plant and equipment		(61,886)	(37,456)
7(16)(a)	Payments for investment property	4	(930)	(500)
7(16)(c)	Payments for purchase of investments		(14,105)	(3,794)
7(16)(a)	Payments for software development costs	5	(880)	(720)
7(16)(e)	Loans to employees and related parties		(547)	(1,182)
7(16)	Receipts of government grants	18	756	657
7(39)	Proceeds from sale of subsidiary	33	11,138	-
7(16)(d),(14)	Proceeds from sale of investments		7,762	5,192
7(16)(b)	Proceeds from sale of property, plant and equipment	3, 21(b)	4,618	4,320
7(16)(f)	Repayment of loans by employees and related parties		286	1,115
7(38)	Dividends from joint ventures and associates	34	59	41
7(31),(33)	Other dividends	21(a)	313	434
7(31),(33)	Interest received	21(a)	1,346	493
	Net cash outflow from investing activities		**(59,884)**	**(31,400)**
7(10),(21)	**Cash flows from financing activities**			
7(17)(a)	Proceeds from issues of shares	12(a)	30,160	2,400
7(17)(c)	Proceeds from borrowings		6,292	198
	Share issue costs	12(b)	(300)	-
7(17)(d)	Repayment of borrowings		(1,975)	(300)
7(17)(e)	Principal elements of finance lease payments		(304)	(271)
7(42A),(42B)	Transactions with non-controlling interests	34	(1,721)	-
7(31)-(33)	Interest paid		(2,043)	(2,075)
7(31),(34)	Dividends paid to company's shareholders (including DDT)	30	(1,680)	(1,500)
7(31),(34)	Dividends paid to non-controlling interests (including DDT)	34	(60)	-
	Net cash inflow (outflow) from financing activities		**28,369**	**(1,548)**
	Net increase (decrease) in cash and cash equivalents		**18,327**	**(161)**
	Cash and cash equivalents at the beginning of the financial year		5,280	5,423
7(28)	Effects of exchange rate changes on cash and cash equivalents		(160)	18
	Cash and cash equivalents at end of the year		**23,447**	**5,280**
7(43)	Non-cash financing and investing activities			
	- Acquisition of property, plant and equipment by means of finance lease	3	300	450
	- Partial settlement of a business combination through the issue of shares	32	6,998	-

Reconciliation of cash and cash equivalents as per the cash flow statement

7(45) Cash and cash equivalents as per above comprise of the following

		31 March 2019	31 March 2018
	Cash and cash equivalents (note 6(d))	25,031	7,035
7(8)	Bank overdrafts (note 13(a))	(1,584)	(1,755)
	Balances per statement of cash flows	**23,447**	**5,280**

** See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*
The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Commentary - Statement of cash flows

Definition of cash and cash equivalents

7(6),(7)

1. Cash is cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalent if they have a short maturity of three months or less from the date of acquisition. Financial instruments can only be included if they are in substance cash equivalents, e.g. debt investments with fixed redemption dates that are acquired within a short period of their maturity.

Reporting cash flows

Classification as investing activities

7(16)

2. Cash flows can only be classified as arising from investing activities if they result in the recognition of an asset in the balance sheet. Examples of expenditure that should not be classified as investing activities on this basis are:
   (a) expenditures on exploration or evaluation activities, unless the entity has a policy of capitalising these expenditures as permitted under Ind AS 106
   (b) expenditures on advertising or promotional activities, staff training and research and development, and
   (c) transaction costs related to a business combination.

Disclosing cash flows on a gross or net basis

7(22)-(24)

3. Cash inflows and outflows must generally be reported gross unless they relate to
   (a) cash receipts and payments on behalf of customers which reflect the activities of the customer rather than the entity, or
   (b) items in which the turnover is quick, the amounts are large, and the maturities are short.

   Financial institutions may also report certain cash flows on a net basis.

Interest, dividends and taxes

7(31)-(34)

4. Ind AS 7 specifies that in case of entities other than financial entities, cash flows from interest paid and interest and dividends received should be classified as an item of financing activity and investing activity, respectively. Further, dividend paid should be classified as an item of financing activity.

7(35)

5. Cash flows arising from income taxes must be separately disclosed and are classified as operating cash flows unless they can be specifically identified with financing or investing activities.

Discontinued operations

105(33)(c)

6. Entities must disclose separately the net cash flows attributable to each of operating, investing and financing activities of discontinued operations. There are different ways of presenting this information, but the underlying principle is that the cash flow statement must give the cash flows for the total entity including both continuing and discontinued operations. Entities might comply with the disclosure requirements in the following ways:
   (a) No presentation of cash flows from discontinued operations on the face of the cash flow statement (that is, gross cash flows are presented), with a breakdown between the three categories presented in the notes. This is the presentation chosen by Value Ind AS Limited, see note 33.
   (b) Cash flows from discontinued operations are split between the three relevant categories on the face of the cash flow statement, with one line being included within each category including the relevant results from discontinued operation. A total is presented for each category.
   (c) Information is presented separately for continuing and discontinued operations on a line-by-line basis, on the face of the cash flow statement. A total is presented for each category.

Non-cash investing and financing activities – information to be disclosed

7(43)

7. Investing and financing transactions that do not require the use of cash or cash equivalents shall be disclosed in a way that provides all the relevant information about the investing and financing activities.

7(44)

8. Examples of transactions or events that would require disclosure under paragraph 43 of Ind AS 7 include the following:
   (a) acquisitions of assets by assuming directly related liabilities, such as purchase of a building by incurring a mortgage to the seller
   (b) acquisitions of entities by means of an equity issue
   (c) conversion of debt to equity.

Contents of the notes to the consolidated financial statements

Commentary – Notes to the consolidated financial statements

Structure of the notes

1(113) 1. Notes shall be presented in a systematic manner. In determining a systematic manner, the entity shall consider the effect on the understandability and comparability of its financial statements. Each item in the balance sheet, statement of profit and loss, statement of changes in equity and statement of cash flows shall be cross referenced to any related information in the notes.

1(114) 2. Examples of systematic ordering or grouping of the notes include:

   (a) giving prominence to the areas of its activities that the entity considers to be most relevant to an understanding of its financial performance and financial position, such as grouping together information about particular operating activities;

   (b) grouping together information about items measured similarly such as assets measured at fair value; or

   (c) following the order of the line items in the statement of profit and loss and the balance sheet, such as:

      (i) statement of compliance with Ind ASs (Ind AS 1 paragraph 16);

      (ii) significant accounting policies applied (Ind AS1 paragraph 107);

      (iii) supporting information for items presented in the balance sheet and in the statement of profit and loss, and in the statements of changes in equity and of cash flows, in the order in which each statement and each line item is presented; and

      (iv) other disclosures, including:

         1) contingent liabilities and unrecognised contractual commitments; and

         2) non-financial disclosures, e.g. the entity's financial risk management objectives and policies.

3. Traditionally, most financial reports have used the structure suggested in (c) above. However, financial report preparers increasingly consider annual reports to be an important tool in the communication with stakeholders and not just a mere compliance exercise. As a consequence, there is a growing interest in alternative formats of the financial statements.

4. This publication demonstrates one possible way of how financial reports could be improved if the existing information was presented in a more user-friendly order. To do so, we have presented information about specific aspects of the entity's financial position and performance together. For example, the entity's exposure and management of financial risks and fair value disclosures are dealt with in notes 28 to 30 while information about the group information, acquisitions and disposals and interests in other entities is presented in notes 31 to 35. Further, the notes relating to individual line items in the financial statements disclose the relevant significant estimates or judgements. Colour coding helps to find relevant information quickly.

5. It is important to note that the structure used in this publication is not mandatory and is only one possible example of improved readability. In fact, experience has shown that there is not one structure that is suitable for all entities. Rather, the appropriate structure depends on the entity's business and each entity should consider what would be most useful and relevant for their stakeholders and users of the financial statements based on their individual circumstances.

Materiality matters

1(30A) 6. When drafting the disclosures in the notes to the financial statements, also remember that too much immaterial information could obscure the information that is actually useful to readers. Disclosures should not be included where they are not relevant or not material in specific circumstances.

   Some of the disclosures in this publication would likely be immaterial if Value Ind AS Limited was a 'real life' company. The purpose of this publication is to provide a broad selection of illustrative disclosures which cover most common scenarios encountered in practice. The underlying story of the company only provides the framework for these disclosures and the amounts disclosed are not always realistic.

Background

Value Ind AS Limited is a company limited by shares, incorporated and domiciled in India. The group is engaged in diversified businesses primarily dealing in manufacturing of furniture and electronic equipment and providing IT consulting services. The furniture manufacturing business is supplemented by a chain of retail stores in India.

1(117)

Note 1: Summary of significant accounting policies

1(112)(a),(b), (51)(b) This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Value Ind AS Limited (the 'Company') and its subsidiaries.

1(112)(a),(117)

(a) Basis of preparation

(i) Compliance with Ind AS

1(16) The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

1(117)(a) The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration is measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments

(iii) New and amended standards adopted by the group

8(28) The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2018:

- Ind AS 115, *Revenue from Contracts with Customers*
- Amendment to Ind AS 20, *Accounting for Government Grants and Disclosure of Government Assistance*
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, *The Effects of Changes in Foreign Exchange Rates*
- Amendment to Ind AS 12, *Income Taxes*
- Amendment to Ind AS 40, *Investment Property*
- Amendment to Ind AS 28, *Investments in Associates and Joint Ventures* and Ind AS 112, *Disclosure of Interests in Other Entities*

The group had to change its accounting policies and make certain retrospective adjustments following the adoption of Ind AS 115. This is disclosed in note 43. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1(119)

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

110(5)-(7),(20),(25) Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

103(4) The acquisition method of accounting is used to account for business combinations by the group.

110(19),(B86)(c) The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

110(22) Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

28(5),(16) Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint arrangements

111(14) Under Ind AS 111, *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Value Ind AS Limited has both joint operations and joint ventures.

Joint operations

111(20) Value Ind AS Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 34.

Joint ventures

111(24) 28(10) Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity method

28(10) Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

28(38),(39) When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

28(28),(30) Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

28(42) The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1(j) below.

(v) Changes in ownership interests

110(23), (B96) The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity (note 34).

110(25), (B97)-(B99) 28(22) When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

28(25) If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

1(119) **(c) Segment reporting**

108(5),(7) Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Value Ind AS Limited has appointed a strategic steering committee which assesses the financial performance and position of the group, and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer, the chief financial officer and the manager for corporate planning. Refer note 31 for segment information presented.

1(119),(120)

(d) Foreign currency translation

(i) Functional and presentation currency

21(9),(17),(18)
1(51)(d)

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

(ii) Transactions and balances

21(21),(28),(32)
109(6.5.11)(b),
(6.5.13)(a)

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

21(23)(c),(30)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as at FVOCI are recognised in other comprehensive income.

(iii) Group companies

21(39)

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

21(39)

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

109(6.5.13)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

21(47)

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

1(119)

(e) Revenue recognition

(i) sale of goods – wholesale

115(119)(a),(c),
(123)(a),(125)

The group manufactures and sells a range of furniture and electronic equipment in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

115(119)(b),(d),(e)
(123)(b),(126)

The furniture is often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. The group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see note 14.

115(117) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) sale of goods – retail

115(119)(a),(c) (123),(125) The group operates a chain of retail stores selling household furniture. Revenue from the sale of goods is recognised when a group entity sells a product to the customer.

115(117),(119)(b),(d) (123)(b),(126) Payment of the transaction price is due immediately when the customer purchases the furniture and takes delivery in store. It is the group's policy to sell its products to the end customer with a right of return within 28 days. Therefore, a refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

115(119)(e) The group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see note 14.

(iii) sale of goods – customer loyalty programme

115(119)(a),(c),(120) (b),(125) The group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discount on future purchases. A contract liability for the award points is reocgnised at the time of the sale. Revenue is recognised when the points are redeemed or when they expire 12 months after the initial sale.

115(117) A contract liability is recognised until the points are redeemed or expire.

(iv) IT consulting services

115(119)(a),(c),(124) The IT consulting division provides business IT management, design, implementation and support services under fixed-price and variable price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

115(119)(c) Some contracts include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation.

115(22),(73),(79), 119(a),(125) Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

115(119)(a),(123)(a) Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

115(117) In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised in the amount to which group has a right to invoice.

115(117),(B16) Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(v) Financing components

115(129),(63) The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

1(119)

(f) Government grants

20(7),(39)(a) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

20(12),(29) Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

20(24),(26) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

1(119),(120)

(g) Income tax

12(46) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

12(12),(46) The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

12(15),(24),(47) Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

12(24),(34) Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

12(39) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

12(44) Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

12(71),(74) Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

12(61A) Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1(119)

(h) Leases

As a lessee

17(20),(25),(27) Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

17(33),(App A) Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

17(49),(50) Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

1(119),(120)

(i) Business combinations

103(5),(37),(39),(53),(18),(19) The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

103(32),(34) The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

103(42) If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

1(119)

(j) Impairment of assets

36(9),(10) Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1(119)

(k) Cash and cash equivalents

7(6),(8),(46) For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1(119)

(l) Trade receivables

107(21)
109(5.1.3),(4.1.2),(5.4.1)

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

1(119)

(m) Inventories

Raw materials and stores, work in progress, traded and finished goods

2(9),(10),(25),(36)(a)
109(6.5.11)(d)(i)

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1(119)
(n) Non-current assets (or disposal groups) held for sale and discontinued operations

105(6),(15) Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

105(20)-(22) An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

105(25) Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

105(38) Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

105(31),(32),33(a) A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

1(119)
(o) Investments and other financial assets

(i) Classification

109(4.1.1) The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

109(4.1.4),(5.7.1) For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

109(4.4.1) The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition

109(3.1.1),(3.1.2), (B3.1.3)-(B3.1.6) 107(B5)(c) Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sale the financial asset.

(iii) Measurement

109(5.1.1) At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

109(4.3.2),(4.3.3) Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

109(5.1.1) Subsequent measurement of debt instruments depends on the group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

109(4.1.2)
- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

109(4.1.1),(4.1.2A),(5.7.10)
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

109(4.1.1),(4.1.4)
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

109(5.7.5),(5.7.6) The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

109(5.7.1) Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment of financial assets

109(5.5.17) The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29 details how the group determines whether there has been a significant increase in credit risk.

109(5.5.15) For trade receivables only, the group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

109(3.2.3),(3.2.4) *(v) Derecognition of financial assets*

A financial asset is derecognised only when

- The group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) Income recognition

1(117) Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

109(5.4.1) Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

1(117) Dividends

109(5.7.1A),(B5.7.1) Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

1(119),107(21)

(p) Derivatives and hedging activities

1(66),(68) Derivatives are only used for economic hedging purposes and not as a speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

109(5.1.1),(5.2.1)(c), (5.2.3) Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

109(6.5.2) The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value changes)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

109(6.4.1)(b) At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items including whether the changes in the cash flows of the hedging instrument are expected to offset changes in cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

1(68) The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(i) Cash flow hedges that qualify for hedge accounting

109(6.5.11) The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

109(6.5.15) When option contracts are used to hedge forecast transactions, the group designates only the intrinsic value of the options as the hedging instrument.

109(6.5.15)(c) Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedging reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

109(6.5.16) When forward contracts are used to hedge forecast transactions, the group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, as follows:

109(6.5.15)
109(6.5.16)

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of materials consumed).

109(6.5.11)(d)(i)

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost' at the same time as the interest expense on the hedged borrowings.

109(6.5.12) When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

109(B6.5.7)-(B6.5.21) If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(ii) Net investment hedge

109(6.5.13) Hedges of net investments in foreign operations are accounted for similar to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in foreign currency translation reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses).

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

(iii) Derivatives that are not designated as hedges

109(5.7.1) The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

109(4.3) *(iv) Embedded derivatives*

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

109(B4.3.8)(d) *Embedded foreign currency derivatives*

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit or loss. The group currently does not have any such derivatives which are not closely related.

1(119) **(q) Offsetting financial instruments**

32(42)
107(13A),(13B) Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

1(119) **(r) Property, plant and equipment**

16(73)(a),(35)(b),(17)
109(6.5.11)(d)(i) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

16(12) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

101(27AA) On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

1(117) 16(50),(73)(b) Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

16(73)(c)

• Freehold buildings	25-40 years
• Machinery	10-15 years
• Furniture, fittings and equipment	3-5 years

17(27) The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Sch II The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

16(51) The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

36(59) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

16(41),(68),(71) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

1(119)

(s) Investment properties

40(75)(a) Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Transition to Ind AS

101(27AA) On transition to Ind AS, the group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

1(119)

(t) Intangible assets

(i) Goodwill

103(32), 36(10) Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

36(80) Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

(ii) Patents, copyrights and other rights

38(74),(97), (118)(a),(b) Separately acquired patents and copyrights are shown at historical cost. Patents, copyrights and non-compete acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(iii) Computer software

38(57),(66),(74), (97),(118)(a),(b) Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it

- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(iv) Research and development

38(54),(71) Research expenditure and development expenditure that do not meet the criteria in (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(v) Amortisation methods and periods

38(118)(a),(b) The group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Patents, copyright and other rights — 3-5 years
- Computer software — 3-5 years
- Non-compete fees — 1-3 year(s)

Transition to Ind AS

101(27AA) On transition to Ind AS, the group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

1(119)

(u) Trade and other payables

107(21)
109(5.1.1) These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1(119)

(v) Borrowings

107(21)
109(5.1.1),(4.2.1) Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

32(18) Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

32(18),(28),
(AG-31(a)) The fair value of the liability portion of an optionally convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

109(3.3.1),(3.3.3) Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

109(App D) Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

1(69),(74) Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1(119) **(w) Borrowing costs**

23(8) General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

1(119) **(x) Provisions**

37(14),(24),(63) Provisions for legal claims and service warranties are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the group when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the group will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

37(36),(45),(47),(60) Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the group.

1(119) **(y) Employee benefits**

(i) Short-term obligations

19(11),(13) Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

19(8),(155),(156) *(ii) Other long-term employee benefit obligations*

In some countries, the group also has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

1(69) The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity, pension, post-employment medical plans; and

(b) defined contribution plans such as provident fund.

Pension and gratuity obligations

19(57),(67) 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 defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

19(83),(86) The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

19(123) 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.

19(57)(d) Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised 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.

19(103) 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.

Post-employment medical obligations

19(155) Some group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

Defined contribution plans

19(51) The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Value Ind AS Limited Employee Option Plan, an employee share scheme and share-appreciation rights.

Employee options

102(15)(b),(19) The fair value of options granted under the Value Ind AS Limited Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

102(21)
- including any market performance conditions (e.g., the entity's share price)

102(20)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

102(21A)
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

102(19) The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Share appreciation rights

102(30) Liabilities for the group's share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the balance sheet.

(v) Bonus plans

19(19) The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(vi) Termination benefits

19(165),(166) Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

1(119) **(z) Contributed equity**

Equity shares are classified as equity.

32(35),(37) Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1(119) **(aa) Dividends**

10(12),(13) Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1(119) **(ab) Earnings per share**

(i) Basic earnings per share

33(10) Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 40).

(ii) Diluted earnings per share

33(30) Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1(119) **(ac) Rounding of amounts**

1(51)(e), Sch III All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Commentary - Summary of significant accounting policies

Whether to disclose an accounting policy

1(119) 1. In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in the reported financial performance and financial position. Each entity should consider the nature of its operations and the policies that the users of its financial statements would expect to be disclosed for that type of entity. Disclosure of particular accounting policies is especially useful to users when those policies are selected from alternatives allowed in Ind AS.

2. Some Ind AS specifically require disclosure of particular accounting policies, including choices made by management between different policies they allow. For example, Ind AS 16, *Property, Plant and Equipment* requires disclosure of the measurement bases used for classes of property, plant and equipment and Ind AS 103, *Business Combinations* requires disclosure of the measurement basis used for non-controlling interest acquired during the period.

3. Value Ind AS Limited has disclosed policies that are specific to the group and relevant for an understanding of the individual line items in the financial statements together with the notes for those line items.

Change in accounting policy – new and revised accounting standards

8(28) 4. Where an entity has changed any of its accounting policies either as a result of a new or revised accounting standard or voluntarily it must explain the change in its notes. Additional disclosures are required where a policy is changed retrospectively.

8(28) 5. New or revised accounting standards only need to be disclosed if they resulted in a change in accounting policy which had an impact in the current year or could have an impact on future periods. There is no need to disclose pronouncements that are not expected to have any impact on the entity's accounting policies and amounts recognised in the financial statements.

ITFG Bulletin 8 Issue 2 6. New standards or amendment to existing standards are effective only when notified by the Ministry of Corporate Affairs (MCA). As at the date of this publication, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the group. ITFG has clarified that an entity is not required to disclose the impact of new Ind ASs or amendments issued by ICAI but not notified by the MCA.

Standards issued but not yet effective

8(30) 7. Entities must explain if there are any accounting standards which are not yet applied but are expected to have a material effect on the entity in the current period and on reasonably foreseeable future transactions. Where a pronouncement introduces a new accounting option that was not previously available, the entity should explain whether and/or how it expects to use the option in the future.

8. In our view, where the expected impact is material, entities should make these disclosures even if the new accounting pronouncement is issued after the balance sheet date but before the date of authorisation of the financial statements.

Financial instruments

107(21),(B5) 9. Disclosure of the measurement bases of financial instruments may include:

(a) The nature of the financial assets and liabilities that have been designated at fair value through profit or loss

(b) the criteria for designating them at fair value through profit or loss

(c) how the entity has satisfied the conditions in paragraphs 4.1.5 and 4.2.2 of Ind AS 109 for such designation

(d) whether regular way purchases and sales of financial assets are accounted for at trade date or at settlement date

(e) how net gains or net losses on each category of financial instruments are determined (e.g. whether the net gains or losses on items at fair value through profit or loss include interest or dividend income)

Presentation of fair value gains and losses on financial assets and derivatives

10. Value Ind AS Limited's accounting policies for financial assets and derivatives specify where in the statement of profit and loss the relevant fair value gains or losses are presented. However, Ind AS 109 does not prescribe the presentation in the statement of profit and loss. Other ways of presenting the fair value gains and losses may be equally appropriate.

Employee benefits

Presentation and measurement of leave obligations

19(8) 11. Value Ind AS Limited has presented its obligation for accrued earned leave within employee benefit obligations. However, it may be equally appropriate to present these amounts either as provisions (if the timing and/or amount of the future payments is uncertain such that they satisfy the definition of 'provision' in Ind AS 37).

The appropriate accounting treatment of annual leave obligation will depend on the individual facts and circumstances and the employment regulations in the respective countries. To be classified and measured as short-term benefit, the obligations must be expected to be settled wholly within 12 months after the end of the annual reporting period in which the employee has rendered the related service. This must be assessed for the annual leave obligations as a whole and not on an employee-by-employee basis.

Share-based payments – expense recognition and grant date

12. Share-based payment expenses should be recognised over the period during which the employees provide the relevant services. This period may commence prior to the grant date. In this situation, the entity estimates the grant date fair value of the equity instruments for the purposes of recognising the services received during the period between service commencement date and grant date. Once the grant date has been established, the entity revises the earlier estimate so that the amounts recognised for services received is ultimately based on the grant date fair value of the equity instruments.

Commentary - Summary of significant accounting policies

Reclassifications

13. Where an entity has reclassified comparative amounts because of a change in presentation, it must disclose the nature and reason for the reclassification in the notes.

14. **Accounting policies not illustrated: not applicable to Value Ind AS Limited**

Property, plant and equipment

(a) *Revaluation model for certain class of property, plant and equipment (e.g. revaluation of land and building and other assets at historical cost)*

16(73)(a) Land and buildings are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

16(39) Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation reserve to retained earnings.

(b) Business combinations - common control transactions

103(App C) Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

(c) Financial guarantee contracts

109(4.2.1)(c)
107(21) Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

109(6.5.8) (d) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other gains/(losses).

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

(e) Foreign currency convertible bonds

32(11)(b)(ii) The equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of entity's own equity instruments is considered an equity instrument if the exercise price is fixed in any currency.

Commentary – Summary of significant accounting policies

Disclosures not illustrated: not applicable to Value Ind AS Limited

15. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosures or references
107(28) 109(B5.1.2A)	Fair value determined using valuation technique – difference between the fair value at initial recognition and transaction price	Disclose (by class of financial instrument) the accounting policy for recognising that difference in profit or loss.
1(117) 107(B5)(a), (aa)	Financial assets and liabilities designated at fair value through profit or loss.	Disclose the nature of the financial assets or liabilities designated as at FVPL, the criteria for the designation, how the entity has satisfied the conditions for designation and a narrative description of the circumstances underlying the measurement and recognition inconsistency that would otherwise arise, or how the designation is consistent with the entity's documented risk management or investment strategies.
29(39)	Financial reporting in hyper inflationary economies	Disclose the fact that the financial statements and comparatives have been restated, which method was used (historical cost or current cost approach) and information about the identity and the level of the price index.

Note 2: Critical estimates and judgements

1(122),(125) The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and current tax payable – Note 27
- Estimated fair value of unlisted equity securities – Note 28
- Estimated goodwill impairment – Note 5
- Estimated useful life of intangible asset – Note 5
- Estimation of defined benefit obligation – Note 15
- Estimation of provision for warranty claims – Note 14
- Estimation of fair values of contingent liabilities and contingent purchase consideration in a business combination – Note 32
- Recognition of revenue and allocation of transaction price – Note 20
- Recognition of deferred tax assets for carried forward tax losses – Note 7
- Impairment of trade receivables – Note 29
- Consolidation decisions and classification of joint arrangements – Note 34

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

Commentary - Critical estimates and judgements

Disclosure not illustrated: not applicable to Value Ind AS Limited

Sources of estimation uncertainty

19(App B) 1. The recognition of a net defined benefit asset may also warrant additional disclosures. For example, the entity should explain any restrictions on the current realisability of the surplus and the basis used to determine the amount of the economic benefits available.

Significant judgements

1(123) 2. Examples of significant judgements that may require disclosures are judgements made in determining:

(a) whether designating a financial asset/liability through fair value through profit or loss so as to reduce/eliminate an accounting mismatch

(b) when substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities

(c) whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

(d) whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue

(e) whether an asset should be classified as held-for-sale or an operation meets the definition of a discontinued operation

(f) whether multiple assets should be grouped to form a single cash-generating unit (where this would affect whether an impairment is recognised)

(g) whether there are material uncertainties about the entity's ability to continue as a going concern.

Change of accounting estimate in final interim period

34(26) 3. If an estimate of an amount reported in an interim period is changed significantly during the final interim period of the annual reporting period but separate financial statements are not published for that final interim period, the nature and amount of that change in estimate shall be disclosed in a note to the annual financial statements for that annual reporting period.

(All amounts in INR lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

		Freehold land	Freehold buildings	Furniture, fittings and equipment	Plant and machinery	Total	Capital work-in-progress
	Year ended 31 March 2018						
16(73)(d)	**Gross carrying amount**						
16(73)(d)	Opening gross carrying amount	11,350	29,550	16,910	37,835	95,645	-
16(73)(e)(viii)	Exchange differences	-	-	(53)	(210)	(263)	-
16(73)(e)(i), (74)(b)	Additions	-	14,788	2,454	11,099	28,341	3,100
16(73)(e)(ii) 105(38)	Assets included in a disposal group classified as held for sale (note 33)	(1,400)	(5,248)	(853)	-	(7,501)	-
16(73)(e)(ii)	Disposals	-	(1,272)	-	(2,777)	(4,049)	-
16(73)(d)	**Closing gross carrying amount**	**9,950**	**37,818**	**18,458**	**45,947**	**112,173**	**3,100**
16(73(d)	**Accumulated depreciation**						
16(73)(d)	Opening accumulated depreciation		1,500	2,000	4,000	7,500	-
16(73)(e)(vii)	Depreciation charge during the year	-	1,540	2,030	4,580	8,150	-
16(73)(e)(ii) 105(38)	Assets included in a disposal group classified as held for sale (note 33)	-	(128)	(143)	-	(271)	-
16(73)(e)(ii)	Disposals	-	(32)	-	(127)	(159)	-
16(73)(e)(viii)	Exchange differences	-	-	(10)	(60)	(70)	-
16(73(d)	**Closing accumulated depreciation**	**-**	**2,880**	**3,877**	**8,393**	**15,150**	**-**
1(77),16(73) (e),74(b)	Net carrying amount	9,950	34,938	14,581	37,554	97,023	3,100
	Year ended 31 March 2019						
16(73(d)	**Gross carrying amount**						
16(73)(d)	Opening gross carrying amount	9,950	37,818	18,458	45,947	112,173	3,100
16(73)(e)(viii)	Exchange differences	-	-	(55)	(80)	(135)	-
16(73)(e)(iii)	Acquisition of subsidiary (note 32)	-	8,636	-	6,085	14,721	-
16(73)(e)(i), (74)(b)	Additions	9,500	19,700	2,344	3,965	35,509	17,450
16(73)(e)(ii) 105(38)	Assets classified as held for sale (note 11)	-	(260)	-	-	(260)	-
16(73)(e)(ii) 105(38)	Disposals	-	-	(1,215)	(2,768)	(3,983)	-
16(73)(e)(ix)	Transfers	-	-	950	2,150	3,100	(3,100)
16(73)(d)	**Closing gross carrying amount**	**19,450**	**65,894**	**20,482**	**55,299**	**161,125**	**17,450**
16(73)(d)	**Accumulated depreciation and impairment**						
16(73)(d)	Opening accumulated depreciation	-	2,880	3,877	8,393	15,150	-
16(73)(e)(vii)	Depreciation charge during the year	-	1,750	3,650	3,550	8,950	-
16(73)(e)(v) 36(126)(a),(b)	Impairment loss (iii) (note 11)	-	40	30	180	250	-
16(73)(e)(ii)	Disposals	-	-	(95)	(113)	(208)	-
16(73)(e)(viii)	Exchange differences	-	-	(5)	(10)	(15)	-
16(73)(e)(ii) 105(38)	Assets classified as held for sale (note 11)	-	(50)	-	-	(50)	-
16(73(d)	**Closing accumulated depreciation and impairment**	**-**	**4,620**	**7,457**	**12,000**	**24,077**	**-**
1(77),16(73) (e),74(b)	Net carrying amount	19,450	61,274	13,025	43,299	137,048	17,450

(All amounts in INR lakhs, unless otherwise stated)

(i) Leased assets

17(31)(a) Furniture, fittings and equipment includes the following amounts where the group is a lessee under a finance lease:

	31 March 2019	31 March 2018
Furniture, fittings and equipment		
Cost	1,605	1,650
Accumulated depreciation	(350)	(345)
Net carrying amount	**1,255**	**1,305**

17(31)(e) The lease term in respect of assets acquired under finance leases generally expire within three to five years. Under the terms of the leases, the group has the option to acquire the leased assets for 50% of their agreed fair value on expiry of the leases. This option lapses in the event the group fails to maintain its credit rating at the level prevailing at inception of the lease.

(ii) Property, plant and equipment pledged as security

16(74)(a) Refer to note 42 for information on property, plant and equipment pledged as security by the group.

(iii) Impairment loss

36(130)(a) The impairment loss relates to furniture, fittings and equipment and plant and machinery that were damaged by a fire. The whole amount was recognised as impairment loss in the statement of profit and loss. For impairment loss relating to building classified as held for sale, refer note 11.

(iv) Contractual obligations

16(74)(c) Refer to note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(v) Capital work-in-progress

Capital work-in-progress mainly comprises new furniture manufacturing unit being constructed in India.

(All amounts in INR lakhs, unless otherwise stated)

Note 4: Investment properties

		31 March 2019	31 March 2018
40(79)(c)	**Gross carrying amount**		
40(79)(c)	Opening gross carrying amount	**8,255**	**7,755**
40(79)(d)(i)	Additions	930	500
40(79)(c)	**Closing gross carrying amount**	**9,185**	**8,255**
	Accumulated depreciation		
40(79)(c)	Opening accumulated depreciation	1,076	500
40(79)(d)(iv)	Depreciation charge	690	576
	Closing accumulated depreciation	**1,766**	**1,076**
1(77)	Net carrying amount	7,419	7,179

40(75)(f) *(i) Amounts recognised in profit or loss for investment properties*

		31 March 2019	31 March 2018
40(75)(f)(i)	Rental income	1,548	1,239
40(75)(f)(ii)	Direct operating expenses from property that generated rental income	(240)	(336)
40(75)(f)(iii)	Direct operating expenses from property that did not generate rental income	(185)	(148)
	Profit from investment properties before depreciation	**1,123**	**755**
	Depreciation	(690)	(576)
	Profit from investment properties	**433**	**179**

40(75)(h) *(ii) Contractual obligations*

Refer to note 37 for disclosure of contractual obligations to purchase, construct or develop investment property or for its repairs, maintenance or enhancements.

17(56)(a),(c) *(iii) Leasing arrangements*

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

		31 March 2019	31 March 2018
17(56)(a)(i)	Within one year	1,768	1,533
17(56)(a)(ii)	Later than one year but not later than 5 years	6,340	6,122
17(56)(a)(iii)	Later than 5 years	1,322	1,210
		9,430	**8,865**

40(79)(e)
113(93)(b),(i),(97) *(iv) Fair value*

	31 March 2019	31 March 2018
Investment properties	12,850	11,230

Estimation of fair value

45(75)(e)
113(93)(b)(d),(97) The group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the group consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined by ABC Property Surveyors Limited. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

(All amounts in INR lakhs, unless otherwise stated)

Note 5: Intangible assets

		Patents, copyrights and other rights	Computer software *	Non-compete fees	Total	Goodwill
	Year ended 31 March 2018					
38(118)(c) 103(B67)(d)(i)	**Gross carrying amount**					
38(118)(c)	Opening gross carrying amount	9,860	2,350	-	12,210	4,530
38(118)(e)(i)	Additions	-	720	-	720	-
38(118)(c) 103(B67)(d)(viii)	**Closing gross carrying amount**	**9,860**	**3,070**	**-**	**12,930**	**4,530**
38(118)(c)	**Accumulated amortization**					
	Opening accumulated amortisation	700	300	-	1,000	-
38(118)(e)(vi)	Amortisation charge for the year	725	310	-	1,035	-
38(118)(c)	**Closing accumulated amortization**	**1,425**	**610**	**-**	**2,035**	**-**
1(77)	Closing net carrying amount	8,435	2,460	-	10,895	4,530
	Year ended 31 March 2019					
38(118)(c) 103(B67)(d)(i)	**Gross carrying amount**					
38(118)(c)	Opening gross carrying amount	9,860	3,070	-	12,930	4,530
38(118)(e)(i)	Additions – internal development	-	880	-	880	-
103(B67)(d)(ii), 38(118)(e)(i)	Acquisition of subsidiary (note 32)	878	-	560	1,438	5,990
38(118)(c) 103(B67)(d)(viii)	**Closing gross carrying amount**	**10,738**	**3,950**	**560**	**15,248**	**10,520**
38(118)(c)	**Accumulated amortisation and impairment**					
38(118)(c)	Opening accumulated amortisation	1,425	610	-	2,035	-
38(118)(e)(vi)	Amortisation charge for the year	640	420	120	1,180	-
36(130)(b) 103(B67)(d)(v)	Impairment charge **	-	-	-	-	1,850
38(118)(c) 103(B67)(d)(viii)	**Closing accumulated amortisation and impairment**	**2,065**	**1,030**	**120**	**3,215**	**1,850**
1(77)	Closing net carrying amount	8,673	2,920	440	12,033	8,670

38(118)(e)(i) * Computer software consists of capitalised development costs being an internally generated intangible asset.

36(126)(a), (130)(c)(i),(d)(i) ** The carrying amount of the IT Consulting CGU in Europe has been reduced to its recoverable amount by recognition of an impairment loss against goodwill. This loss has been disclosed as a separate line item in statement of profit and loss.

38(126) Handy Electronics Limited, a subsidiary, is researching new devices that could replace current range of electronic appliances. It has incurred research and development expenses of INR 70 in the current year (31 March 2018 – Nil) which is included in other expenses in the statement of profit and loss.

1(125) *(i) Significant estimate: useful life of IT division's intangible assets*

The group has recently completed the development of software that is used to analyse business processes by the IT consulting division. As at 31 March 2019, the net carrying amount of this software was INR 704 (31 March 2018 – Nil). The group estimates the useful life of the software to be 5 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 5 years, depending on technical innovations and competitor actions. If it were only 3 years, the carrying amount would be INR 587 as at 31 March 2019. If the useful life were estimated to be 8 years, the carrying amount would be INR 770.

(All amounts in INR lakhs, unless otherwise stated)

(ii) Impairment tests for goodwill

36(134) Goodwill is monitored by management at the level of the six operating segments identified in note 31.

36(134)(a) A segment-level summary of the goodwill allocation is presented below.

31 March 2019	India	US	Europe	Total
IT consulting	-	1,697	983	2,680
Furniture – manufacturing	1,966	-	-	1,966
Electronic equipment	4,024	-	-	4,024
Total	**5,990**	**1,697**	**983**	**8,670**
31 March 2018	**India**	**US**	**Europe**	**Total**
IT consulting	-	1,697	2,833	4,530
Furniture – manufacturing	-	-	-	-
Total	**-**	**1,697**	**2,833**	**4,530**

(iii) Significant estimate: key assumptions used for value-in-use calculations

36(134)(c), (d)(i),(iii),(iv) The group tests whether goodwill has suffered any impairment on an annual basis. For the current and previous financial year, the recoverable amount of the cash generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

36(134)(d)(i) The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

36(130)(g), (134)(d)(i),(iv), (v)

	Furniture – manufacturing India	IT consulting		Electronic equipment India
31 March 2019		**US**	**Europe**	
Sales volume (% annual growth rate)	6.7	4.2	3.1	7.9
Sales price (% annual growth rate)	2.4	1.7	1.8	1.8
Budgeted gross margin (%)	47.0	50.0	55.5	40.0
Other operating costs (INR)	9,500	8,400	5,600	1,650
Annual capital expenditure (INR)	1,900	500	230	150
Long term growth rate (%)	3.5	2.2	2.0	6.1
Pre-tax discount rate (%)	11.7	7.4	8.8	12.0
31 March 2018				
Sales volume (% annual growth rate)	-	3.8	3.0	-
Sales price (% annual growth rate)	-	1.6	1.9	-
Budgeted gross margin (%)	-	52.0	54.0	-
Other operating costs (INR)	-	8,300	4,350	-
Annual capital expenditure (INR)	-	580	225	-
Long term growth rate (%)	-	2.2	1.8	-
Pre-tax discount rate (%)	-	7.2	8.1	-

36(134)(d)(ii), (iv) Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	**Approach used to determining values**
Sales volume	Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Sales price	Average annual growth rate over the five-year forecast period; based on current industry trends and including long term inflation forecasts for each territory.
Budgeted gross margin	Based on past performance and management's expectations for the future.
Other operating costs	Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost saving measures. The amounts disclosed above are the average operating costs for the five-year forecast period.
Annual capital expenditure	Expected cash costs in the CGUs. This is based on the historical experience of management, and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure.

(All amounts in INR lakhs, unless otherwise stated)

	Assumption	Approach used to determining values
	Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
36(55)	Pre-tax discount rates	Reflect specific risks relating to the relevant segments and the countries in which they operate.

Customer concentration/dependency – Furniture manufacturing – India

36(134)(d)(ii) The furniture manufacturing CGU in India generates 34% of its total revenues for each financial year from a key customer engaged in real estate construction. The customer contract is for a five-year term, and the customer has been trading with the CGU since 2007. Management has included the renewal of this key customer contract in the value-in-use calculations to determine the recoverable amount of the CGU.

36(134)(f) *(iv) Significant estimate – impairment charge*

36(129)(a), (130)(a),(b),(d), (e) The impairment charge of INR 1,850 arose in the IT Consulting CGU in Europe following a loss of certain key contracts with customers.

36(130)(e) As at 31 March 2019, recoverable amount of the CGU amounted to INR 35,244.

(v) Significant estimate: Impact of possible changes in key assumptions

36(134)(f) *IT Consulting CGU –Europe*

1(129)(b) 36(134)(f) If the budgeted gross margin used in the value-in-use calculation for the IT Consulting CGU had been 5% lower than management's estimates at 31 March 2019 (50.5% instead of 55.5%), the group would have had to recognise an additional impairment against the carrying amount of goodwill of INR 753.

If the pre-tax discount rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates (9.8% instead of 8.8%), the group would have had to recognise an additional impairment against the carrying amount of goodwill of INR 550.

IT Consulting CGU – US

36(134)(f)(i), 1(38) The recoverable amount of the IT Consulting CGU in US is estimated to exceed the carrying amount of the CGU at 31 March 2019 by INR 2,178 (31 March 2018 – INR 3,258).

36(134)(f)(ii), (iii) The recoverable amount of this CGU would equal its carrying amount if the key assumptions were to change as follows:

1(38)

	31 March 2019		31 March 2018	
	From	**To**	**From**	**To**
Sales volume (% annual growth rate)	4.2	3.7	3.8	2.6
Budgeted gross margin (%)	50.0	45.3	52.0	45.2
Long-term growth rate (%)	2.2	1.8	2.2	1.3
Pre-tax discount rate (%)	7.4	8.6	7.2	8.4

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the IT Consulting CGU in US to exceed its recoverable amount.

(All amounts in INR lakhs, unless otherwise stated)

Note 6: Financial assets

107(6),(7) Sch III 1(77)

6(a) Non-current investments

		31 March 2019	31 March 2018
Sch III	**Investment in equity instruments (fully paid-up)**		
	Quoted		
	33,750 (31 March 2018 : 37,440) equity shares of Old Limited	2,633	3,070
	16,900 (31 March 2018 : 16,320) equity shares of New Limited	4,428	3,966
	13,175 (31 March 2018 : 7,540) equity shares of ABX Limited	1,910	927
107(11A)	**Equity investments at FVOCI** [8]		
	Unquoted		
	54,500 (31 March 2018 : 54,500) equity shares of XYC Limited	4,469	4,360
	47,000 (31 March 2018 : 40,000) equity shares of MNO Limited	9,306	7,760
	Nil (31 March 2018 : 500,000) equity shares of Ambrosia Furniture Limited (note 32)	-	700
	Total (equity instruments)	**22,746**	**20,783**
Sch III	**Investment in preference shares (fully paid-up)**		
	Unquoted		
	100,000 9% redeemable preference shares in D Limited	4,500	4,500
	Total (preference shares)	**4,500**	**4,500**
Sch III	**Investment in government securities**		
	Quoted		
	6.5% Government of India bonds 2022	**1,065**	-
Sch III	**Investment in debentures and bonds**		
	Quoted		
	66,000 10% corporate bonds of G Inc. (US)	4,306	-
	Unquoted		
	7% 20,000 debentures of S Plc	1,690	-
	Total (debentures and bonds)	**5,996**	**-**
Sch III	**Investment in mutual funds**		
	Quoted		
	1,440,000 (31 March 2018: 3,380,000) units ABC mutual fund growth plan	1,570	3,617
	1,815,000 (31 March 2018: 2,726,000) units in BCD mutual fund dividend re-investment plan	2,288	3,353
	Total (mutual funds)	**3,858**	**6,970**

	Total non-current investments	**38,165**	**32,253**
Sch III	Aggregate amount of quoted investments	18,200	14,933
Sch III	Aggregate market value of quoted investments	18,156	14,933
Sch III	Aggregate amount of unquoted investments	19,965	17,320
Sch III	Aggregate amount of impairment in the value of investments	6	7

(All amounts in INR lakhs, unless otherwise stated)

107(6)(7)
Sch III
1(77)

6(a) Current investments

		31 March 2019	31 March 2018
Sch III	**Investment in equity instruments (fully paid-up)**		
	Quoted		
	11,250 (31 March 2018 : 10,560) equity shares of Old Limited	878	866
	9,100 (31 March 2018 : 7,680) equity shares of New Limited	2,384	1,866
	2,325 (31 March 2018 : 5,460) equity shares of ABX limited	337	672
	Total (equity instruments)	**3,599**	**3,404**
Sch III	**Investment in debentures and bonds**		
	Quoted		
	54,000 (31 March 2018: Nil) 10% Corporate bonds in G Inc. (US)	3,525	-
	Total (debentures and bonds)	**3,525**	**-**
Sch III	**Investment in mutual funds**		
	Quoted		
	1,560,000 (31 March 2018: 3,120,000) units in ABC mutual fund growth plan	1,700	3,338
	1,485,000 (31 March 2018: 1,974,000) units in BCD mutual fund dividend re-investment plan	1,871	2,428
	Total (mutual funds)	**3,571**	**5,766**

	Total current investments	**10,695**	**9,170**
Sch III	Aggregate amount of quoted investments and market value thereof	10,695	9,170
Sch III	Aggregate amount of unquoted investments	-	-
Sch III	Aggregate amount of impairment in the value of investments	-	-

107(6)
1(77),(78)(b)
Sch III

6(b) Trade receivables

	31 March 2019	31 March 2018
Trade receivables	32,274	30,132
Receivables from related parties (refer note 35)	270	1,300
Less: Loss allowance	(1,832)	(1,354)
Total receivables	**30,712**	**30,078**
Current portion	30,712	30,078
Non-current portion	-	-

Sch III

Break-up of security details

	31 March 2019	31 March 2018
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	32,544	31,432
Trade receivables which have significant increase in credit risk [31]	-	-
Trade receivables – credit impaired [31]	-	-
Total	32,544	31,432
Loss allowance	(1,832)	(1,354)
Total trade receivables	**30,712**	**30,078**

(All amounts in INR lakhs, unless otherwise stated)

Transferred receivables

107(42D) (a)-(c),(e) 109(B4.1.3) The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, Value Ind AS Limited has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, Value Ind AS Limited has retained late payment and credit risk. The group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The group considers the held to collect business model to remain appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are as follows:

	31 March 2019	31 March 2018
Total transferred receivables	930	1,035
Associated secured borrowing (note 13(a))	850	953

107(6) 1(77) Sch III

6(c) Loans

	31 March 2019		31 March 2018	
	Current	Non-current	Current	Non-current
Loan to associates (refer note 35)	392	479	257	314
Loan to directors (refer note 35)	27	49	58	108
Loan to employees	248	505	308	428
Security deposits	-	2,055	-	1,755
Less: Loss allowance	(44)	(4)	(77)	(4)
Total loans	**623**	**3,084**	**546**	**2,601**

Sch III

Break-up of security details

	31 March 2019	31 March 2018
Loans considered good - Secured	-	-
Loans considered good - Unsecured	3,755	3,228
Loans which have significant increase in credit risk [31]	-	-
Loans – credit impaired [31]	-	-
Total	**3,755**	**3,228**
Loss allowance	(48)	(81)
Total loans	**3,707**	**3,147**

7(45),Sch III

6(d) Cash and cash equivalents

	31 March 2019	31 March 2018
Balances with banks		
- in current accounts	16,545	3,145
- in EEFC accounts	7,750	3,473
Deposits with maturity of less than three months	679	413
Cash on hand	57	4
Total cash and cash equivalents	**25,031**	**7,035**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

(All amounts in INR lakhs, unless otherwise stated)

1(77)
107(6)
Sch III

6(e) Other financial assets

	31 March 2019		31 March 2018 Restated*	
	Current	Non-current	Current	Non-current
(i) Derivatives				
Foreign-exchange forward contracts	1,811	636	1,511	451
Foreign currency options	380	214	248	74
Interest rate swaps	265	337	334	100
(ii) Others				
Indemnification asset (note 32)	400	-	-	-
Total other financial assets	**2,856**	**1,187**	**2,093**	**625**

6A Contracts assets and contract liabilities

		31 March 2019		31 March 2018 Restated*	
		Current	Non-current	Current	Non-current
1(77)	Contract assets relating to IT consulting contracts	1,512		**2,638**	
	Loss allowance	(26)	-	(41)	-
115(116)(a)	**Total contract assets**	**1,486**		**2,597**	
1(77)	Contract liabilities – IT consulting contracts	400	-	390	-
1(77), 115(120)(a)	Contract liabilities – customer loyalty programme	433	-	476	-
115(116)(a)	**Total contract liabilities**	**833**	**-**	**866**	**-**

115(118), (113)(b)

(i) Significant changes in contract assets and liabilities

Contract assets have decreased as the group has provided fewer services ahead of the agreed payment schedules for fixed-price contracts. The group also recognised a loss allowance for contract assets. There has been no significant change in the contract liabilities.

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

		31 March 2019	31 March 2018 Restated*
115(116)(b)	*Revenue recognised that was included in the contract liability balance at the beginning of the period*		
	IT consulting contracts	390	400
	Customer loyalty programme	476	410
115(116)(c)	*Revenue recognised from performance obligations satisfied in previous periods*		
	Consideration from furniture wholesale contract, not previously recognised due to the constraint	150	-

**See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

(All amounts in INR lakhs, unless otherwise stated)

Note 7 : Deferred tax assets

12(81)(g)(i) **The balance comprises temporary differences attributable to:**

	31 March 2019	31 March 2018 Restated*
Tax losses	1,470	650
Defined benefit obligations	2,241	1,636
Provisions	523	187
	4,234	**2,473**
Other items		
Derivatives	184	272
Loss allowance on financial and contract assets	558	417
Others	100	-
	842	**689**
Total deferred tax assets	**5,076**	**3,162**
12(74) Set-off of deferred tax liabilities pursuant to set-off provisions	(478)	(388)
Net deferred tax assets	**4,598**	**2,774**

1(125)
12(82)

Significant estimates
The group has recognised deferred tax assets on carried forward tax losses of Value Ind AS Retail Limited. The subsidiary has incurred the losses over the last two financial years following the acquisition of the retail operations in India. They relate to one-off costs of integrating the operations and are not expected to recur in future. The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiary. The subsidiary is expected to generate taxable income from 2020 onwards. The losses can be carried forward for a period of 8 years as per local tax regulations and the group expects to recover the losses.

Movement in deferred tax assets

		Tax losses	Defined benefit obligation	Provisions	Other items	Total
	At 1 April 2017	-	1,560	146	592	2,298
	(Charged)/credited:					
12(81)(g)(ii)	- to profit or loss	650	292	41	117	1,100
	- to other comprehensive income	-	(216)	-	44	(172)
	- Deferred tax on basis adjustment	-	-	-	(64)	(64)
	At 31 March 2018	**650**	**1,636**	**187**	**689**	**3,162**
	(Charged)/credited:					
12(81)(g)(ii)	- to profit or loss	820	57	(385)	172	664
	- to other comprehensive income	-	(227)	-	64	(163)
	- Deferred tax on basis adjustment	-	-	-	(83)	(83)
	Acquisition of subsidiary (note 32)	-	775	721	-	1,496
	At 31 March 2019	**1,470**	**2,241**	**523**	**842**	**5,076**

**See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

(All amounts in INR lakhs, unless otherwise stated)

Note 8: Other non-current assets

		31 March 2019	31 March 2018 Restated*
1(77), Sch III	Capital advances	21,244	10,055
1(77), 115(128)(a)	Assets recognised from costs incurred to fulfil a contract	142	250
1(77), Sch III	*Advances other than capital advances*		
	Advances to suppliers	-	50
	VAT/GST recoverable	200	210
	Total other non-current assets	**21,586**	**10,565**

115(118),(127),(128)(a),(b) In adopting Ind AS 115, the group recognised an asset in relation to costs incurred in developing an IT platform that is used to fulfil an IT consulting fixed-price contract, see note 43 for further explanations. The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue. The amortisation expense of INR 85 has been recognised during the current year (31 March 2018: Nil).

36(126)(a), 115(128)(b) Further, due to an increase in expected costs by 30% in the current year, management does not expect the capitalised costs to be completely recovered. An impairment loss of INR 23 has therefore been recognised for the excess of the capitalised cost over the expected remaining consideration less any directly related costs not yet recognised as expense.

Note 9: Inventories

		31 March 2019	31 March 2018
2(36)(b),(37)	Raw materials	16,547	15,786
2(36)(b),(37)	Work-in-progress	9,890	7,896
2(36)(b),(37)	Finished goods	30,765	27,658
2(36)(b),(37)	Traded goods	8,836	6,858
2(36)(b),(37) 1(77)	Stores and spares	354	267
	Total inventories	**66,392**	**58,465**

Amounts recognised in profit or loss

2(36)(e) 36(126)(a) Write-downs of inventories to net realisable value amounted to INR 230 (31 March 2018 – Nil). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

Note 10: Other current assets

Sch III, 1(77)

		31 March 2019	31 March 2018 Restated*
	Prepayments	300	343
1(77)	Right to recover returned goods (see note 43)	159	200
	Total other current assets	459	543

Note 11: Assets classified as held for sale

	31 March 2019	31 March 2018
Building	210	-
Disposal group (note 33)	-	19,310
Total assets classified as held for sale	**210**	**19,310**

105(41)(a),(b),(d) In November 2018, the directors of Value Ind AS Limited decided to sell a factory building which was originally acquired for an expansion of the MIDC factory. There are several interested parties and the sale is expected to be completed before the end of June 2019. The asset is presented within total assets of the India Furniture manufacturing segment. Refer to note 33 for information about assets and liabilities of a disposal group that were classified as held for sale at 31 March 2018.

113(91)(a),(93)(b),(d) *Non-recurring fair value measurements*

105(41)(c) Building classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of INR 40 as impairment loss in the statement of profit and loss. The fair value of the building was determined using the sales comparison approach. This is a level 2 measurement as per the fair value hierarchy set out in fair value measurement disclosures (note 28). The key inputs under this approach are price per square metre of comparable lots of building in the area of similar location and size.

**See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

Note 12: Equity share capital and other equity

12(a) Equity share capital

1(79)(a)(i), Sch III

Authorised equity share capital

	Number of shares (in lakhs)	Amount
As at 1 April 2017	8,000	80,000
Increase during the year	-	-
As at 31 March 2018	**8,000**	**80,000**
Increase during the year	-	-
As at 31 March 2019	**8,000**	**80,000**

1(106)(d)

(i) Movements in equity share capital

		Notes	Number of shares (in lakhs)	Equity share capital (par value)
1(79)(a)(iv)	As at 1 April 2017		1,200	12,000
	Exercise of options - proceeds received	39	60	600
1(79)(a)(iv)	**As at 31 March 2018**		**1,260**	**12,600**
	Exercise of options - proceeds received	39	130	1,300
	Acquisition of subsidiary	32	200	2,000
	Rights issue		650	6,500
1(79)(a)(iv)	**As at 31 March 2019**		**2,240**	**22,400**

Terms and rights attached to equity shares

1(79)(a)(iii), (v) Sch III

Equity shares have a par value of INR 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Shares reserved for issue under options

1(79)(a)(vii), Sch III

Information relating to Value Ind AS Limited Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 39.

Rights issue

1(106)(d)(iii), (112)(c)

On 1 October 2018, the company invited its shareholders to subscribe to a rights issue of 65,000,000 equity shares at an issue price of INR 38 per share, with such shares to be issued on and rank for dividends after, 4 November 2018. The issue was fully subscribed.

Sch III

(ii) Shares of the company held by holding/ultimate holding company

	31 March 2019 (in lakhs)	31 March 2018 (in lakhs)
Value Ind AS Conglomerate Limited (immediate and ultimate holding company)	1,150	816

Sch III

(iii) Details of shareholders holding more than 5% shares in the company

	31 March 2019		31 March 2018	
	Number of shares (in lakhs)	*% holding*	*Number of shares (in lakhs)*	*% holding*
Value Ind AS Conglomerate Limited	1,150	51%	816	65%
ZZZ Investments Limited	166	7%	113	9%

Sch III

(iv) Aggregate number of shares issued for consideration other than cash

	31 March 2019 *Number of shares (in lakhs)*	31 March 2018 *Number of shares (in lakhs)*
Shares issued as consideration for acquisition of subsidiary (refer note 32)	200	-

(All amounts in INR lakhs, unless otherwise stated)

Sch III

12(b) Reserves and surplus

	31 March 2019	31 March 2018
Securities premium	58,950	31,800
Debenture redemption reserve	8,925	8,750
Share options outstanding account	3,685	2,445
Retained earnings	144,532	117,801
Total reserves and surplus	**216,092**	**160,796**

Sch III 1(106)(d)

(i) Securities premium

		31 March 2019	31 March 2018
1(79)(a)(iv)	Opening balance	31,800	30,000
	Exercise of options - proceeds received	4,160	1,800
	Acquisition of subsidiary	5,000	-
32(35),(39)	Rights issue	18,200	-
1(79)(a)(iv)	Transaction costs arising on share issues, net of tax of INR 90	(210)	-
1(79)(a)(iv)	**Closing balance**	**58,950**	**31,800**

Sch III 1(106)(d)

(ii) Debenture redemption reserve

	31 March 2019	31 March 2018
Opening balance	8,750	8,750
Appropriations during the year	175	-
Closing balance	**8,925**	**8,750**

Sch III 1(106)(d)

(iii) Share options outstanding account

	31 March 2019	31 March 2018
Opening balance	2,445	1,590
Employee stock option expense	1,240	855
Closing balance	**3,685**	**2,445**

Sch III 1(106)(d)

(iv) Retained earnings

		31 March 2019	31 March 2018
1(106)(d)	Opening balance (as originally presented)	117,574	88,508
	Change in accounting policy (see note 43)	227	45
	Restated balance	**117,801**	**88,553**
	Net profit for the period (restated)	28,165	30,182
1(106)(d)(ii)	*Items of other comprehensive income recognised directly in retained earnings*		
	- Remeasurements of post-employment benefit obligation, net of tax	458	539
	- Share of OCI of associates and joint ventures, net of tax	22	27
	- Transfer to retained earnings of FVOCI equity investments, net of tax	91	-
	- Transactions with NCI	(150)	-
	- Transfer to debenture redemption reserve	(175)	-
	Dividends	(1,680)	(1,500)
	Closing balance	**144,532**	**117,801**

(All amounts in INR lakhs, unless otherwise stated)

Sch III 1(106)(d)

12(c) Other reserves

Ref		Notes	FVOCI - Equity investments	Cash flow hedging reserve	Costs of hedging reserve	Foreign currency translation reserve	Total other reserves
21(52)(b)							
	As at 1 April 2017		**1,580**	**872**	**(32)**	**-**	**2,420**
109(B6.5.34)(a)	Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	29	**-**	187	25	**-**	**212**
12(81)(ab) 1(90)	Deferred tax		**-**	(56)	(7)	**-**	**(63)**
109(5.75) 107(20)(a)(vii)	Change in fair value of FVOCI equity investments	6(a)	440	-	-	-	**440**
12(81)(ab) 1(90)	Deferred tax		(132)	-	-	-	**(132)**
107(24C)(b)(i)	Change in fair value of hedging instruments	29	-	1,986	(381)	-	**1,605**
12(81)(ab) 1(90)	Deferred tax		-	(596)	114	-	**(482)**
1(92),(95) 107(24C)(b)(iv)	Reclassification to profit or loss	29	-	(1,095)	255	-	**(840)**
12(81)(ab) 1(90)	Deferred tax		-	329	(77)	-	**252**
28(10)	Currency translation adjustments relating to associates		-	-	-	44	**44**
12(81)(ab) 1(90)	Deferred tax		-	-	-	(13)	**(13)**
21(52)(b)	Other currency translation differences		-	-	-	(310)	**(310)**
21(41)	Non-controlling interest share in translation differences		**-**	**-**	-	82	**82**
	As at 31 March 2018		**1,888**	**1,627**	**(103)**	**(197)**	**3,215**
109(B6.5.34)(a)	Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	29	-	242	33	-	**275**
12(81)(ab) 1(90)	Deferred tax		-	(73)	(10)	-	**(83)**
107(11A)(e)	Transfer of gain on FVOCI equity investments	32	(130)	-	-	-	**(130)**
	Deferred tax		39	-	-	-	**39**
109(5.75) 107(20)(a)(vii)	Changes in fair value of FVOCI equity investments	6(a)	221	-	-	-	**221**
12(81)(ab) 1(90)	Deferred tax		(66)	-	-	-	**(66)**
107(24C)(b)(ii)	Changes in fair value of hedging instruments	29	-	2,432	(720)	-	**1,712**
12(81)(ab) 1(90)	Deferred tax		-	(730)	216	-	**(514)**
1(92),(95), 107(24C) (iv)	Reclassification to profit or loss	29	-	(1,449)	450	-	**(999)**
12(81)(ab) 1(90)	Deferred tax		-	435	(135)	-	**300**
28(10)	Currency translation adjustments relating to associates		-	-	-	59	**59**
12(81)(ab) 1(90)	Deferred tax		-	-	-	(17)	**(17)**
21(52)(b)	Other currency translation differences		-	-	-	(238)	**(238)**
21(52)(b) 1(92),(95)	Reclassification to profit or loss on disposal of discontinued operation		-	-	-	65	**65**
21(52)(b)	Net investment hedge	29	-	-	-	480	**480**
21(41)	Non-controlling interest share in translation differences		-	-	-	(86)	**(86)**
	As at 31 March 2019		**1,952**	**2,484**	**(269)**	**66**	**4,233**

1(79)(b) **Nature and purpose of other reserves**

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

109(B5.7.1)) *FVOCI equity investments*

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

109(6.5.11)(d)(i) *Cash flow hedging reserve*

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in note 29. Amounts are subsequently either transferred to the initial cost of inventory or reclassified to profit or loss, as appropriate.

109(6.5.15)(b) *Costs of hedging reserve*

The group defers the changes in the forward element of forward contracts and the time value element of option contracts in the costs of hedging reserve, as described in note 29. These deferred costs of hedging are included in the initial cost of the related inventory when it is recognised or reclassified to profit or loss when the hedged item affects profit or loss, as appropriate.

Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Value Ind AS Employee stock option plan.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Debenture redemption reserve

The group is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

Commentary – Equity share capital and other equity

Securities premium

1(79)(a) Sch III 1. Ind AS 1 requires disclosure of the par value of shares (if any), but does not prescribe a particular form of presentation for the securities premium. Schedule III requires separate presentation of securities premium as part of reserves and surplus in the statement of changes in equity.

Treasury shares

32(33) 2. Ind AS 32, *Financial Instruments: Presentation* states that treasury shares must be deduced from equity and that no gain or loss shall be recognised on the purchase, sale, issue or cancellation of such shares. However, the standard does not specify where in equity the treasury shares should be presented.

Other reserves

1(106)(d) 3. An entity shall present, either in the statement of changes in equity or in the notes, for each accumulated balance of each class of other comprehensive income a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing each item of other comprehensive income and transactions with owners.

1(92),(94) 4. Reclassification adjustments relating to components of other comprehensive income must also be disclosed, either in the statement of profit and loss or in the notes. Value Ind AS Limited has elected to make both disclosures in the notes.

1(7),(95) 5. Reclassification adjustments are amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in the current or previous periods. They arise, for example, on disposal of a foreign operation and when a hedged forecast transaction affects profit or loss.

Nature and purpose

1(79)(b) 6. A description of the nature and purpose of each reserve within equity must be provided either in the balance sheet or in the notes. This applies to each reserve, including general reserves, capital profits reserves and any others reserves in existence.

7. In providing a description of the nature and purpose of the reserves it would be appropriate to refer to any restrictions on their distribution or any other important characteristics. In the case of:

16(77)(f) (a) the property, plant and equipment revaluation surplus: there is a specific requirement to disclose any restrictions on the distribution of the balance to shareholders

38(124)(b) (b) the amount of the revaluation reserve that relates to intangible assets; there is a specific requirement to disclose the balance at the beginning and end of the period, indicating the changes during the period and any restrictions on the distribution of the balance to shareholders.

Transfer from share options outstanding account to share capital on exercise of options

8. The accounting standards do not distinguish between different components of equity. Although Ind AS 102, *Share-based Payment* permits to transfer an amount from one component of equity to another (e.g. retained earnings) upon the vesting or exercise of options, there is no requirement to do so. Value Ind AS Limited has established a share options outstanding account but does not transfer any amounts from this reserve upon the exercise or lapse of options.

Sch III **Disclosures not illustrated: not applicable to Value Ind AS Limited:**

9. Schedule III disclosure requirements:
   (a) preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and repayment of capital;
   (b) shares held by subsidiary or associate of the holding company or ultimate holding company;
   (c) contracts or commitments for the sale of shares or disinvestment, including the terms and amounts;
   (d) aggregate number and class of shares allocated as fully paid up by way of bonus shares;
   (e) aggregate number and class of shares bought back;
   (f) calls unpaid (showing aggregate value of calls unpaid by directors and officers); and
   (g) forfeited shares (amount originally paid up).

   The disclosures mentioned in (d) and (e) shall be for the period of five years immediately preceding the date at which the balance sheet is prepared.

GN on Sch III 10. Instruments which are entirely equity in nature such as compulsory convertible preference shares and compulsory convertible debentures shall be presented as a separate line item on face of balance sheet under equity after 'equity share capital'. Statement of changes in equity shall present movement in each such instrument separately. All disclosures required by Schedule III for equity share capital shall be provided for such instruments, to the extent applicable.

11. Ind AS presentation and disclosure requirements:

	Issue not illustrated	Relevant disclosures or references
1(80)	Entities without share capital	Disclose information equivalent to that required by paragraph 79(a) of Ind AS 1
1(136A),(80A)	Puttable financial instruments	Various disclosures, see Ind AS 1 (136A) and (80A) for details.
1(138)(d)	Limited life entities	Disclose length of the entity's life
109 (App D)(11)	Entity has issued equity instruments to extinguish financial liabilities	Disclose any gain or loss recognised as separate line item in profit or loss or in the notes

Note 13: Financial liabilities

107(6),(7) Sch III 1(77)

13(a) Non-current borrowings

		Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2019	31 March 2018
Sch III	**Secured**					
	Debentures 200 lakhs 7% Debentures	31 December 2021	Single repayment at the end of the term	7%	20,321	20,311
Sch III	**Term loans**					
	From banks					
	Rupee loan	30 June 2020	Semi-annually in eight equal instalments	MIBOR+175 bps	462	771
	Foreign currency loan (USD)	30 August 2020	Repayable in two equal instalments on 1 August 2018 and 30 August 2020	LIBOR +150 bps	1,741	3,327
Sch III	**Long-term maturities of finance lease obligations** Obligations under finance leases	2017-2022	Monthly instalments	9.5%-11%	1,221	1,075
					23,745	**25,484**
Sch III	**Unsecured**					
	Bonds 150 lakhs Zero coupon bonds	30 June 2020	Single repayment at the end of the term	-	13,791	12,828
	Term loans Foreign currency loan (RMB)	30 November 2022	Quarterly in sixteen equal instalments	LIBOR+135 bps	2,026	-
	Liability component of compound financial instruments 350 lakhs 6% optionally convertible bonds (i)	1 April 2023	Single repayment at the end of the term	6%	3,266	-
					19,083	**12,828**
	Total non-current borrowings				**42,828**	**38,312**
	Less: Current maturities of long-term debt (included in note 13(b))				425	2,092
	Less: Current maturities of finance lease obligations (included in note 13(b))				188	143
	Less: Interest accrued (included in note 13(b))				760	512
	Non-current borrowings (as per balance sheet)				**41,455**	**35,565**

(i) Convertible bonds

107(17) 1(79)(a)(vii) The parent entity issued 3,500,000 6% convertible bonds for INR 3,500 on 2 April 2018. The bonds are convertible into equity shares of the parent entity, at the option of the holder, or repayable on 1 April 2022. The conversion rate is 2 shares for each bond held. The convertible bonds are presented in the balance sheet as follows:

	31 March 2019	31 March 2018
Face value of bonds issued	3,500	-
Equity component of convertible bonds – value of conversion rights #	(531)	-
	2,969	-
Interest expense *	297	-
Interest paid	-	-
Non-current borrowings	**3,266**	-

* *Interest expense is calculated by applying the effective interest rate of 10% to the liability component.*

The equity component of convertible bonds has been presented on the face of the balance sheet net of deferred tax of INR 159.

(All amounts in INR lakhs, unless otherwise stated)

107(6),(7)
Sch III
1(77)

13(a) Current borrowings

		Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2019	31 March 2018
Sch III	**Loans repayable on demand**					
	Secured					
	From banks					
	Bank overdrafts	Payable on demand	Payable on demand	LIBOR + 75 bps	1,584	1,755
	Factored receivables	-	-	9%	850	953
					2,434	**2,708**
	Unsecured					
Sch III	*From related parties*					
Sch III	Loans from associates	30 August 2019	Single repayment at the end of the term.	8%	403	-
	Total current borrowings				**2,837**	**2,708**
	Less: Interest accrued (included in note 13(b))				30	23
	Current borrowings (as per balance sheet)				**2,807**	**2,685**

Sch III,
107(14)(b) *Secured borrowings and assets pledged as security*

(a) The 7% debentures are secured by a first charge on freehold buildings.
(b) Rupee term loan from bank is secured by a floating charge on trade receivables and cash and bank balances.
(c) The foreign currency loan (USD) is secured by first charge on freehold land.
(d) Bank overdraft is secured by first charge on inventory.
107(42D) (e) Factored receivables is secured by first charge on trade receivables subject to factoring arrangement.
(f) Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

107(14)(a) The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 42.

(All amounts in INR lakhs, unless otherwise stated)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	31 March 2019	31 March 2018
Cash and cash equivalents	25,031	7,035
Liquid investments (i)	10,695	9,170
Current borrowings	(2,837)	(2,708)
Non-current borrowings	(42,828)	(38,312)
Net debt	**(9,939)**	**(24,815)**

7(44A)-(44E)

	Other assets		Liabilities from financing activities			
	Cash and bank overdraft	Liquid investments	Finance lease obligations	Non-current borrowings	Current borrowings	Total
Net debt as at 1 April 2017	5,423	8,416	(1,046)	(36,510)	(755)	(24,472)
Cash flows	(161)	524	271	250	(148)	736
Acquisitions – finance leases	-	-	(450)	-	-	(450)
Foreign exchange adjustments	18	-	70	186	(70)	204
Interest expense	-	-	(120)	(2,788)	(230)	(3,138)
Interest paid	-	-	200	1,625	250	2,075
Other non-cash movements						
- Acquisitions/disposals	-	-	-	-	-	
- Fair value adjustments	-	230	-	-	-	230
Net debt as at 31 March 2018	**5,280**	**9,170**	**(1,075)**	**(37,237)**	**(953)**	**(24,815)**
Cash flows	18,327	1,235	304	(4,024)	(293)	15,549
Acquisitions – finance leases	-	-	(300)	-	-	(300)
Equity component of convertible bonds	-	-	-	531	-	531
Foreign exchange adjustments	(160)	20	(100)	349	73	182
Interest expense	-	-	(180)	(2,849)	(370)	(3,399)
Interest paid	-	-	130	1,623	290	2,043
Other non-cash movements						
- Acquisitions/disposals	-	-	-	-	-	-
- Fair value adjustments	-	270	-	-	-	270
Net debt as at 31 March 2019	**23,447**	**10,695**	**(1,221)**	**(41,607)**	**(1,253)**	**(9,939)**

Commentary: Net debt reconciliation

7(44A) 1. Entities must explain changes in their liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. However, the illustrative disclosure given above goes beyond what is required under Ind AS 7, by also including those assets that the group considers to be part of its net debt.

7(44E) 2. The inclusion of cash and cash equivalent balances may be useful where an entity manages debt on a net basis. However, the mandatory requirement only covers balance sheet items for which cash flows are classified as financing activities. Where entities do include other items within the reconciliation, they shall identify separately the changes in liabilities arising from financing activities.

7(44D) 3. Ind AS 7 is flexible in terms of how the information required by paragraph 44A is presented. Specifically, entities do not need to provide a reconciliation from opening to closing balances but could provide the information in other ways.

7(44C) 4. However, changes in financial assets must be included in the disclosure if the cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities. This could apply, for example, to assets that hedge liabilities arising from financing activities.

(All amounts in INR lakhs, unless otherwise stated)

107(6),(7)
Sch III
1(77)

13(b) Other financial liabilities

	31 March 2019	31 March 2018 Restated*
Non-current		
Derivatives not designated as hedges		
Principal swap	220	199
Others		
Contingent consideration (note 32)	1,450	-
Total other non-current financial liabilities	**1,670**	**199**
Current		
Sch III Current maturities of long-term debt	425	2,092
Sch III Current maturities of finance lease obligations	188	143
Interest accrued	790	535
Capital creditors	7,112	5,358
Derivatives designated as hedges		
Foreign-exchange forward contracts	394	475
Derivatives not designated as hedges		
Principal swap	-	234
Total other current financial liabilities	**8,909**	**8,837**

1(77)
Sch III

13(c) Trade payables

	31 March 2019	31 March 2018
Current		
Trade payables: micro and small enterprises	1,011	1,977
Trade payables: others	36,642	26,788
Trade payables to related parties (note 35)	358	212
Total trade payables	**38,011**	**28,977**

1(77)

Note 14: Provisions

	31 March 2019			31 March 2018 Restated*		
	Current	Non-current	Total	Current	Non-current	Total
Service warranties (i)	150	-	150	163	-	163
Legal claim (i)	55	-	55	140	-	140
Restructuring costs (i)	448	241	689	140	91	231
Contingent liability recognised on business combination (note 32)	759	-	759	-	-	-
Total	**1,412**	**241**	**1,653**	**443**	**91**	**534**

**See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

(All amounts in INR lakhs, unless otherwise stated)

(i) Information about individual provisions and significant estimates

Service warranties

37(85)(a),(b) Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

1(125)
115(119)(e) The group generally offers 6 to 12 months warranties for its high-end furniture products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the group's productivity and quality initiatives. As at 31 March 2019, this particular provision had a carrying amount of INR 150 (31 March 2018 – INR 163). Were claims costs to differ by 10% from management's estimates, the warranty provisions would be an estimated INR 15 higher or lower (31 March 2018 – INR 16 higher or lower).

Legal claim

37(85)(a),(b) In November 2017, an unfavourable judgement was handed down against the group in respect of a legal claim made by a customer of the IT consulting segment. The judgement requires a payment of INR 140 to the claimant. A provision has been recognised for this amount. An amount of INR 85 was paid to the claimant as per order during 31 March 2019. However, after taking appropriate legal advice, the directors have decided to appeal against the decision. The balance payment has not yet been made to the claimant pending outcome of the appeal. The court of appeal is expected to consider this matter in August 2019.

Restructuring costs

37(85)(a),(b) The reduction in output in the furniture manufacturing division resulted in the loss of 155 jobs at two factories. An agreement was reached with the local union representatives in December 2017, which specifies the number of staff involved and the voluntary redundancy compensation package offered by the group, as well as amounts payable to those made redundant. The total estimated staff restructuring costs to be incurred are INR 200 which were fully provided for during 31 March 2018. Out of INR 200, a provision of INR 140 is expected to be fully utilised over the next 12 months. The group has also incurred other direct costs attributable to the restructuring, including lease termination, amounting to INR 50 which has been settled during the year ended 31 March 2018.

For restructuring obligations acquired as part of business combinations, refer note 32.

(ii) Movements in provisions

37(84) Movements in each class of provision during the financial year are set out below:

		Service warranties	Legal claim	Restructuring costs	Contingent liability recognised on business combination	Total
37(84)(a)	**As at 1 April 2018**	**163**	**140**	**231**	-	**534**
	Acquired through business combination (note 32)	-	-	1,290	713	**2,003**
	Charged/(credited) to profit or loss					
37(84)(b)	• additional provisions recognised	187	-	190	-	**377**
37(84)(d)	• unused amounts reversed	-	-	(125)	-	**(125)**
37(84)(e)	• unwinding of discount	-	-	153	46	**199**
37(84)(c)	Amounts used during the year	(200)	(85)	(1,050)	-	**(1,335)**
37(84)(a)	**As at 31 March 2019**	**150**	**55**	**689**	**759**	**1,653**

(All amounts in INR lakhs, unless otherwise stated)

Note 15: Employee benefit obligations

1(77)

	31 March 2019			31 March 2018		
	Current	Non-current	Total	Current	Non-current	Total
Leave obligations (i)	2,300	-	2,300	2,034	-	2,034
Share-appreciation rights (refer note 39)	-	246	246	-	-	-
Defined pension benefits (ii)	-	836	836	-	1,297	1,297
Post-employment medical benefits (ii)	-	289	289	-	348	348
Gratuity (ii)	-	4,045	4,045	-	1,775	1,775
Total employee benefit obligations	**2,300**	**5,416**	**7,716**	**2,034**	**3,420**	**5,454**

(i) Leave obligations

The leave obligations cover the group's liability for earned leave which are classified as other long-term benefits.

The entire amount of the provision of INR 2,300 (31 March 2018 – INR 2,034) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

1(61)

	31 March 2019	31 March 2018
Leave obligations not expected to be settled within the next 12 months	1,575	1,580

(ii) Post-employment obligations

a) Gratuity

19(139)(a) 1(112)(c) The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

b) Pension benefits

19(139)(a) 1(112)(c) The group operates defined benefit pension plans in US and China under broadly similar regulatory frameworks. All of the plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The group funds the pension liability through trustee-administered funds. Plan assets held in trusts are governed by local regulations and practice in each country, as is the nature of the relationship between the group and the trustees (or equivalent) and their composition. Responsibility for governance of the plans – including investment decisions and contributions schedules – lies jointly with the group and the board of trustees. The board of trustees must be composed of representatives of the group and plan participants in accordance with the plan's regulations.

c) Post-employment medical benefits

199(138) (139)(a), (144) 1(112)(c) The group operates post-employment medical benefit schemes in the US. The plan is a funded plan. The method of accounting, significant assumptions and the frequency of valuations are similar to those used for the defined benefit pension schemes set out above with the addition of actuarial assumptions relating to the long-term increase in healthcare costs of 8.0% (31 March 2018 – 7.6%) and claim rates of 6% (31 March 2018 – 5.2%).

(iii) Defined contribution plans

19(53) The group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 1,647 (31 March 2018 – INR 1,497).

(All amounts in INR lakhs, unless otherwise stated)

Balance sheet amounts - Pension plan (US and China)

19(140)(a)(i), (ii),(141) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

		Present value of obligation	Fair value of plan assets	Total	Impact of minimum funding requirement/ asset ceiling	Net amount
	1 April 2017	**3,479**	**(2,264)**	**1,215**	**120**	**1,335**
19(141)(a)	Current service cost	319	-	319	-	319
19(141)(d)	Past service cost	176	-	176	-	176
19(141)(b)	Interest expense/(income)	190	(122)	68	5	73
	Total amount recognised in profit or loss	**685**	**(122)**	**563**	**5**	**568**
19(141)(c)	*Remeasurements*					
	Return on plan assets, excluding amounts included in interest expense/(income)	-	(9)	(9)	-	(9)
	(Gain)/loss from change in demographic assumptions	(144)	-	(144)	-	(144)
	(Gain)/loss from change in financial assumptions	61	(24)	37	-	37
	Experience (gains)/losses	(101)	-	(101)	-	(101)
	Change in asset ceiling, excluding amounts included in interest expense	-	-	-	80	80
	Total amount recognised in other comprehensive income	**(184)**	**(33)**	**(217)**	**80**	**(137)**
19(141)(e)	Exchange differences	(143)	85	(58)	-	(58)
19(141)(f)	Contributions:					-
	Employers	-	(411)	(411)	-	(411)
	Plan participants	30	(30)	-	-	-
19(141)(g)	Benefit payments	(127)	127	-	-	-
	31 March 2018	**3,740**	**(2,648)**	**1,092**	**205**	**1,297**

(All amounts in INR lakhs, unless otherwise stated)

Balance sheet amounts – Pension plan (US and China)

		Present value of obligation	Fair value of plan assets	Total	Impact of minimum funding requirement/ asset ceiling	Net amount
	1 April 2018	**3,740**	**(2,648)**	**1,092**	**205**	**1,297**
19(141)(a)	Current service cost	751	-	751	-	751
19(141)(d)	(Gains) and losses on curtailment and settlement	65	-	65	-	65
19(141)(b)	Interest expense/(income)	220	(141)	79	10	89
	Total amount recognised in profit or loss	**1,036**	**(141)**	**895**	**10**	**905**
19(141)(c)	*Remeasurements*					
	Return on plan assets, excluding amounts included in interest expense/(income)	-	(7)	(7)	-	(7)
	(Gain)/loss from change in demographic assumptions	32	-	32	-	32
	(Gain)/loss from change in financial assumptions	(189)	-	(189)	-	(189)
	Experience (gains)/losses	(312)	-	(312)	-	(312)
	Change in asset ceiling, excluding amounts included in interest expense	-	-	-	55	55
	Total amount recognised in other comprehensive income	**(469)**	**(7)**	**(476)**	**55**	**(421)**
19(141)(e)	Exchange differences	(61)	24	(37)	-	(37)
19(141)(f)	Contributions:					
	Employers	-	(908)	(908)	-	(908)
	Plan participants	55	(55)	-	-	-
	Payments from plan:					
19(141)(g)	Benefit payments	(566)	566	-	-	-
19(141)(g)	Settlements	(280)	280	-	-	-
	31 March 2019	**3,455**	**(2,889)**	**566**	**270**	**836**

19(141) The pension plan in China has a surplus that is not recognised on the basis that future economic benefits are not available to the entity in the form of a reduction in future contributions or a cash refund due to local regulations.

19(139)(c) In connection with the closure of a factory, a curtailment loss was incurred and a settlement arrangement agreed with the plan trustees, effective 31 May 2018, which settled all retirement benefit plan obligations relating to the employees of that factory. In the prior year, the group made minor amendments to the terms of the plan, resulting in past service cost of INR 176.

19(138)(e) The net liability disclosed above relates to funded and unfunded plans are as follows:

	31 March 2019	31 March 2018
Present value of funded obligations	3,455	3,740
Fair value of plan assets	(2,889)	(2,648)
Deficit of funded plans	**566**	**1,092**
Unfunded plans	-	-
Deficit before asset ceiling	**566**	**1,092**

1(112)(c) The group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The group intends to continue to contribute the defined benefit plans at a rate of 14% of salaries in line with the actuary's latest recommendations.

19(137)(a) As at the last valuation date, the present value of the defined benefit obligation included approximately INR 1,173 (31 March 2018 - INR 1,147) relating to active employees, INR 1,390 (31 March 2018 - INR 1,537) relating to deferred members and INR 892 (31 March 2018 - INR 1,056) relating to members in retirement.

(All amounts in INR lakhs, unless otherwise stated)

Balance sheet amounts - Post employment medical plan (US)

19(140)(a)(i),(ii),(141) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

		Present value of obligation	Fair value of plan assets	Net amount
	1 April 2017	**708**	**(207)**	**501**
19(141)(a)	Current service cost	107	-	107
19(141)(b)	Interest expense/(income)	40	(13)	27
	Total amount recognised in profit or loss	**147**	**(13)**	**134**
19(141)(c)	*Remeasurements*			
	Return on plan assets, excluding amounts included in interest expense/(income)	-	(1)	(1)
	(Gain)/loss from change in demographic assumptions	14	-	14
	(Gain)/loss from change in financial assumptions	(48)	(21)	(69)
	Experience (gains)/losses	(145)	-	(145)
	Total amount recognised in other comprehensive income	**(179)**	**(22)**	**(201)**
19(141)(e)	Exchange differences	(31)	18	(13)
19(141)(f)	Employer contributions/premiums paid	-	(73)	(73)
19(141)(g)	Benefit payments	(8)	8	-
	31 March 2018	**637**	**(289)**	**348**

		Present value of obligation	Fair value of plan assets	Net amount
	1 April 2018	**637**	**(289)**	**348**
19(141)(a)	Current service cost	153	-	153
19(141)(b)	Interest expense/(income)	36	(19)	17
	Total amount recognised in profit or loss	**189**	**(19)**	**170**
19(141)(c)	*Remeasurements*			
	Return on plan assets, excluding amounts included in interest expense/(income)	-	(3)	(3)
	(Gain)/loss from change in demographic assumptions	(53)	-	(53)
	(Gain)/loss from change in financial assumptions	13	(5)	8
	Experience (gains)/losses	(16)	-	(16)
	Total amount recognised in other comprehensive income	**(56)**	**(8)**	**(64)**
19(141)(e)	Exchange differences	37	(17)	20
19(141)(f)	Employer contributions/premiums paid	-	(185)	(185)
19(141)(g)	Benefit payments	(7)	7	-
	31 March 2019	**800**	**(511)**	**289**

19(138)(e) The net liability disclosed above relates to funded and unfunded plans are as follows:

	31 March 2019	31 March 2018
Present value of funded obligations	800	637
Fair value of plan assets	(511)	(289)
Deficit of funded plans	**289**	**348**
Unfunded plans	-	-
Deficit of post-employment medical plans	**289**	**348**

(All amounts in INR lakhs, unless otherwise stated)

Balance sheet amounts – Gratuity (India)

19(140)(a)(i), (ii),(141) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

		Present value of obligation	Fair value of plan assets	Net amount
	1 April 2017	**3,754**	**(2,189)**	**1,565**
19(141)(a)	Current service cost	821	-	821
19(141)(b)	Interest expense/(income)	322	(195)	127
	Total amount recognised in profit or loss	**1,143**	**(195)**	**948**
19(141)(c)	*Remeasurements*			
	Return on plan assets, excluding amounts included in interest expense/(income)	-	(3)	(3)
	(Gain)/loss from change in demographic assumptions	30	-	30
	(Gain)/loss from change in financial assumptions	(247)	32	(215)
	Experience (gains)/losses	(194)	-	(194)
	Total amount recognised in other comprehensive income	**(411)**	**29**	**(382)**
19(141)(f)	Employer contributions	-	(356)	(356)
19(141)(g)	Benefit payments	(228)	228	-
	31 March 2018	**4,258**	**(2,483)**	**1,775**

		Present value of obligation	Fair value of plan assets	Net amount
	1 April 2018	**4,258**	**(2,483)**	**1,775**
19(141)(a)	Current service cost	723	-	723
19(141)(b)	Interest expense/(income)	468	(254)	214
	Total amount recognised in profit or loss	**1,191**	**(254)**	**937**
19(141)(c)	*Remeasurements*			
	Return on plan assets, excluding amounts included in interest expense/(income)	-	(57)	(57)
	(Gain)/loss from change in demographic assumptions	35	-	35
	(Gain)/loss from change in financial assumptions	(75)	-	(75)
	Experience (gains)/losses	(174)	-	(174)
	Total amount recognised in other comprehensive income	**(214)**	**(57)**	**(271)**
19(141)(f)	Employer contributions	-	(981)	(981)
19(141)(g)	Benefit payments	(7)	7	-
19(141)(h)	Acquired through business combinations (refer note 32)	3,691	(1,106)	2,585
	31 March 2019	**8,919**	**(4,874)**	**4,045**

19(138)(e) The net liability disclosed above relates to funded and unfunded plans are as follows:

	31 March 2019	31 March 2018
Present value of funded obligations	8,919	4,258
Fair value of plan assets	(4,874)	(2,483)
Deficit of funded plan	**4,045**	**1,775**
Unfunded plans	-	-
Deficit of gratuity plan	**4,045**	**1,775**

(All amounts in INR lakhs, unless otherwise stated)

The following table shows a breakdown of the defined benefit obligation and plan assets by country:

19(138) (a),(b)

Plan type	31 March 2019 Gratuity	Pension		Medical	Total	31 March 2018 Gratuity	Pension		Medical	Total
	India	US	China	US		India	US	China	US	
Present value of obligation	8,919	2,533	922	800	13,174	4,258	2,922	818	637	8,635
Fair value of plan assets	(4,874)	(1,697)	(1,192)	(511)	(8,274)	(2,483)	(1,625)	(1,023)	(289)	(5,420)
	4,045	836	(270)	289	4,900	1,775	1,297	(205)	348	3,215
Asset ceiling	-	-	270		270	-	-	205	-	205
Total liability	**4,045**	**836**	**-**	**289**	**5,170**	**1,775**	**1,297**	**-**	**348**	**3,420**

(iv) Post-Employment benefits (pension, medical and gratuity)

Significant estimates: actuarial assumptions

19(144) The significant actuarial assumptions were as follows:

	31 March 2019 India	US	China	31 March 2018 India	US	China
Discount rate	9.0%	5.2%	4.2%	8.1%	5.7%	4.5%
Inflation	5.0%	2.0%	2.5%	4.5%	2.2%	2.9%
Salary growth rate	8.0%	6.5%	5.3%	7.5%	5.5%	6.0%
Pension growth rate	-	2.8%	3.0%	-	2.7%	3.2%
Long-term increase in health care cost (medical)	-	8.0%	-	-	7.6%	-
Claim rates (medical)	-	6.2%	-	-	5.2%	-

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	US	China	US	China
Retiring at the end of the reporting period:				
Male	22	23	22	23
Female	24	24	24	24
Retiring 20 years after the end of the reporting period:				
Male	24	24	24	24
Female	26	26	26	26

(All amounts in INR lakhs, unless otherwise stated)

(v) Sensitivity analysis

Significant estimates: Sensitivity of actuarial assumptions

19(145)(a) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation								
	Change in assumption		Increase in assumption			Decrease in assumption			
	31 March 2019	31 March 2018		31 March 2019	31 March 2018		31 March 2019	31 March 2018
Discount rate	0.50%	0.3%	Decrease by	8.2%	6.6%	Increase by	9.0%	7.2%
Salary growth rate	0.50%	0.7%	Increase by	1.8%	2.3%	Decrease by	1.7%	2.1%
Pension growth rate	0.25%	0.3%	Increase by	4.7%	5.2%	Decrease by	4.4%	5.1%
Life expectancy	+/- 1 year		Increase by	2.8%	2.5%	Decrease by	2.9%	2.7%
Long-term increase in health care cost	0.50%	0.4%	Increase by	5.5%	5.2%	Decrease by	4.8%	4.3%
Claim rates	0.50%	0.4%	Increase by	6.3%	5.9%	Decrease by	6.8%	6.4%

19(145)(b) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

19(145)(c) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(All amounts in INR lakhs, unless otherwise stated)

19(142) **(vi) The major categories of plans assets are as follows:**

	31 March 2019				31 March 2018			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Equity instruments								
Blue chip companies	827	-	827	10%	650	-	650	12%
Mid cap companies	579	-	579	7%	271	-	271	5%
Small cap companies	249	-	249	3%	163	-	163	3%
	1,655	**-**	**1,655**	**20%**	**1,084**	**-**	**1,084**	**20%**
Debt instruments								
Government bonds	2,896	-	2,896	35%	2,060	-	2,060	38%
Corporate bonds	1,242	-	1,242	15%	759	-	759	14%
	4,138	**-**	**4,138**	**50%**	**2,819**	**-**	**2,819**	**52%**
Asset backed securities								
Real estate investment trusts	-	579	579	7%	-	163	163	3%
Mortgage backed securities	-	496	496	6%	-	379	379	7%
	-	**1,075**	**1,075**	**13%**	**-**	**542**	**542**	**10%**
Investment funds								
Mutual funds	662	**-**	**662**	**8%**	541	-	**541**	**10%**
Derivatives								
Interest rate swaps	-	165	165	2%	-	163	163	3%
Equity futures	165	-	165	2%	-	-	-	-
	165	**165**	**330**	**4%**	**-**	**163**	**163**	**3%**
Cash and cash equivalents	414	**-**	**414**	**5%**	271	**-**	**271**	5%
Total	**7,034**	**1,240**	**8,274**	**100%**	**4,715**	**705**	**5,420**	**100%**

(All amounts in INR lakhs, unless otherwise stated)

(vii) Risk exposure

19(139)(b) Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The group intends to maintain the above investment mix in the continuing years.
Changes in bond yields	A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Inflation risks	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
Life expectancy	The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

19(146) The group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The group has not changed the processes used to manage its risks from previous periods. The group uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets in 2019 consists of government and corporate bonds, although the group also invests in equities, cash and mutual funds. The group believes that equities offer the best returns over the long term with an acceptable level of risk. The majority of equities are in a globally diversified portfolio of international blue chip entities, with a target of 60% of equities held in India, 30% in the US and the remainder in emerging markets. The plan asset mix is in compliance with the requirements of the respective local regulations.

(viii) Defined benefit liability and employer contributions

19(147)(a) The group has agreed that it will aim to eliminate the deficit in defined benefit pension and gratuity plan over the next nine years. Funding levels are monitored on an annual basis and the current agreed contribution rate is 12% of the basic salaries in India and 13% of pensionable salaries in US and China. The group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

19(147)(b) Expected contributions to post-employment benefit plans for the year ending 31 March 2020 are INR 2,711.

19(147)(c) The weighted average duration of the defined benefit obligation is 27.2 years (31 March 2018 – 23.8 years). The expected maturity analysis of undiscounted pension, gratuity and post-employment medical benefits is as follows:

19(147)(c)

		Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
	31 March 2019					
	Defined benefit obligation (pension and gratuity)	628	927	2,004	21,447	**25,006**
	Post-employment medical benefits	127	174	614	4,775	**5,690**
	Total	755	1,101	2,618	26,222	**30,696**
1(38)	**31 March 2018**					
	Defined benefit obligation (pension and gratuity)	816	450	1,103	16,320	**18,689**
	Post-employment medical benefits	159	276	1,033	3,588	**5,056**
	Total	975	726	2,136	19,908	**23,745**

(All amounts in INR lakhs, unless otherwise stated)

Note 16: Deferred tax liabilities

12(81) (g)(i) **The balance comprises temporary differences attributable to:**

	31 March 2019	31 March 2018 Restated*
Property, plant and equipment and investment property	5,936	4,576
Intangible assets	1,372	1,210
Financial assets at fair value through profit or loss	2,059	1,909
Financial assets at FVOCI (including derivatives)	2,348	2,044
	11,715	**9,739**
Other items		
Investments in associates and joint ventures	508	313
Convertible bonds	133	-
Non-current asset recognised for costs to fulfil a contract	43	75
Others	164	125
	848	**513**
Total deferred tax liabilities	12,563	10,252
12(74) Set-off of deferred tax liabilities pursuant to set-off provisions	(478)	(388)
Net deferred tax liabilities	**12,085**	**9,864**

Movements in deferred tax liabilities

	Property, plant and equipment and investment property	Intangible assets	Financial assets at fair value through profit or loss	Financial assets at FVOCI (including derivatives)	Other items	Total
At 1 April 2017	3,500	976	1,497	1,639	408	8,020
Charged/(credited)						
12(81) (g)(ii) - to profit or loss	1,076	234	412	-	80	1,802
- to other comprehensive income	-	-	-	405	25	430
At 31 March 2018	**4,576**	**1,210**	**1,909**	**2,044**	**513**	**10,252**
Charged/(credited)						
12(81) (g)(ii) - to profit or loss	895	27	150	-	148	1,220
- to other comprehensive income	-	-	-	343	28	371
- transfer from other reserves to retained earnings	-	-	-	(39)	-	(39)
- directly to equity	-	-	-	-	159	159
Acquisition of subsidiary (note 32)	465	135	-	-	-	600
At 31 March 2019	**5,936**	**1,372**	**2,059**	**2,348**	**848**	**12,563**

** See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

(All amounts in INR lakhs, unless otherwise stated)

1(77)

Note 17: Current tax liabilities

	31 March 2019	31 March 2018
Opening balance	1,905	850
Add: Current tax payable for the year	14,968	13,185
Less: Taxes paid	(14,070)	(12,130)
Closing balance	**2,803**	**1,905**

1(77)
20(39)

Note 18: Government grants

	31 March 2019	31 March 2018
Opening balance	3,567	4,090
Grants during the year	756	657
Less: Released to profit or loss	(1,033)	(1,180)
Closing balance	**3,290**	**3,567**

	31 March 2019	31 March 2018
Current portion	938	1,017
Non-current portion	2,352	2,550

1(77)

Note 19: Other current liabilities

	31 March 2019	31 March 2018 Restated*
Payroll taxes	219	199
Statutory tax payables	2,700	2,574
Refund liabilities (i)	490	435
Total other current liabilities	**3,409**	**3,208**

**See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

(i) Refund liabilities

115(55),(B20)-(B27)

When a customer has a right to return product within a given period, the group recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled INR 221 (31 March 2018 – INR 310). The group also recognises a right to recover the returned goods measured by reference to the former carrying amount of the goods INR 159 (31 March 2018 - INR 200); see note 10. The costs to recover the products are not material because the customers usually return the product in a saleable condition.
Refund liabilities are also recognised for volume discounts payable to wholesale customers amounting to INR 269 (31 March 2018 – INR 125).

**See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

Commentary - Notes to the balance sheet

Property, plant and equipment

Sch III

1. As per Schedule III, property, plant and equipment shall be classified as follows:
   - (a) land
   - (b) buildings
   - (c) plant and equipment
   - (d) bearer plants
   - (e) vehicles
   - (f) furniture and fixtures
   - (g) office equipment
   - (h) Assets under lease

16(37) GN Sch III 8.1.1.6

As mentioned above, Schedule III requires land and buildings to be classified as two separate classes of property, plant and equipment, though Ind AS 16 provides flexibility to classify land and building either as one class or as two separate classes. Accordingly, entities should follow the presentation requirement of Ind AS Schedule III and separately present land and buildings.

Sch III

2. Schedule III requires reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments and the related depreciation and impairment losses or reversals shall be disclosed separately.

Sch III

Goodwill and other intangible assets

3. As per Schedule III, goodwill is required to be disclosed separately on the face of the balance sheet. Other intangible assets shall be classified as follows:
   - (a) Brands or trademarks
   - (b) Computer software
   - (c) Mastheads and publishing titles
   - (d) Mining rights
   - (e) Copyrights, patents, other intellectual property rights, services and operating rights
   - (f) Recipes, formulae, models, designs and prototypes
   - (g) Licenses and franchises

ASB(FAQ) GN Sch III 8.1.1.2, 8.1.1.3

4. Ind AS 101 provides an option to continue with the previous GAAP carrying values of property, plant and equipment, intangible assets and investment properties as the deemed cost on the date of transition. Once this option is elected, the provision for impairment recognised in the previous GAAP cannot be reversed. The entity may provide information regarding gross block of assets, accumulated depreciation and provision for impairment under previous GAAP by way of note forming part of the financial statements. This information can be disclosed only as additional disclosures and the same cannot be considered for subsequent recognition and/or measurement purposes.

Impairment

Impairment testing – disclosure of assumptions

36(132), (134) 1(122), (125)

5. An entity is encouraged to disclose the assumptions used to determine the recoverable amount of all significant assets and cash-generating units during the period. However, as a minimum, paragraph 134 of Ind AS 36, *Impairment of Assets* requires an entity to disclose information about the estimates used to measure the recoverable amount of a cash-generating unit when goodwill or an intangible asset with an indefinite useful life is included in the carrying amount of that unit. In many cases, the impairment calculations also involve significant estimates and judgements which should be highlighted under Ind AS 1 paragraphs 122 and 125.

Prior year recoverable amount calculation

36(136)

6. The most recent detailed calculation made in a preceding period of the recoverable amount of a cash-generating unit (group of units) may, in accordance with paragraphs 24 or 99 of Ind AS 36, be carried forward and used in the impairment test for that unit (group of units) in the current period provided specified criteria are met. When this is the case, the information for that unit (group of units) that is incorporated into the disclosures required by paragraphs 134 and 135 of Ind AS 36 relate to the carried forward calculation of recoverable amount.

Classification of investment in preference shares

109(4.1.2) (b), (B4.1.7)-(B4.1.26), 1(122)

7. Preference shares must be analysed carefully to determine if they contain features that cause the instrument not to meet the definition of an equity. If such shares meet the definition of equity, the entity may elect to carry them at FVOCI without recycling to profit or loss if not held for trading. If they do not, they must be further analysed to determine the underlying business model and whether the contractual cash flows are solely payments of principal and interest. Value Ind AS Limited undertook this analysis and concluded that the preference shares should be held at amortised cost, as the shares do not meet the definition of equity and their cash flows relating to interest payments cannot be deferred (such that the contractual cash flows are solely payment of interest and principal). Where the classification involves significant judgement and the relevant amounts are material, the entity should consider disclosing the rationale for classifying such shares as debt instruments.

Commentary - Notes to the balance sheet

Sch III

Investments

8. Schedule III requires investments to be classified as
   (a) Equity Instruments;
   (b) Preference Shares;
   (c) Government or trust securities;
   (d) Debentures or bonds;
   (e) Mutual Funds;
   (f) Partnership firms; or
   (g) Other investments.

   Under each classification, details shall be given of names of the bodies corporate that are subsidiaries, associates, joint ventures and structured entities in whom investments have been made and the nature and extent of the investment so made in each such body corporate (showing separately investments which are partly-paid).

   The above clause indicates that the names of the body corporate (including nature and extent of the investment) is not required to be given where investments are made in instruments of parties other than subsidiaries, associates, joint ventures and structured entities. However, it is to be noted that Ind AS 107 requires to disclose which investments in equity instruments have been designated to be measured at FVOCI.

   Value Ind AS Limited has voluntarily opted to provide the names of the bodies corporate (including nature and extent of the investment) for all its investments.

Trade receivable and trade payables

Sch III 9. A receivable shall be classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business.

Sch III 10. A payable shall be classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business.

Sch III 11. Schedule III requires disclosure of receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Sch III **Cash and bank balances**

12. Additional disclosures required by Schedule III with respect to cash and bank balances:
    (a) Earmarked balances with banks (for example, for unpaid dividend).
    (b) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments
    (c) Repatriation restrictions, if any

Biological assets other than bearer plants

Sch III 13. Schedule III requires reconciliation of the carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments shall be disclosed separately.

Deferred tax assets and liabilities

Offsetting

12(74) 14. Deferred tax assets and liabilities shall be set off if, and only if:
    (a) there is a legally enforceable right to set off current tax assets and liabilities, and
    (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either:
        (i) the same taxable entity, or
        (ii) different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

12(76) 15. The circumstances giving rise to a set off between entities in a consolidated group are likely to be rare unless the entities are part of a tax consolidated group.

Disclosure of reconciliation by type of temporary difference

12(81)(g) 16. Ind AS 12, *Income Taxes* requires the following disclosures for each type of temporary difference and in respect of each type of unused tax loss and tax credit:
    (a) the deferred tax balances recognised for each period presented
    (b) the amounts of deferred tax income or expense recognised in profit or loss, if this is not apparent from the changes in the amounts recognised in the balance sheet

17. This information can be presented in various ways. Value Ind AS Limited has chosen to provide the information in the form of a reconciliation by type of temporary difference. However, other formats are equally acceptable as long as all of the required disclosures are made.

Commentary - Notes to the balance sheet

Minimum alternate tax

GN Sch III 9.7.2

18. Ind AS 12 defines deferred tax to include carry forward of unused tax credits. MAT credits are in the form of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement should be grouped with deferred tax asset (net) in the Balance Sheet, and a separate note should be provided specifying the nature and amount of MAT credit included as part of deferred tax assets.

Current tax assets and liabilities

GN Sch III 8.1.18

19. Current tax assets shall be offset with current tax liabilities relating to the same assessment year and not cumulatively, unless tax laws of an overseas subsidiary permits offsetting across different years.

Assets held for sale

20. There is no requirement in either Ind AS 105 or Ind AS 1 to present assets of a disposal group separately from individual assets held for sale. Value Ind AS Limited has therefore combined the assets of a disposal group with individual assets held for sale as a single line item in the balance sheet, but provided the related disclosures in separate notes.

Borrowings

Sch III

21. Schedule III requires the following disclosures:
    (a) borrowings shall be sub-classified as secured and unsecured. Nature of security needs to be specified.
    (b) where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed
    (c) bonds or debentures (along with the rate of interest, and particulars of redemption or conversion, as the case may be) shall be stated in descending order of maturity or conversion, starting from farthest redemption or conversion date, as the case may be. Where bonds/debentures are redeemable by instalments, the date of maturity for this purpose must be reckoned as the date on which the first instalment becomes due
    (d) particulars of any redeemed bonds or debentures which the company has power to reissue shall be disclosed
    (e) terms of repayment of term loans and other loans shall be stated; and
    (f) period and amount of default as at the balance sheet date in repayment of borrowings and interest shall be specified separately in each case.

    The disclosures mentioned in (b), (d) and (f) above have not been made as these are not applicable to Value Ind AS Limited.

GN Sch III 8.2.10

Interest accrued on financial liabilities shall form part of its carrying amount irrespective of whether a financial liability is carried at amortised cost or at fair value. Accordingly, an entity may not present 'Interest Accrued' separately from the related financial liability.

Employee benefit obligations

37(1)(c), (5)(d)

22. Ind AS 37 does not generally apply to employee benefits as these are dealt with by Ind AS 19. However, employee benefits may be classified as provisions in the balance sheet where either the amounts or the timing of the future payments in respect of these obligations is uncertain. Alternatively, they could either be classified as other payables (where the amount and timing is certain) or, as we have done in this publication, presented as a separate line item in the balance sheet. If the amounts recognised in relation to employee benefit obligations are material, entities should consider providing the information required by Ind AS 37 regardless of how the amounts are presented.

Classification of employee benefits obligations as non-current

1(69)

23. Other long-term employee benefit obligations, which are those that are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the service that gives rise to the benefit, can only be classified in the balance sheet as a non-current liability if there is no possibility the entity could be required to settle the obligation within the next 12 months. This means, for example, that where employees are entitled to take their long-service leave or accrued annual leave within the next 12 months, the obligation relating to them must be recorded as a current liability even though the employees may not be expected to take the leave for a longer period.

Defined benefit obligations

19(135)

24. There is an overriding objective in Ind AS 19 that the disclosures for defined benefit plans must:
    (a) explain the characteristics of the plans and the associated risks
    (b) identify and explain the amounts in the financial statements arising from the plans
    (c) describe how the plans may affect the amount, timing and uncertainty of the entity's future cash flows.

19(136)-(138)

25. Entities will need to consider on a case-by-case basis how detailed the disclosures will have to be to satisfy these objectives. Additional information or further disaggregation may be necessary in some circumstances. However, preparers should also keep in mind that materiality applies to all of the disclosures required under Ind AS 19.

Defined benefit assets

19(App B)

26. Ind AS 19 limits the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling. Paragraph 8 of Ind AS 19 defines the asset ceiling as 'the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan'. An entity shall determine the availability of a refund or a reduction in future contributions in accordance with the terms and conditions of the plan and any statutory requirements in the jurisdiction of the plan and accordingly recognise the defined benefits assets.

Provisions

37(84)

27. Ind AS 37 does not mandate providing movement in provision for comparative years. However, entities can voluntarily disclose the movement for comparative year also if such information might be useful to the users.

Commentary - Notes to the balance sheet

Disclosures not illustrated: not applicable to Value Ind AS Limited

28. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

Investment property

Reference	Issue not illustrated	Relevant disclosures or references
40(75)(c)	Classification as investment property is difficult	Disclose criteria used to distinguish investment property from owner-occupied property and property held for sale in the ordinary course of business.
17(56)(b)	Contingent rents recognised as income in the period	Disclose amounts where applicable.
40(75)(g)	Restrictions	Disclose the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

Intangible assets

Reference	Issue not illustrated	Relevant disclosures or references
38(122)(a)	Intangible assets with indefinite useful lives	Disclose the carrying amount and factors that have played a significant role in assessing that the assets have an indefinite useful life.
38(122)(b)	Individually material intangible assets	Describe the assets and disclose the carrying amount and remaining amortisation period.
38(122)(c)	Intangible assets acquired by way of government grant	Disclose the fair value initially recognised, the current carrying amount and whether the assets are measured at cost or at revaluation.
38(122)(d)	Intangible assets with restricted title and/or pledged as security for liabilities	Disclose existence and carrying amounts.
38(122)(e)	Contractual commitments for the acquisition of intangible assets	Disclose amount.
38(124)	Intangible assets measured under the revaluation model	Provide additional disclosures as set out in Ind AS 38, *Intangible Assets* paragraph 124.

Impairment and goodwill

Reference	Issue not illustrated	Relevant disclosures or references
36(126)(b) -(d),(129)	Impairment losses on revalued assets recognised in OCI and reversals of impairment losses	Disclose impairment losses recognised in OCI (by segment where applicable). Disclose reversal of impairment losses (P&L and OCI; by segment where applicable).
36(131)	Individual impairment losses or reversals are not material	Provide information about aggregate impairment losses and reversals.
36(133)	Unallocated goodwill	Disclose the amount and the reasons why the goodwill remained unallocated.
36(134)	Intangible assets with indefinite useful lives – impairment disclosures	Provide similar disclosures to those illustrated for goodwill in this publication.
36(134)(e)	Goodwill and intangible assets with indefinite useful lives: recoverable amount is based on fair value less costs of disposal (FVLCOD)	Provide additional information as set out in Ind AS 36(134).
36(135)	Goodwill and indefinite life intangible assets allocated to multiple CGUs, where the amount allocated to each CGU is not significant	If some or all of the carrying amount of goodwill or intangible assets with indefinite useful lives is allocated across multiple cash-generating units (groups of units), and the amount so allocated to each unit (group of units) is not significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives, that fact shall be disclosed, together with the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives allocated to those units (groups of units). Provide information about impairment testing based on the aggregate carrying amounts.

Commentary - Notes to the balance sheet

Other non-financial assets and liabilities

	Issue not illustrated	Relevant disclosures or references
19(140)(b)	Defined benefit plans: reimbursement rights	These will need to be separately disclosed in the reconciliation of the amounts recognised in the balance sheet.
19(148), (149)	Multi-employer and group plans	Provide additional information as specified in Ind AS 19(148) and (149).
37(92)	Provisions: information omitted because disclosure would be prejudicial	In extremely rare cases, disclosure of some or all of the information required by Ind AS 37 can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset. In such cases, an entity need not disclose the information, but shall disclose the general nature of the dispute, together with reason why, the information has not been disclosed.
113(93)(i)	Fair value of non-financial assets: highest and best use differs from current use	Disclose that fact and why the asset is used in a manner that differs from its highest and best use.

29. The following additional illustrative disclosures may be useful where relevant to an entity:

Intangible assets with indefinite useful lives

38(122)(a) The trademark used to identify and distinguish (product name; carrying amount INR XXX) has a remaining legal life of five years but is renewable every ten years at little cost and is well established. The group intends to renew the trademark continuously and evidence supports its ability to do so. An analysis of product life cycle studies, market and competitive trends provides evidence that the product will generate net cash inflows for the group for an indefinite period. Therefore, the trademark is carried at cost without amortisation, but is tested for impairment.

Unallocated goodwill

36(133) Shortly before the end of the reporting period, the group acquired XYZ Limited. There was INR XX of goodwill recognised on acquisition which is yet to be allocated to one or more CGUs. XYZ's business will be integrated into ABC Manufacturing CGU, but management has not yet finalised the allocation of the goodwill between the relevant CGUs.

Recoverable amount is determined using fair value less cost of disposal

36(134)(c) Management has determined the recoverable amount of the XYZ CGU by assessing the fair value less cost of disposal (FVLCOD) of the underlying assets. The valuation is considered to be Level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. No impairment was identified.

Management's approach and the key assumptions used to determine the CGU's FVLCOD were as follows:

36(134)(e)(i), (ii)

CGU	Unobservable inputs	Value assigned to key assumption 31 March 2019	Value assigned to key assumption 31 March 2018	Approach to determining key assumption
XYZ	Cost of disposal (INR)	XX	XX	Estimated based on the group's experience with disposal of assets and on industry benchmarks.
	Sales volume (%)	2.7	3.3	Average annual growth rate over the five-year forecast period, based on past performance and management's expectations of market development.
	Sales price (%)	1.4	1.9	Average annual growth rate over the five-year forecast period, based on current industry trends and includes long term inflation forecasts for each territory.
	Cost reductions from restructuring initiatives (INR)	XX	XX	Estimated cost reductions are based on management's judgement and past experience with similar restructuring initiatives.
	Cash flow forecast period	5 years	5 years	Board approved/ reviewed 5 year forecasts which are prepared by management
	Post-tax discount rate (%)	11.7	11.4	Reflects specific risks relating to the segments and the countries in which it operates.
	Long term growth rate (%)	2.7	2.6	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rate is consistent with forecasts included in industry reports.

Commentary - Notes to the balance sheet

Sch III

30. The following classification requirements of Schedule III are not illustrated in this publication as they are not applicable to Value Ind AS Limited

Financial statement line item	Relevant classification requirement
Property, plant and equipment	(a) Vehicles and (b) bearer plants
Other intangible assets	(a) Brands or trademarks (b) Mastheads and publishing titles (c) Mining rights (d) Recipes, formulae, models, designs and prototypes (e) Licenses and franchises
Investments	Investments in partnership firm
Other financial assets	Bank deposit with more than 12 months maturity
Other non-current assets	(a) Advances to related parties (b) Security deposits
Inventories	(a) Loose tools; and (b) Goods-in-transit (to be separately disclosed under each class of inventory)
Cash and cash equivalents	Cheques, drafts on hand
Other current assets	(a) Advances to related parties (b) Security deposits
Other reserves	Capital redemption reserve
Borrowings	(a) Deferred payment liabilities (b) Deposits
Other non-current liabilities	Advances
Other financial liabilities	(a) Unpaid dividends (b) Application money received for allotment of securities to the extent refundable and interest accrued thereon (c) Unpaid matured deposits and interest accrued thereon (d) Unpaid matured debentures and interest accrued thereon

Sch III

31. In 2018, the Ministry of Corporate Affairs (MCA) amended Division II of Schedule III (applicable to non-NBFC corporates) to include new presentation and disclosure requirements. As per new requirements, trade receivables and loans receivable (current and non-current both) shall be sub-classified as:

(a) Considered good - Secured;

(b) Considered good - Unsecured;

(c) Receivables which have significant increase in credit risk; and

(d) Credit impaired.

(All amounts in INR lakhs, unless otherwise stated)

Note 20: Revenue from operations

The group derives the following types of revenue:

		31 March 2019	31 March 2018 Restated*
115(113)	Revenue from contracts with customers		
115(109AA),Sch III	- Sale of products [including excise duty Nil (31 March 2018: INR 3,174)]	157,230	125,435
Sch III	- Sale of services	64,500	75,640
		221,730	**201,075**
Sch III	Other operating revenue	53	32
	Total revenue from continuing operations	**221,783**	**201,107**

**See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

Unsatisfied long-term consulting contracts:

The following table shows unsatisfied performance obligations resulting from fixed-price long-term IT consulting contracts.

		31 March 2019	31 March 2018#
115(120)(a)	Aggregate amount of the transaction price allocated to long-term IT consulting contracts that are partially or fully unsatisfied as at reporting date	1,485	-

115(C5)(d),(C6) # As permitted under the transitional provisions in Ind AS 115, the transaction price allocated to (partially) unsatisfied performance obligations as of 31 March 2018 is not disclosed.

115(120)(b),(122) Management expects that 60% of the transaction price allocated to the unsatisfied contracts as of 31 March 2019 will be recognised as revenue during the next reporting period (INR 891). The remaining 40% (INR 594) will be recognised in the financial year 2020-2021. The amount disclosed above does not include variable consideration which is constrained.

115(121),(122) All other IT consulting contracts are for periods of one year or less or are billed based on time incurred. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

115(126AA) Reconciliation of revenue recognised with contract price:

	31 March 2019	31 March 2018
Contract price	225,555	201,608
Adjustments for:		
Contract liabilities – customer loyalty programme	43	(66)
Refund liabilities	(490)	(435)
Incentives and performance bonus#	(3,325)	-
Revenue from continuing operations	**221,783**	**201,107**

#The group has not recognised performance bonus and incentives since it is highly probable that a significant reversal will occur.

115(123),(126)(a),(b) *Critical judgements in recognising revenue*

The group has recognised revenue amounting to INR 8,150 for sale of furniture to a wholesale customer in 31 March 2019. The buyer has the right to rescind the sale if there is 5% dissatisfaction with the quality of the first 100 pieces of furniture sold. This specific concession was made because this is a new product line specifically designed for this customer. However, consistent with other contracts, the group does not have a right to payment until the furniture has been delivered to the customer. Based on the quality assurance system implemented, the group is confident that the quality of the product is such that the dissatisfaction rate will be well below 5%. Management have determined that it is highly probable that there will be no rescission of the contract and a significant reversal in the amount of revenue recognised will not occur. It is therefore appropriate to recognise revenue on this transaction during year ended 31 March 2019 as control of the product is transferred to the customer. The profit recognised for this sale was INR 1,650. The group would suffer an estimated pre-tax loss of INR 1,785 in its financial statements for the year ending 31 March 2020 if the sale is cancelled (INR 1,650 for the reversal of profits for the year ended 31 March 2019 and INR 135 of costs connected with returning the stock to the warehouse).

The group did not recognise revenue comprising incentives and performance bonus of INR 3,325 during the current year in relation to an IT contract for a new customer and new product. The group did not have any experience with the new product and therefore determined that it was not highly probable that a portion of the revenue will not reverse.

115(123)(b),(126)(c) *Critical judgements in allocating the transaction price*

(i) Customer loyalty programme:

The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience.

The stand-alone selling price of the product sold is estimated on the basis of the retail price. Discounts are not considered as they are only given in rare circumstances.

(All amounts in INR lakhs, unless otherwise stated)

(ii) IT consulting services:

Some fixed-price IT support contracts include an allowance for one free of charge hardware replacement per contract period upto a specified value. Because these contracts include two performance obligations, the transaction price must be allocated to the performance obligations on a relative stand-alone selling price basis.

Management estimates the stand-alone selling price at contract inception based on observable prices of the type of hardware likely to be provided and the services rendered in similar circumstances to similar customers. If a discount is granted, it is allocated to both performance obligations based on their relative stand-alone selling prices.

Commentary – Revenue

Objectives

115(110)

1. Users of the financial statements should be given sufficient information to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. To achieve this, entities must provide qualitative and quantitative information about their contracts with customers, significant judgement made in applying Ind AS 115 and any assets recognised from the costs to obtain or fulfil a contract with customers.

Disaggregation of revenue

115(114), (B87)-(B89)

2. Entities must disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will depend on the specific circumstances of each entity as to how much detail is disclosed. The group has determined that a disaggregation of revenue using existing segments and the timing of the transfer of goods or services (at a point in time vs over time) is adequate for its circumstances. However, this is a judgement and may not necessarily be appropriate for other entities.
3. Other categories that could be used as basis for disaggregation include:
   (a) type of good or service (e.g. major product lines)
   (b) geographical regions
   (c) market or type of customer
   (d) type of contract (e.g. fixed price vs time-and-materials contracts)
   (e) contract duration (short-term vs long-term contracts), or
   (f) sales channels (directly to customers vs wholesale).

115(115)

4. When selecting categories for the disaggregation of revenue entities should also consider how their revenue is presented for other purposes, e.g. in earnings releases, annual reports or investors presentation and what information is regularly reviewed by the chief operating decision makers. Where revenue is disaggregated on a basis other than reportable segments, the entity must disclose sufficient information so users of their financial statements can understand the relationship between the disaggregated revenue and the revenue information that is disclosed for each reportable segment.

Disclosures not illustrated: not applicable to Value Ind AS Limited

5. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosures or reference
115(127)-(129),(94)	Costs incurred to obtain a contract	For assets recognised, provide disclosures as per Ind AS 115 paragraphs 127 and 128. Where no asset is recognised because the period of amortisation is one year or less, disclose that fact.

(All amounts in INR lakhs, unless otherwise stated)

Note 21: Other income and other gains/(losses)

1(112)(c)

(a) Other income

Reference		Notes	31 March 2019	31 March 2018
	Rental income	4	1,548	1,239
107(20)(a)	Dividend income from investments mandatorily measured at fair value through profit or loss		252	332
107(11A)(d)	Dividend income from equity investments designated at fair value through other comprehensive income (i)		61	102
107(B5)(e)	Interest income from financial assets mandatorily measured at fair value through profit or loss [8]		744	-
107(20)(b)	Interest income from financial assets at amortised cost		667	493
	Unwinding of discount on security deposits		125	98
20(39)(b)	Government grants (ii)	18	1,033	1,180
	Total other income		**4,430**	**3,444**

107(11A)(d) (i) All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting period. There was no dividend income relating to investments derecognised during the reporting period.

20(39)(b)(c) (ii) Government grants are related to investments of the group in property, plant and equipment of the furniture manufacturing setup in Assam, India. There are no unfulfilled conditions or other contingencies attached to these grants. The group did not benefit directly from any other forms of government assistance.

(b) Other gains/(losses)

Reference		Notes	31 March 2019	31 March 2018
	Net gain on disposal of property, plant and equipment (excluding property, plant and equipment sold as part of the discontinued operation)	3	743	430
107(20)(a)(i)	Net fair value gains on financial assets mandatorily measured at fair value through profit or loss	6(a)	993	1,519
Sch III	Net gain on sale of investments	6(a)	495	147
107(20)(a)(i)	Net fair value losses on derivatives not designated as hedges	13(b)	(132)	(121)
	Changes in fair value of contingent consideration	32	(400)	-
21(52)	Net foreign exchange differences		(485)	(795)
	Other items		19	23
	Total other gains/(losses)		**1,233**	**1,203**

(All amounts in INR lakhs, unless otherwise stated)

Sch III, 1(99),(102)

Note 22(a): Cost of materials consumed

	31 March 2019	31 March 2018
Raw materials at the beginning of the year	15,786	18,700
Add: Purchases	79,143	73,125
Less: Raw material at the end of the year	16,547	15,786
Total cost of materials consumed	**78,382**	**76,039**

Sch III, 1(99),(102)

Note 22(b): Changes in inventories of work-in-progress, stock-in-trade and finished goods

	31 March 2019	31 March 2018
Opening balance		
Work-in progress	7,896	8,954
Finished goods	27,658	24,322
Traded goods	6,858	6,758
Right to recover returned goods	200	150
Total opening balance	**42,612**	**40,184**
Closing balance		
Work-in progress	9,890	7,896
Finished goods	30,765	27,658
Traded goods	8,836	6,858
Right to recover returned goods	159	200
Total closing balance	**49,650**	**42,612**
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	**(7,038)**	**(2,428)**

1(102) Sch III

Note 23: Employee benefit expense

		Notes	31 March 2019	31 March 2018
Sch III	Salaries, wages and bonus		14,576	13,245
Sch III, 19(51)	Contribution to provident fund		1,647	1,497
102(50),(51), Sch III	Employee share-based payment expense	39	1,486	855
19(35)	Gratuity	15	937	948
19(156)	Leave compensation	15	266	234
19(156)-(160)	Post-employment pension benefits	15	905	568
19(156)-(160)	Post-employment medical benefits	15	170	134
Sch III	Staff welfare expenses		250	305
	Total employee benefit expense		**20,237**	**17,786**

(All amounts in INR lakhs, unless otherwise stated)

1(102)

Note 24: Depreciation and amortisation expense

	Notes	31 March 2019	31 March 2018
16(48) Depreciation of property, plant and equipment	3	8,950	8,150
Depreciation on investment properties	4	690	576
38(118)(d) Amortisation of intangible assets	5	1,180	1,035
Total depreciation and amortisation expense		**10,820**	**9,761**

1(102)

Note 25: Other expenses

	31 March 2019	31 March 2018 Restated*
Consumption of stores and spares	187	144
Repairs and maintenance		
Plant and machinery	134	176
Buildings	477	511
Others	18	9
Telephone and communication charges	1,776	1,464
Water and electricity charges	765	634
Rental charges	1,555	1,224
Rates and taxes	45	38
Legal and professional fees	921	1,154
Travel and conveyance	1,412	1,210
Insurance	347	25
Printing and stationery	90	103
Sales commission	222	177
Brokerage and commission	111	69
Provisions		
Service warranties	187	188
Restructuring costs	65	380
Legal claims	-	140
Sch III Corporate social responsibility expenditure (refer note 25(b) below)	730	690
Sch III Payments to auditors (refer note 25(a) below)	495	433
Miscellaneous expenses	54	32
Total other expenses	**9,591**	**8,801**

**See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

Sch III

Note 25(a): Details of payments to auditors

	31 March 2019	31 March 2018
Payment to auditors		
As auditor:		
Audit fee	365	310
Tax audit fee	50	40
In other capacities		
Taxation matters	42	48
Company law matters	10	2
Certification fees	22	24
Re-imbursement of expenses	6	9
Total payments to auditors	**495**	**433**

(All amounts in INR lakhs, unless otherwise stated)

Sch III, GN on CSR

Note 25(b): Corporate social responsibility expenditure

	31 March 2019	31 March 2018
Contribution to ABC charity foundation	219	207
Contribution to slum rehabilitation program	511	483
Total	**730**	**690**
Amount required to be spent as per Section 135 of the Act	650	613
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	730	690

Note 26: Finance costs

Reference		Notes	31 March 2019	31 March 2018
107(20)(b)	Interest and finance charges on financial liabilities not at fair value through profit or loss		3,399	3,138
37(60)	Unwinding of discount on provisions	14	199	31
107(24C)(b)(iv)	Fair value changes on interest rate swaps designated as cash flow hedges – transfer from OCI	29	(227)	(231)
21(52)(a), Sch III GN 9.5.5	Exchange differences regarded as an adjustment to borrowing costs		78	64
			3,449	**3,002**
23(26)(a)	*Less: Amount capitalised (see note below)*		246	208
	Finance costs expensed in profit or loss		**3,203**	**2,794**

23(26)(b) Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 7.25% (31 March 2018 – 7.18%).

Commentary - Other income and expense items

Employee benefits expenses

19(25),(158),(171) 1. Although Ind AS 19 does not require specific disclosures about employee benefits other than post-employment benefits, other standards may require disclosures, for example, where the expense resulting from such benefits is material and so would require disclosure under paragraph 97 of Ind AS 1. Similarly, termination benefits may result in an expense needing disclosure in order to comply with paragraph 97 of Ind AS 1.

2. While Ind AS 19 analyses the changes in the plan assets and defined benefit obligation into various components (such as current service cost, past service cost, interest expense, etc.) and provides guidance in respect of each, the standard does not prescribe how such components be reported within profit or loss. Accordingly, an entity may present the net of all components within a single line item or alternatively classify the net interest component separately within finance costs. Value Ind AS Limited has presented the net impact of changes in the plan assets and defined benefit obligations as part of employee benefit expense

Finance costs

3. Finance costs will normally include:

23(5),(6) (a) costs that are borrowing costs for the purposes of Ind AS 23, *Borrowing Costs:*

(i) interest expense calculated using the effective interest rate method as described in Ind AS 109

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs

37(60) (b) the unwinding of the effect of discounting provisions

32(35),(40) (c) dividends on preference shares that are classified as debt

109(B5.4.4) (d) the amortisation of discounts and premiums on debt instruments that are liabilities

(e) interest on tax payable where the interest element can be identified separately.

105(17) (f) the increase in the present value of the costs to sell in relation to assets that are held for sale, where the sale is expected to occur beyond one year.

21(52)(a) 4. Amounts disclosed under paragraph 3(a)(iii) above shall also be included in the net foreign exchange gain or loss disclosed under Ind AS 21 paragraph (52)(a).

5. Costs which may also be classified as finance cost include other costs associated with the entity's management of cash, cash equivalents and debt; for example, fair value changes on interest rate hedges, the ineffective portion of cash flow interest rate hedges or a loss on the extinguishment of a liability.

Finance income

115(App A),1(82)(a) 6. The classification of finance income depends on the entity's accounting policy for such items. Where earning interest income is part of the entity's ordinary activities rather than an incidental benefit, the interest income should be included within the main 'revenue' heading and separately disclosed in the statement of profit and loss, if material. In other cases, entities may take the view that finance income is most appropriately included as 'other income' or as a separate line item in statement of profit and loss. Although entities have some discretion in the way in which finance income is included in the statement of profit and loss, the presentation policy adopted should be applied consistently and disclosed if material.

107(20)(b) 7. In addition, entities must disclose the total interest revenue (calculated using the effective interest rate method) for financial assets that are measured at amortised cost and those that are measured at FVOCI. This applies regardless of the presentation chosen in the primary financial statements.

107(B5)(e) 8. Some entities include interest and dividend income in gains and losses on financial assets and financial liabilities held for trading and others do not. To assist users in comparing income arising from financial instruments across different entities, Ind AS 109 provides that an entity should disclose how the income statement amounts are determined. For example, an entity should disclose whether net gains and losses on financial assets or financial liabilities held for trading include interest and dividend income.

Disclosures not illustrated: not applicable to Value Ind AS Limited

9. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

107(20)(c) a) Where material, entities must separately disclose the fee income and expense arising from financial assets not at fair value through profit or loss and from trust and other fiduciary activities.

(All amounts in INR lakhs, unless otherwise stated)

Note 27: Income tax expense

This note provides an analysis of the group's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the group's tax positions.

		31 March 2019	31 March 2018 Restated**
12(79),(81)(g)(ii)	**(a) Income tax expense**		
	Current tax		
12(80)(a)	Current tax on profits for the year	14,893	13,185
12(80)(b)	Adjustments for current tax of prior periods	165	-
	Total current tax expense	**15,058**	**13,185**
12(80)(c)	*Deferred tax*		
	Decrease (increase) in deferred tax assets	(664)	(1,100)
	(Decrease) increase in deferred tax liabilities	1,220	1,802
	Total deferred tax expense/(benefit)	**556**	**702**
	Income tax expense	**15,614**	**13,887**
	Income tax expense is attributable to:		
	Profit from continuing operations	15,351	13,257
	Profit from discontinued operation	263	630
		15,614	**13,887**

(b) Significant estimates

1(125) In calculating the tax expense for the current period, the group has treated certain expenditures as being deductible for tax purposes. However, the tax legislation in relation to these expenditures is not clear and the group has applied for a private ruling to confirm their interpretation. If the ruling is not favourable, this would increase the group's current tax payable and current tax expense by INR 970, respectively. The impact in the prior year would
1(38) have been an increase of INR 657. The group expects to get a response which would provide certainty about the tax position, before the next reporting date.

12(81)(c)(i), (84),(85) **(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

		31 March 2019	31 March 2018 Restated**
	Profit from continuing operations before income tax expense	47,561	44,224
	Profit from discontinuing operation before income tax expense	876	2,101
		48,437	**46,325**
12(81)(d),(85)	**Tax at the Indian tax rate of 30% (2017-2018 – 30%) ***	**14,531**	**13,898**
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Goodwill impairment	555	-
	Amortisation of intangibles	80	157
	Weighted deduction on research and development expenditure	(200)	(120)
	Corporate social responsibility expenditure	219	207
	Employee share-based payment expense	446	257
	Contingent consideration	120	-
	Other items	16	18
12(85)	Difference in overseas tax rates	(218)	(176)
12(80)(b)	Adjustments for current tax of prior periods	165	-
	Tax losses for which no deferred income tax was recognised	-	296
12(80)(e)	Previously unrecognised tax losses now recouped to reduce current tax expense	(100)	-
12(80)(f)	Previously unrecognised tax losses used to reduce deferred tax expense (i)	-	(650)
	Income tax expense	**15,614**	**13,887**

** For the purposes of this illustration, the tax rate in India is assumed to be 30% flat.*

*** See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

(All amounts in INR lakhs, unless otherwise stated)

(i) Following a significant improvement in trading conditions in the furniture retail segment in 2018, the group reviewed previously unrecognised tax losses and determined that it was now probable that taxable profits will be available against which the tax losses can be utilised. As a consequence, a deferred tax asset of INR 650 was recognised for these losses in 31 March 2018.

(d) Amounts recognised directly in equity

12(81)(a),(62A)

	Notes	31 March 2019	31 March 2018
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity:			
Current tax: share-issue transaction costs	12	(90)	-
Deferred tax: Convertible bonds	13(a)	159	**-**
		69	**-**

In addition, the group recognised deferred tax amounts directly in retained earnings as a result of the changes in accounting policies. Refer note 43.

(e) Tax losses

12(81)(e)

	31 March 2019	31 March 2018
Unused tax losses for which no deferred tax asset has been recognised	654	986
Potential tax benefit @ 30%	**196**	**296**

The unused tax losses were incurred by a subsidiary in US that is not likely to generate taxable income in the foreseeable future. They can be carried forward indefinitely.

(f) Unrecognised temporary differences

12(81)(f)

12(87)
Not mandatory

	31 March 2019	31 March 2018
Temporary difference relating to investments in subsidiaries for which deferred tax liabilities have not been recognised:		
Undistributed earnings	340	277
Unrecognised deferred tax liabilities relating to the above temporary differences	**102**	**83**

Certain subsidiaries of the group have undistributed earnings of INR 340 (31 March 2018: INR 277) which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries. These subsidiaries are not expected to distribute these profits in the foreseeable future.

Commentary - Income tax expense

Relationship between tax expense and accounting profit

12(81)(c),(85) 1. Entities can explain the relationship between tax expense (income) and accounting profit by disclosing reconciliations between:

(a) tax expense and the product of accounting profit multiplied by the applicable tax rate, or

(b) the average effective tax rate and the applicable tax rate.

The applicable tax rate can either be the domestic rate of tax in the country in which the entity is domiciled, or it can be determined by aggregating separate reconciliations prepared using the domestic rate in each individual jurisdiction. Entities should choose the method that provides the most meaningful information to users.

Initial recognition exemption – subsequent amortisation

2. The amount shown in the reconciliation of accounting profit multiplied by tax rate to income tax expense as 'amortisation of intangibles' represents the amortisation of a temporary difference that arose on the initial recognition of the asset and for which no deferred tax liability has been recognised in accordance with paragraph 15(b) of Ind AS 12. The initial recognition exemption only applies to transactions that are not a business combination and do not affect either accounting profit or taxable profit.

Taxation of share-based payments

12(68A)-(68C) 3. Value Ind AS Limited has assumed that the no tax deductions can be claimed in relation to the employee share-based payments. However, this will not apply in all circumstances to all entities. The taxation of share-based payments and the accounting thereof is a complex area and specific advice should be obtained for each individual circumstance. Ind AS 12 provides further guidance on the extent to which deferred tax is recognised in profit or loss and in equity.

Income tax recognised outside profit or loss

1(90)
12(81)(a),(ab)
12(62A)

4. Under certain circumstances, current and deferred tax is recognised outside profit or loss either in other comprehensive income or directly in equity, depending on the item the tax relates to. Entities must disclose separately:

(a) the amount of income tax relating to each component of other comprehensive income, including reclassification adjustments (either in the statement of profit and loss or in the notes), and

(b) the aggregate current and deferred tax relating to items that are charged directly to equity (without being recognised in other comprehensive income).

12(62A) 5. Examples of items that are charged directly to equity are:

(a) the equity component on compound financial instruments

(b) share issue costs

(c) adjustments to retained earnings, e.g. as a result of a change in accounting policy.

Unrecognised temporary differences

6. The disclosure of unrecognised temporary differences in relation to the overseas subsidiary has been made for illustrative purposes only. The taxation of overseas subsidiaries will vary from case to case and tax advice should be obtained to assess whether there are any potential tax consequences and temporary differences that should be disclosed.

Disclosures not illustrated: not applicable to Value Ind AS Limited

7. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosure or reference
12(81)(d)	Changes in the applicable tax rate	Explain the changes
12(81)(e)	Deductible temporary differences and unused tax credits for which no deferred tax asset is recognised	Disclose amount and expiry date
12(82A), (87A)-(87C)	The payment of dividends will affect the entity's income tax expense (e.g. a lower tax rate applies to distributed profits)	Explain the nature of the income tax consequences and disclose the amounts, if they are practicably determinable.
12(88)	Tax-related contingent liabilities or contingent assets and changes in tax rates or tax laws enacted after the reporting period	Provide disclosures required under Ind AS 37 and Ind AS 10.
12(81)(j)	Business combination: changes in the deferred tax assets of the acquirer recognised as a result of the combination	Disclose the amount of the change
12(81)(k)	Deferred tax benefits acquired in a business combination but only recognised in a subsequent period	Describe the event or change in circumstances that caused the deferred tax asset to be recognised

Financial instruments and risk management

Description about section is not mandatory

This section provides information relating to the following:

(All amounts in INR lakhs, unless otherwise stated)

Note 28: Fair value measurements

107(8)(a) **Financial instruments by category**

	31 March 2019			31 March 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments #	12,570	13,775	-	11,367	12,820	-
- Preference shares	-	-	4,500	-	-	4,500
- Bonds and debentures	7,831	-	1,690	-	-	-
- Mutual funds	7,429	-	-	12,736	-	-
- Government securities	-	-	1,065	-	-	-
Trade receivables	-	-	30,712	-	-	30,078
Loans	-	-	1,656	-	-	1,396
Cash and cash equivalents	-	-	25,031	-	-	7,035
Derivative financial assets	-	3,643	-	-	2,718	-
Security deposits	-	-	2,051	-	-	1,751
Indemnification asset	400	-	-	-	-	-
Total financial assets	**28,230**	**17,418**	**66,705**	**24,103**	**15,538**	**44,760**
Financial liabilities						
Borrowings	-	-	45,665	-	-	41,020
Derivative financial liabilities	614	-	-	908	-	-
Contingent consideration	1,450	-	-	-	-	-
Trade payables	-	-	38,011	-	-	28,977
Capital creditors	-	-	7,112	-	-	5,358
Total financial liabilities	**2,064**	**-**	**90,788**	**908**	**-**	**75,355**

107(11A)(b),(21) # The equity securities which are not held for trading, and for which the group has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the group considered this to be more relevant.

(All amounts in INR lakhs, unless otherwise stated)

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

113(93)(b)

Financial assets and liabilities measured at fair value - recurring fair value measurements **At 31 March 2019**	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Listed equity investments - utilities sector	6(a)	3,511	-	-	**3,511**
Listed equity investments - technology sector	6(a)	6,812	-	-	**6,812**
Listed equity investments - financial services sector	6(a)	2,247	-	-	**2,247**
Listed corporate bonds - Pharma sector	6(a)	7,831	-	-	**7,831**
Mutual funds - Growth plan	6(a)	3,270	-	-	**3,270**
Mutual funds - Dividend plan	6(a)	4,159	-	-	**4,159**
Indemnification asset	6(e)	-	-	400	**400**
Financial Investments at FVOCI					
Unquoted equity investments - technology sector	6(a)	-	-	4,469	**4,469**
Unquoted equity investments - electronics sector	6(a)	-	-	9,306	**9,306**
Derivatives designated as hedges					
Foreign exchange forward contracts	6(e)	-	2,082	365	**2,447**
Foreign currency options	6(e)	-	594	-	**594**
Interest rate swaps	6(e)	-	602	-	**602**
Total financial assets		**27,830**	**3,278**	**14,540**	**45,648**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	394	-	**394**
Derivatives not designated as hedges					
Principal swap	13(b)	-	220	-	**220**
Contingent consideration (note 32)	13(b)	-	-	1,450	**1,450**
Total financial liabilities		**-**	**614**	**1,450**	**2,064**

113(97)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **At 31 March 2019**	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Preference shares	6(a)	-	-	4,321	**4,321**
Debentures	6(a)	-	-	1,741	**1,741**
Government securities	6(a)	1,021	-	-	**1,021**
Loans					
Loans to associates	6(c)	-	-	861	**861**
Loans to employees	6(c)	-	-	73	**73**
Loans to directors	6(c)	-	-	698	**698**
Security deposits	6(e)	-	-	2,196	**2,196**
Total financial assets		**1,021**	**-**	**9,890**	**10,911**
Financial Liabilities					
Borrowings	13(a)	-	-	47,749	47,749
Total financial liabilities		**-**	**-**	**47,749**	**47,749**

(All amounts in INR lakhs, unless otherwise stated)

1(38)

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Listed equity investments - utilities sector	6(a)	3,936	-	-	**3,936**
Listed equity investments - technology sector	6(a)	5,832	-	-	**5,832**
Listed equity investments - financial services sector	6(a)	1,599	-	-	**1,599**
Mutual funds - Growth plan	6(a)	6,955	-	-	**6,955**
Mutual funds - Dividend plan	6(a)	5,781	-	-	**5,781**
Financial Investments at FVOCI					
Unquoted equity investments - technology sector	6(a)	-	-	4,360	**4,360**
Unquoted equity investments - electronics sector	6(a)	-	-	7,760	**7,760**
Unquoted equity investments - consumer durables sector	6(a)	-	-	700	**700**
Derivatives designated as hedges					
Foreign exchange forward contracts	6(e)	-	1,962	-	**1,962**
Foreign currency options	6(e)	-	322	-	**322**
Interest rate swaps	6(e)	-	434	-	**434**
Total financial assets		**24,103**	**2,718**	**12,820**	**39,641**
Financial liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	13(b)	-	475	-	**475**
Derivatives not designated as hedges					
Principal swap	13(b)	-	433	-	**433**
Total financial liabilities		**-**	**908**	**-**	**908**

1(38)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Preference shares	6(a)	-	-	4,211	**4,211**
Loans					
Loans to related parties	6(c)	-	-	564	**564**
Loans to employees	6(c)	-	-	158	**158**
Loans to directors	6(c)	-	-	648	**648**
Security deposits	6(e)	-	-	1,871	**1,871**
Total financial assets		**-**	**-**	**7,452**	**7,452**
Financial Liabilities					
Borrowings	13(a)	-	-	42,299	42,299
Total financial liabilities		**-**	**-**	**42,299**	**42,299**

113(76)
113(91)(a) **Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The mutual funds are valued using the closing NAV. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

113(81)
113(91)(a) **Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

113(86) **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

113(93)(c),(d) During the year ended 31 March 2019, the group transferred a hedging foreign currency forward from level 2 into level 3 as the counterparty for the derivative encountered significant financial difficulties. This resulted in a significant increase to the discount rate which is not based on observable inputs, as it reflects credit risk specific to the counterparty.

There are no transfers between levels 1 and 2 during the year.

113(95) The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(All amounts in INR lakhs, unless otherwise stated)

(ii) Valuation technique used to determine fair value

113(91)(a), (93)(d) Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- for interest rate swaps - the present value of the estimated future cash flows based on observable yield curves
- for foreign currency forwards and principal swap - the present value of future cash flows based on the forward exchange rates at the balance sheet date
- for foreign currency option contracts – option pricing models (e.g. Black Scholes model),
- for other financial instruments - discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(iii) Fair value measurements using significant unobservable inputs (level 3)

113(93)(e) The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

	Unlisted equity securities	Contingent consideration	Hedging derivative	Indemnification asset	Total
As at 1 April 2017	11,620	-	-	-	**11,620**
Acquisitions	760	-	-	-	**760**
Gains(losses) recognised in other comprehensive income*	440	-	-	-	**440**
As at 31 March 2018	**12,820**	**-**	**-**	**-**	**12,820**
Acquisitions	1,414	-	-	-	**1,414**
Disposal/acquisition of subsidiary (refer note 32)	(680)	1,050	-	400	**770**
Losses recognised in profit or loss*	-	400	-	-	**400**
Gains/(losses) recognised in other comprehensive income*	221	-	-	-	**221**
Transfer from level 2	-	-	365	-	**365**
As at 31 March 2019	**13,775**	**1,450**	**365**	**400**	**15,990**
113(93)(f) * Includes unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period					
31 March 2019	**-**	(400)	**-**	**-**	**(400)**
31 March 2018	**-**	-	**-**	**-**	**-**

(iv) Valuation inputs and relationships to fair value

113(93)(d),(99) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

113(91)(a),(93)(d),(h)(i),(ii),(99)

Particulars	Fair value as at		Significant unobservable inputs*	Probability-weighted range		Sensitivity
	31 March 2019	31 March 2018		31 March 2019	31 March 2018	
Unquoted equity shares	13,775	12,820	Earnings growth rate	4%-6%	4.2%-6.3%	2019: Increased earnings growth factor (+50 basis points (bps)) and lower discount rate (-100 bps) would increase FV by INR 575; lower growth factor (-50 bps) and higher discount rate (+100 bps) would decrease FV by INR 560. 2018: increasing/decreasing the growth factor and the discount rate by +/- 50bps and 100 bps respectively would change the FV by + INR 480/- INR 470
			Risk adjusted discount rate	8.5% -9.2%	8.4%-9.5%	
Contingent consideration	1,450	-	Expected cash outflows	INR 30,000- INR 45,000	-	If expected cash flows were 10% higher or lower, the FV would increase/decrease by INR 135
			Risk-adjusted discount rate	8.3%-8.6%	-	A change in the discount rate by 100 bps would increase/ decrease the FV by INR 90

(All amounts in INR lakhs, unless otherwise stated)

Hedging derivative	365	395	Credit default rate	25%	30%	A shift of the credit default rate by +/- 5% results in a change in FV of INR 42 (31 March 2018: change in default rate by +/- 6% would result in a change in FV by INR 48)
Indemnification asset	400	-	Probability of outcome of litigation	40%- 50%	-	Change in estimates by 10%, results in increase/decrease in FV by INR 45.

113(93)(h)(i) * There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(v) Valuation processes

113(93)(g) The finance department of the group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the group's quarterly reporting periods.

The main level 3 inputs for unlisted equity securities, contingent considerations and indemnification asset used by the group are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Group's internal credit risk management group.
- Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.
- Contingent consideration – estimated based on expected cash outflows arising from the forecasted sales (note 32) and the entity's knowledge of the business and how the current economic environment is likely to impact it.
- Indemnification asset – estimated probability of the outcome of litigation based on the management's assessment supported by legal advice.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO, AC and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

107(25)

(vi) Fair value of financial assets and liabilities measured at amortised cost

	31 March 2019		31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Preference shares	4,500	4,321	4,500	4,211
Debentures	1,690	1,741	-	-
Government securities	1,065	1,021	-	-
Loans				
Loan to related parties	871	861	571	564
Loan to directors	76	73	166	158
Loans to employees	709	698	659	648
Security deposits	2,051	2,196	1,751	1,871
Total financial assets	**10,962**	**10,911**	**7,647**	**7,452**
Financial liabilities				
Borrowings	45,665	47,749	41,020	42,299
Total financial liabilities	**45,665**	**47,749**	**41,020**	**42,299**

107(29)(a) The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

113(97), (93)(b), (d) The fair values for loans, security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

113(97), (93)(b), (d) The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

107(25) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Significant estimates

113(91)(a) 1(125) The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) and (iv) above.

Commentary - Fair value measurements

Classes of assets and liabilities

113(94) 1. The disclosures in Ind AS 113, *Fair Value Measurement* must be made separately for each class of assets and liabilities. Entities shall determine appropriate classes of assets and liabilities by considering:
   (a) the nature, characteristics and risks of the asset or liability, and
   (b) the level of the fair value hierarchy within which the fair value measurement is categorised.

113(94) 2. A class of assets and liabilities will often require greater disaggregation than the line items presented in the balance sheet. The number of classes may also need to be greater for fair value measurements categorised within level 3 of the hierarchy, as those measurements have a greater degree of uncertainty and subjectivity. Entities shall disclose sufficient information to allow a reconciliation back to the line items disclosed in the balance sheet.

Unrealised gains and losses relating to recurring level 3 measures

113(93)(f) 3. Ind AS 113 does not provide guidance on how to calculate the unrealised gains and losses for recurring level 3 measures. There are three methods generally which would be acceptable under Ind AS provided they are consistently applied. The methods are:
   (a) Balance sheet view: determine unrealised gains and losses as the fair value of the security less its amortised cost base. Under this view, gains and losses are realised at maturity or sale date. Therefore the entire gain or loss is considered unrealised until maturity.
   (b) Statement of profit and loss view: determine unrealised gains and losses as the total gains and losses during the period less the cash received or paid for those items. Under this view each cash receipt or settlement represents a realised gain or loss in its entirety.
   (c) Cash flow view: first determine any realised gains or losses as the difference between the expected cash flows at the beginning of the period and the actual cash flows at the end of the period. Then, determine unrealised gains or losses for items still held at the reporting date as the remaining expected cash flows for future periods at the end of the period less the remaining expected cash flows for future periods at the beginning of the period.

107(25)(29) **Fair value disclosures: Financial instruments carried at other than fair value**

4. An entity shall disclose the fair value for each class of financial assets and financial liabilities in a way that permits it to be compared with its carrying amount. However, fair values do not need to be disclosed for the following:
   (a) where the carrying amount is a reasonable approximation of fair value (e.g. for cash, short-term trade receivables and payables)
   (b) a contract containing a discretionary participation feature (as described in Ind AS 104, *Insurance Contracts*) where the fair value of that feature cannot be measured reliably.

Carrying amounts are a reasonable approximation of fair value

5. A statement that the carrying amount of financial assets or financial liabilities is a reasonable approximation of their fair value should only be made if it can be substantiated. That is, entities must have made a formal assessment of the carrying amounts of their financial assets and liabilities in comparison to their fair values and documented this assessment. If the fair values are not a reasonable approximation of the carrying amounts, the fair values must be disclosed.

Disclosures not illustrated: not applicable to Value Ind AS Limited

6. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited

	Issue not illustrated	Relevant disclosures or references
113(96)	Financial assets and financial liabilities with offsetting positions in market risk or counterparty credit risk	Disclose the fact that the exception in Ind AS 113(48) is applied.
113(98)	Financial liabilities with inseparable third-party credit enhancements	Disclose the existence of that enhancement and whether it is reflected in the FV measurement of the liability.

(All amounts in INR lakhs, unless otherwise stated)

Note 29: Financial risk management

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

107(21A)(a), (21C),(31),(32),(33)

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and contract assets, favourable derivative financial instruments, financial assets measured at amortised cost and fair value through profit or loss.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit Investment guidelines for debt investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Foreign currency forwards Foreign currency options
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

107(21A)(a) The group's risk management is predominantly controlled by a central treasury department (group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

107(21A)(c) Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans and inventory at the fixed foreign currency rate for the hedged purchases.

(A) Credit risk

107(33)(a),(b) Credit risk arises from cash and cash equivalents, contractual cash flows debt investments carried at amortised cost and at fair value through profit or loss, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

107(35B) *(i) Credit risk management*

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

107(34)(c) The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

For derivative financial instruments, management has established limits so that, at any time, less than 10% of the fair value of favourable contracts outstanding are with any individual counterparty.

The group's investments in debt instruments and certain loans are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

107(15)(b), 107(36)(a),(b) *(ii) Security*

For some trade receivables the group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. However, the group has not obtained any such securities for its trade receivables outstanding at the reporting period.

(iii) Impairment of financial assets

The group has four types of financial assets that are subject to the expected credit loss model::

- trade receivables for sales of inventory and from the provision of consulting services
- contract assets relating to IT consulting contracts, and
- debt investments and loans carried at amortised cost.

(All amounts in INR lakhs, unless otherwise stated)

While cash and cash equivalents are also subject to the impairment requirements of Ind AS 109, the identified impairment loss was immaterial.

Trade receivables and contract assets [8]

107(35F)(c) To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

107(35G) The expected loss rates are based on the payment profiles of sales over a period of 36 month before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Debt investments and loans

107(35F)(a)(i) All of the entity's debt investments and certain loans at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term (for example, investment grade credit rating with at least one major rating agency).

The group assigns the following internal credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of the financial assets. The group provides for expected credit loss based on the following:

<table>
<tr><td rowspan="2">107(35F) (b)-(e),(35G) (a),(35M)</td><th rowspan="2">Internal rating</th><th rowspan="2">Category</th><th rowspan="2">Description of category</th><th colspan="3">Basis for recognition of expected credit loss provision</th></tr>
<tr><th>Investments</th><th>Loans and deposits</th><th>Trade receivables and contract assets</th></tr>
<tr><td></td><td>VL 1</td><td>High quality assets, negligible credit risk</td><td>Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil</td><td rowspan="3">12-month expected credit losses</td><td rowspan="3">12-month expected credit losses</td><td rowspan="5">Life-time expected credit losses (simplified approach)</td></tr>
<tr><td></td><td>VL 2</td><td>Quality assets, low credit risk</td><td>Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past</td></tr>
<tr><td></td><td>VL 3</td><td>Standard assets, moderate credit risk</td><td>Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong</td></tr>
<tr><td>109(5.5.11)</td><td>VL 4</td><td>Substandard assets, relatively high credit risk</td><td>Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 30 days past due</td><td rowspan="2">Life-time expected credit losses</td><td rowspan="2">Life-time expected credit losses</td></tr>
<tr><td>107(35F)(b)</td><td>VL 5</td><td>Low quality assets, very high credit risk</td><td>Assets where there is a high probability of default. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. In general, assets where contractual payments are more than 60 days past due are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 60 days past due</td></tr>
<tr><td>107(35F)(e)</td><td>VL 6</td><td>Doubtful assets, credit-impaired</td><td>Assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a debtor declaring bankruptcy, failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Where loans or receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.</td><td colspan="3">Asset is written off</td></tr>
</table>

(All amounts in INR lakhs, unless otherwise stated)

Year ended 31 March 2019:

(a) Expected credit loss for loans, security deposits and investments

107 (35F) (b)-(e), (35G) (a), (35M)

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Investments at amortised cost	VL1	1,065	0%	-	1,065
			VL 2	6,196	0.1%	6	6,190
				7,261		**6**	**7,255**
		Loans	VL 1	1,079	0%	-	1,079
			VL 2	409	2.2%	9	400
			VL 3	212	16.5%	35	177
				1,700		**44**	**1,656**
		Security deposits	VL 2	2,055	0.2%	4	2,051
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired *	NA	NA	-	-	-	-
	Financial assets for which credit risk has increased significantly and credit-impaired *	NA	NA	-	-	-	-

** These items are included only for illustrative purposes as they are not applicable to Value Ind AS Limited.*

107(35N) *(b) Expected credit loss for trade receivables under simplified approach*

	Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
107(35K)(a),(6)	Gross carrying amount – trade receivables	24,372	5,711	814	716	524	407	32,544
107(35K)(a),(6)	Gross carrying amount – contract assets	1,512	-	-	-	-	-	1,512
	Expected loss rate	1.7%	6.0%	30.7%	39.3%	55.2%	61.0%	
	Expected credit losses (Loss allowance provision) – trade receivables	419	345	250	281	289	248	1,832
	Expected credit losses (Loss allowance provision) – contract assets	26	-	-	-	-	-	26
	Carrying amount of trade receivables (net of impairment)	**23,953**	**5,366**	**564**	**435**	**235**	**159**	**30,712**
	Carrying amount of contract assets (net of impairment)	**1,486**	**-**	**-**	**-**	**-**	**-**	**1,486**

1(38)

Year ended 31 March 2018:

(a) Expected credit loss for loans, security deposits and investments

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Investments at amortised cost	VL 2	4,507	0.15%	7	4,500
		Loans	VL 1	409	0%	-	409
			VL 2	604	2.2%	13	591
			VL 3	460	17%	64	396
				1,473		**77**	**1,396**
		Security deposits	VL 2	1,755	0.22%	4	1,751

(All amounts in INR lakhs, unless otherwise stated)

Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired *	NA	NA	-	-	-	-
	Financial assets for which credit risk has increased significantly and credit-impaired *	NA	NA	-	-	-	-

** These items are included only for illustrative purposes as they are not applicable to Value Ind AS Limited.*

107(35N) *(b) Expected credit loss for trade receivables and contract assets under simplified approach*

	Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
107(35K)(a),(6)	Gross carrying amount – trade receivables	26,874	2,514	629	692	346	377	31,432
107(35K)(a),(6)	Gross carrying amount – contract assets	2,638	-	-	-	-	-	2,638
	Expected loss rate	1.6%	4.0%	27.2%	32.0%	54.0%	68.0%	
	Expected credit losses (Loss allowance provision) – trade receivables	418	101	171	221	187	256	1,354
	Expected credit losses (Loss allowance provision) – contract assets	41	-	-	-	-	-	41
	Carrying amount of trade receivables (net of impairment)	**26,456**	**2,413**	**458**	**471**	**159**	**121**	**30,078**
	Carrying amount of contract assets (net of impairment)	**2,597**	**-**	**-**	**-**	**-**	**-**	**2,597**

107(35K)(a) The gross carrying amount of trade receivables is INR 32,544 (31 March 2018 – INR 31,432).

107(35I)(c) During the period, the group made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

(iv) Reconciliation of loss allowance provision- Loans, security deposits and investments

	Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
107(35H)			Financial assets for which credit risk has increased significantly and not credit-impaired *	Financial assets for which credit risk has increased significantly and credit-impaired *
	Loss allowance on 1 April 2017	76	-	-
	Add (Less): Changes in loss allowances due to			
107(35I)(a)	Assets originated or purchased	33	-	-
107(35I)(b)	Modification of contractual cash flows that did not result in derecognition *	-	-	-
107(35I)(c)	Write – offs	(4)	-	-
107(35I)(c)	Recoveries	(17)	-	-
	Changes in risk parameters #	-	-	-
107(35I)(d)	Change in measurement from 12-month to life-time expected losses or vice-versa #	-	-	-
	Loss allowance on 31 March 2018	**88**	**-**	**-**
	Add (Less): Changes in loss allowances due to			
107(35I)(a)	Assets originated or purchased	16	-	-
107(35I)(b)	Modification of contractual cash flows that did not result in derecognition *	-	-	-
107(35I)(c)	Write – offs	(14)	-	-
107(35I)(c)	Recoveries	(34)	-	-
	Changes in risk parameters #	(2)	-	-
107(35I)(d)	Change in measurement from 12-month to life-time expected losses or vice-versa *	-	-	-
	Loss allowance on 31 March 2019	**54**	**-**	**-**

(All amounts in INR lakhs, unless otherwise stated)

 # The change in the loss allowance is due to changes in the probability of default used to calculate 12-month expected credit loss.

** These items are included only for illustrative purposes as they are not applicable to Value Ind AS Limited.*

(v) Reconciliation of loss allowance provision – Contract assets and trade receivables arising from contracts with customers

		Contract assets	Trade receivables
107(35H), 115(113)(b)	**Loss allowance on 1 April 2017**	13	944
107(35I)(a)	Changes in loss allowance	28	410
	Loss allowance on 31 March 2018	**41**	**1,354**
107(35I)(a)	Changes in loss allowance	(15)	478
	Loss allowance on 31 March 2019	**26**	**1,832**

(vi) Financial assets at fair value through profit or loss

107(36) The group is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments INR 15,260 (31 March 2018: INR 12,736).

Significant estimates and judgements

Impairment of financial assets

109(5.5.17) 1(125) The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables above.

(B) Liquidity risk

107(33)(a),(b), (39)(c),(B11E) Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

107(34)(a) Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

107(7),(34)(a) 107(50)(a) The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 March 2019	31 March 2018
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	12,400	10,620
- Expiring beyond one year (bank loans)	9,470	8,100
	21,870	**18,720**

107(7),(39)(c) 107(50)(a) The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of 6.5 years (31 March 2018 – 6.9 years).

(ii) Maturities of financial liabilities

107(39)(a),(b), (B11B) The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

107(B11D) The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

(All amounts in INR lakhs, unless otherwise stated)

107(39)(a),(b),(B11)

Contractual maturities of financial liabilities 31 March 2019	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Non-derivatives						
Borrowings	1,806	714	1,629	12,197	33,828	50,174
Obligations under finance lease	43	54	91	388	1,075	1,651
Trade payables	35,730	2,281	-	-	-	38,011
Other financial liabilities	7,112	-	-	1,520	-	8,632
Total non-derivative liabilities	**44,691**	**3,049**	**1,720**	**14,105**	**34,903**	**98,468**
Derivatives (net settled)						
Foreign exchange forward contracts	134	185	154	-	-	473
Principal swap	-	-	-	285	-	285
Total derivative liabilities	**134**	**185**	**154**	**285**	**-**	**758**

107(39)(a),(b),(B11)

Contractual maturities of financial liabilities 31 March 2018	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Non-derivatives						
Borrowings	191	1,820	1,583	10,985	34,035	48,614
Obligations under finance lease	37	44	62	228	906	1,277
Trade payables	26,369	2,608	-	-	-	28,977
Other financial liabilities	5,358	-	-	-	-	5,358
Total non-derivative liabilities	**31,955**	**4,472**	**1,645**	**11,213**	**34,941**	**84,226**
Derivatives (net settled)						
Foreign exchange forward contracts	162	185	182	-	-	529
Principal swap	-	234	-	240	-	474
Total derivative liabilities	**162**	**419**	**182**	**240**	**-**	**1,003**

107(B10A)(a) Of the INR 34,903 disclosed in the 31 March 2019 borrowings time band ‘between 2 and 5 years’, the group is considering early repayment of INR 10,000 in the first quarter of the financial year 2019-20 (2017-18 – Nil).

(All amounts in INR lakhs, unless otherwise stated)

107(33) **(C) Market risk**

107(21C) **(i) Foreign exchange risk**

107(22A)(a),(33)(b) The group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$, EUR and Chinese renminbi (RMB). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (INR) of the relevant group entity. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the INR cash flows of highly probable forecast transactions.

107(22A)(b),(c) The group treasury's risk management policy is to hedge between 70% to 80% of forecast foreign currency sales for the subsequent 15 months, subject to a review of the cost of implementing each hedge. As per the risk management policy, foreign exchange forward contracts are taken to hedge between 40% to 50% of the forecasted sales. The group's risk management policy also permits the use of foreign currency option contracts to hedge between 20% to 30% of forecasted sales to minimise the downside risk while retaining the upside by incurring a cost (option premium).

The group also imports certain materials which are denominated in EUR which exposes it to foreign currency risk. To minimise the risk of imports, the group hedges around 60% of forecasted imports up to 9 months in advance by entering into foreign exchange forward contracts.

For the year ended 31 March 2019, approximately 55% and 75% of the inventory purchases and sales, respectively were hedged in respect of foreign currency risk.

107(22B)(a) The group uses a combination of foreign currency options and foreign currency forwards to hedge its exposure to foreign currency risk. Under the group's policy the critical terms of the forwards and options must align with the hedged items.

109(6.5.16) The group only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. It is discounted, where material.

109(6.5.15) The intrinsic value of foreign currency options is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the discounted spot market exchange rate is defined as the time value. It is discounted, where material.

1(117)
107(21) The changes in the forward element of the foreign currency forwards and the time value of the options that relate to hedged items are deferred in the costs of hedging reserve.

107(7),(21) The group also entered into foreign currency principal swap which has not been designated in a hedging relationship. Such instruments are subject to the same risk management policies as all other derivative contracts.

(a) Hedge of net investment in foreign entity

107(22A) In financial year ended 31 March 2019, the parent entity has entered into a bank loan amounting to INR 2,500 which is denominated in Chinese renminbi (RMB). This loan, which was taken to provide additional equity to the Chinese subsidiary, has been designated as a hedge of the net investment in this subsidiary. The fair value and carrying amount of the borrowing at 31 March 2019 is INR 2,026 (31 March 2018 – Nil). The foreign exchange gain of INR 480 (31 March 2018 –Nil) on translation of the borrowing to INR at the end of the reporting period is recognised in other comprehensive income and accumulated in the foreign currency translation reserve, in shareholders' equity (note 12). There was no ineffectiveness to be recorded from hedges of net investment in foreign entity.

(All amounts in INR lakhs, unless otherwise stated)

(b) Foreign currency risk exposure:

107(31), (34)(c) The groups exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

	31 March 2019			31 March 2018		
	USD	EUR	RMB	USD	EUR	RMB
Financial assets						
Investment in bonds and debentures	9,521	-	-	-	-	-
Trade receivables	4,300	1,843	1,228	3,609	2,707	902
Bank balance in EEFC accounts	7,750	-	-	3,473	-	-
Derivative assets						
Foreign exchange forward contracts						
Sell foreign currency	(21,850)	-	-	(19,640)	-	-
Foreign currency option contracts						
Sell foreign currency	-	(9,300)	(13,500)	-	(11,300)	(13,200)
Financial liabilities						
Foreign currency loan	1,741	-	-	3,327	-	-
Bank loan	-	-	2,026	-	-	-
Trade payables	-	8,743	-	-	6,375	-
Derivative liabilities						
Foreign exchange forward contracts						
Buy foreign currency	-	(23,200)	-	-	(19,300)	-
Principal swap						
Buy foreign currency	(1,550)	-	-	(3,100)	-	-

(c) Sensitivity

107(40)(a), (b),(c) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

	Impact on profit after tax		Impact on other components of equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
USD sensitivity				
INR/USD -Increase by 8% (31 March 2018-9%)*	(200)	(170)	(418)	(744)
INR/USD -Decrease by 8% (31 March 2018-9%)*	200	170	418	744
EUR sensitivity				
INR/EUR-Increase by 9% (31 March 2018-10%)*	267	369	205	222
INR/EUR-Decrease by 9% (31 March 2018-10%)*	(267)	(369)	(205)	(222)
RMB sensitivity				
INR/RMB-Increase by 6% (31 March 2018-7%)*	(177)	(664)	(307)	(571)
INR/RMB-Increase by 6% (31 March 2018-7%)*	177	664	307	571

* Holding all other variables constant

107(21C)

(ii) Cash flow and fair value interest rate risk

107(22A)(a), (b),(33)(a), (b) The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using floating-to-fixed interest rate swaps to achieve this when necessary. The group may enter into long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the group borrowed at fixed rates directly. During 31 March 2019 and 31 March 2018, the group's borrowings at variable rate were mainly denominated in INR, USD and RMB.

(a) Interest rate risk exposure

107(22A)(c), (34)(a) The exposure of the group's borrowing to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2019			31 March 2018		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
	%			%		
Bank overdrafts, bank loans	8.9%	5,814	11.86%	9.4%	5,853	14.27%
Interest rate swaps (notional principal amount)	8.1%	(4,010)		9.3%	(4,123)	
Net exposure to cash flow interest rate risk		1,804			1,730	

An analysis by maturities is provided in note 29(B)(ii) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

(b) Sensitivity

107(40)(a) Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

	Impact on profit after tax		Impact on other components of equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Interest rates – increase by 70 basis points (60 bps) *	82	59	(187)	(143)
Interest rates – decrease by 70 basis points (60 bps) *	(82)	(59)	187	143

* Holding all other variables constant

107(21C)

(iii) Price risk

(a) Exposure

107(33)(a) The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss (note 28).

107(33)(b) To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

The majority of the group's equity investments are publicly traded and are included in the NSE Nifty 50 index.

(b) Sensitivity

107(40)(a),(b) The table below summarises the impact of increases/decreases of the index on the group's equity and profit for the period. The analysis is based on the assumption that the equity index had increased by 9% or decreased by 7% with all other variables held constant, and that all the group's equity instruments moved in line with the index.

	Impact on profit after tax		Impact on other components of equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
NSE Nifty 50 – increase 9% (2017 – 6%)	385	361	336	280
NSE Nifty 50 – decrease 7% (2017 – 5%)	(257)	(193)	(224)	(180)

Profit for the period would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value though other comprehensive income.

(All amounts in INR lakhs, unless otherwise stated)

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

107(24A) (a-d)
107(24B) (b)

31 March 2019									
Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge									
Foreign exchange risk									
(i) Foreign exchange forward contracts	21,850	23,200	2,447	394	April 2019 – June 2020	1:1	US$ 1: INR 65 EUR 1: INR 73.5	1,211	(1,211)
(ii) Foreign currency options	22,800	-	594	-	April 2019 – May 2020	1:1	RMB 1: INR 9.65 EUR 1: INR 72.7	826	(826)
Interest rate risk									
Interest rate swap	4,010	-	602	-	April 2019 – December 2020	1:1	8.1%	395	(395)
Net investment hedge									
Foreign exchange risk									
Foreign currency loan	-	2,500	-	2,026	November 2022	1:1	-	480	(480)

1(38)

31 March 2018									
Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge									
Foreign exchange risk									
(i) Foreign exchange forward contracts	19,640	19,300	1,962	475	April 2018 – May 2019	1:1	US$ 1: INR 64 EUR 1: INR 72.8	1,295	(1,295)
(ii) Foreign currency options	24,500	-	322	-	April 2018 – May 2020	1:1	RMB 1: INR 9.15 EUR 1: INR 72.1	493	(493)
Interest rate risk									
Interest rate swap	4,123	-	434	-	April 2018 – Aug 2019	1:1	9.3%	198	(198)

(All amounts in INR lakhs, unless otherwise stated)

(b) Disclosure of effects of hedge accounting on financial performance

107 (24C) (b)

31 March 2019 Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
(i) Foreign exchange risk	2,037	-	1,222	Revenue
(ii) Interest rate risk	395	-	227	Finance cost
Net investment hedge				
Foreign exchange risk	480	-	-	NA

1(38)

31 March 2018 Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
(i) Foreign exchange risk	1,788	-	864	Revenue
(ii) Interest rate risk	198	-	231	Finance cost

Hedge ineffectiveness

107(22B)(b) Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases and sales, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness.

107(23D) In hedges of foreign currency purchases and sales, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of Value Ind AS Limited or the derivative counterparty.

107(22B)(b) The group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective.

107(22B)(c), (23D) Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases and sales. It may occur due to:

107(24C)(b)(ii)

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

There was no ineffectiveness during financial year ended 31 March 2019 or 31 March 2018 in relation to the interest rate swaps.

(All amounts in INR lakhs, unless otherwise stated)

107(24E),(24F) *Movements in cash flow hedging reserve and costs of hedging reserve*

Risk category	Foreign currency risk		Interest rate risk	Total
Derivative instruments	Foreign exchange forward contracts	Foreign currency options	Interest rate swaps	
(i) Cash flow hedging reserve				
As at 1 April 2017	545	-	327	**872**
Add: Changes in discounted spot element of foreign exchange forward contracts	1,295	-	-	**1,295**
Add: Changes in intrinsic value of foreign currency options	-	493	-	**493**
Add: Changes in fair value of interest rate swaps	-	-	198	**198**
Less: Amounts reclassified to profit or loss	(712)	(152)	(231)	**(1,095)**
Less: Amounts included in cost of inventory	187	-	-	**187**
Less: Deferred tax relating to above (net)	(231)	(102)	10	**(323)**
As at 31 March 2018	1,084	239	304	**1,627**
Add: Changes in discounted spot element of foreign exchange forward contracts	1,211	-	-	**1,211**
Add: Changes in intrinsic value of foreign currency options	-	826	-	**826**
Add: Changes in fair value of interest rate swaps	-	-	395	**395**
Less: Amounts reclassified to profit or loss	(809)	(413)	(227)	**(1,449)**
Less: Amounts included in cost of inventory	242	-	-	**242**
Less: Deferred tax relating to above (net)	(193)	(124)	(51)	**(368)**
As at 31 March 2019	1,535	528	421	**2,484**
(ii) Costs of hedging reserve				
As at 1 April 2017	(32)	-		**(32)**
Add: Deferred costs of hedging-transaction related				
Deferred time value of foreign currency option contracts	-	(79)	-	**(79)**
Deferred forward points relating to foreign exchange forward contracts	(303)	-	-	**(303)**
Less: Included in the carrying amount of hedged item	222	58	-	**280**
Less: Deferred tax relating to above (net)	25	6	-	**31**
As at 31 March 2018	**(88)**	**(15)**	**-**	**(103)**
Add: Deferred costs of hedging-transaction related				
Deferred time value of foreign currency option contracts	-	(291)	-	**(291)**
Deferred forward points relating to foreign exchange forward contracts	(429)	-	-	**(429)**
Less: Included in the carrying amount of hedged item	333	150	-	**483**
Less: Deferred tax relating to above (net)	29	42	-	**71**
As at 31 March 2019	**(155)**	**(114)**	**-**	**(269)**

Commentary - Financial risk management

Classes of financial instruments

107(6),(B1)-(B3) 1. Where Ind AS 107 requires disclosures by class of financial instrument, the entity shall group its financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. The classes are determined by the entity and therefore distinct from the categories of financial instruments specified in Ind AS 109. As a minimum, the entity should distinguish between financial instruments measured at amortised cost and those measured at fair value, and treat as separate class any financial instruments outside the scope of Ind AS 109. The entity shall provide sufficient information to permit reconciliation to the line items presented in the balance sheet. Guidance on classes of financial instruments and the level of required disclosures is provided in Appendix B of Ind AS 107.

Level of detail and selection of assumptions – information through the eyes of management

107(34)(a) 2. The disclosures in relation to the financial risk management of an entity should reflect the information provided internally to key management personnel. As such, the disclosures that will be provided by an entity, their level of detail and the underlying assumptions used will vary greatly from entity to entity. The disclosures in these illustrative financial statements are only one example of the type of information that may be disclosed and you should consider carefully what may be appropriate in your individual circumstances.

32(11) 3. Ind AS 107 does not apply to the following items as they are not financial instruments as defined in paragraph 11 of Ind AS 32:

(a) prepayments made/advances received (right to receive future good or service, not cash or a financial asset)

(b) tax receivables and payables and similar items (statutory rights or obligations, not contractual), or

(c) contract liabilities (obligation to deliver good or service, not cash or financial liability).

While contract assets are also not financial assets, they are explicitly included in the scope of Ind AS 107 for the purpose of the credit risk disclosures.

Derivative financial instruments

Classification as current or non-current

1(66),(69), 109(App A) 4. Financial instruments which are held for trading does not mean that they must necessarily be presented as current in the balance sheet. Financial assets should only be presented as current assets if the entity expects to realise them within 12 months. If a financial liability is primarily held for trading purposes it should be presented as current. If it is not held for trading purposes, it should be presented as current or non-current on the basis of its settlement date.

5. The treatment of hedging derivatives will be similar. Where a portion of a financial asset is expected to be realised within 12 months of the end of the reporting period, that portion should be presented as a current asset; the remainder of the financial asset should be shown as a non-current asset. This suggests that hedging derivatives should be split into current and non-current portions. However, as an alternative, the full fair value of hedging derivatives could be classified as current if the hedge relationships are for less than 12 months and as non-current if those relationships are for more than 12 months. Value Ind AS Limited has elected the latter option.

Market risk

Foreign currency risk

107(B23) 6. Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. Translation related risks are therefore not included in the assessment of the entity's exposure to currency risks. Translation exposures arise from financial and non-financial items held by an entity (for example, a subsidiary) with a functional currency different from the group's presentation currency. However, foreign currency denominated inter-company receivables and payables which do not form part of a net investment in a foreign operation would be included in the sensitivity analysis for foreign currency risks, because even though the balances eliminate in the consolidated balance sheet, the effect on profit or loss of their revaluation under Ind AS 21 is not fully eliminated.

Interest rate risk – fixed rate borrowings

7. Sensitivity to changes in interest rates is normally only relevant to financial assets or financial liabilities bearing floating interest rates. However, sensitivity will also be relevant to fixed rate financial assets and financial liabilities which are remeasured to fair value.

Credit risk

115(107),(108) 8. The impairment rules in Ind AS 109 also apply to contract assets. A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as financial assets that are within the scope of Ind AS 109.

Commentary - Financial risk management

Liquidity risk

Maturity analysis

107(B11B) 9. All financial liabilities must be included in the maturity analysis. The analysis should generally be based on contractual maturities. However, for derivative financial liabilities the standard provides entities with a choice to base the maturity grouping on expected rather than contractual maturities, provided the contractual maturities are not essential for an understanding of the timing of the cash flows. This could be the case for derivative contracts that are held for trading. For contracts such as interest rate swaps in a cash flow hedge of a variable rate financial asset or liability and for all loan commitments, the remaining contractual maturities will be essential for an understanding of the timing of the cash flows. These contracts must therefore be grouped based on their contractual maturities.

107(39),(B11D) 10. The amounts disclosed should be the amounts expected to be paid in future periods, determined by reference to the conditions existing at the end of the reporting period. However, Ind AS 107 does not specify whether current or forward rates should be used. The use of forward rates are a better approximation of future cash flows.

11. The specific time buckets presented are not mandated by the standard but are based on what is reported
107(B11C)(c) internally to the key management personnel. For financial guarantee contracts, the maximum amount of the guarantee must be allocated to the earliest period in which the guarantee could be called.

12. As the amounts included in the maturity tables are the contractual undiscounted cash flows, including principal and interest payments, these amounts will not reconcile to the amounts disclosed in the balance sheet. This is in particular as far as borrowings or derivative financial instruments are concerned. Entities can choose to add a column with the carrying amounts which ties into the balance sheet and a reconciling column if they so wish, but this is not mandatory.

Financing arrangements

7(50)(a)
107(39)(c) 13. Committed borrowing facilities are a major element of liquidity management. Entities should therefore consider providing information about their undrawn facilities. Ind AS 7 also recommends disclosure of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities.

Terms and conditions of financial instruments

107(7),(31) 14. Entities shall disclose sufficient information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance and the nature and extent of risks arising from these financial instruments. Under normal circumstances entities may not be required to disclose the significant terms and conditions for each of their major borrowings. Nevertheless, if an entity has a borrowing or other financial instrument with unusual terms and conditions, then some information should be provided to enable users to assess the nature and extent of risks associated with these instruments.

Disclosure not illustrated: not applicable to Value Ind AS Limited

15. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosures or references
107(15)	Collateral held by the entity which can be sold or repledged	Disclose the fair value of the collateral held, the fair value of collateral sold or repledged and whether it must be returned, and the terms and conditions associated with the collateral.
107(23F)	Hedge accounting – forecast transaction is no longer expected to occur	Include a description of the transaction.
107(35),(42)	Quantitative data is unrepresentative of the entity's risk exposure	Provide further information as necessary.
107(39)(a),(B10)(c), (B11C) (c), 109(App A)	Financial guarantee contract (maturity table)	This must be included in the maturity table in the earliest time bucket in which it can be called.

16. Financial assets and liabilities at FVPL

	Issue not illustrated	Relevant disclosures or reference
107(8)(a),(20)(a)(i)	The entity has financial assets measured at FVPL of which: • some were designated as such upon initial recognition • some were designated as such in accordance with IND AS109 (6.7.1) • some are mandatorily measured at FVPL in accordance with the requirements of Ind AS 109.	Disclose each of these financial assets and associated gains/(losses) separately. All of Value Ind AS's financial assets which are measured at FVPL are mandatorily measured at FVPL in accordance with the requirements of Ind AS 109. Value Ind AS Limited does not have any financial assets which were designated as measured at FVPL on initial recognition or designated as measured at FVPL in accordance with paragraph 6.7.1 of Ind AS 109. Hence this disclosure does not apply.

Commentary - Financial risk management

	Issue not illustrated	Relevant disclosures or reference
107(9)	The entity has designated financial assets at FVPL which would otherwise be measured at FVOCI or amortised cost.	Provide additional disclosures as per IND AS 107(9).
107(11)(b)	The entity believes that the disclosures on how credit risk is calculated in relation to financial assets or liabilities designated at FVPL do not faithfully represent the fair value changes due to credit risk.	Disclose the reason for reaching this conclusion and what alternative factors would be relevant.
107(11)(c)	For financial liabilities designated at FVPL, there is an accounting mismatch which will be exacerbated by presenting changes of fair value due to credit risk in OCI.	Disclose a detailed economic relationship for the asset and liability as described in IND AS109 (B5.7.6).
107(10),(10A),(11)	The entity has financial liabilities designated at FVPL.	A number of additional disclosures apply as set out in Ind AS 107 paragraphs 8, 10, 10A, 11 and 20.

17. Financial assets and liabilities at FVOCI

	Issue not illustrated	Relevant disclosures or reference
107(20)(a)(viii) 107(12D)	A gain or loss recognised on disposal of debt instruments held at FVOCI.	Show separately: • the amount of gain or loss recognised in other comprehensive income during the period, and • the amount reclassified upon derecognition from accumulated other comprehensive income to profit or loss for the period.

18. Financial assets at amortised cost

	Issue not illustrated	Relevant disclosures or reference
107(20A)	Disposal of financial assets at amortised cost.	Disclose an analysis of the gain or loss recognised and the reasons for derecognising the financial assets (showing separately the gains and losses).
107(42N)	Disclosure in future periods for financial assets held at fair value reclassified to be held at amortised cost, where the new carrying amount is deemed to be the current fair value.	Disclose the effective interest rate determined at the date of reclassification and the interest revenue or expense recognised, each period, until the financial asset is derecognised.
109(5.1.1A)	The transaction price at origination of the financial asset is different to its fair value at origination.	The entity should recognise the difference as a gain or loss only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets. In all other cases, the difference would be deferred and subsequently recognised as a gain or loss only to the extent that it arises from change in a factor that market participants would take into account when pricing the asset.
107(12B)-(12D)	Reclassification of financial assets from one measurement category to another made in accordance with Ind AS 109 paragraph 4.1.1.	Provide the information required under Ind AS 107 (12B)–(12D).

Commentary - Financial risk management

19. Hedge accounting disclosures

	Issue not illustrated	Relevant disclosures or reference
107(22C)	The entity has designated a specific risk component of an asset in a hedge relationship.	Provide information about how the entity has determined the risk component that is designated as the hedged item and how this component relates to the item in its entirety. For example: The group purchases fuel for use in its manufacturing process. The fuel supplier charges the group for fuel delivered based on a formula which includes the spot price of Brent Crude oil at the delivery date. The future purchases of fuel are subject to market price risk, which the group hedges using Brent Crude Oil futures with critical terms matching the terms of the forecast purchase. Brent Crude oil is a separately identifiable component of the forecast purchase as it is explicitly specified in the supply contract price. As there is a market for Brent Crude oil futures, the exposure is considered to be reliably measurable. Accordingly, the Brent Crude oil futures are designated as cash flow hedges of the forecast purchases of fuel. Historically, the Brent Crude oil component has accounted for 80% of the cost of fuel supplied.
107(24B)(a),(24C)	The entity has designated fair value hedges	Provide the disclosures required by IND AS 107 (24B (a)) and (24C (a)).
107(23F) 107(24C)(b)(iv) 107(24C)(b)(v)	The entity designated forecast future transactions in hedge relationships which are no longer expected to occur.	Provide the information required by IND AS 107 (23F). The entity would also need to disclose: • any amount reclassified from the cash flow hedging reserve and/or costs of hedging reserve into profit or loss as a reclassification adjustment, differentiating between amounts reclassified due to future transactions no longer being expected to occur and hedge ineffectiveness, and • the line item in the statement of profit and loss containing the reclassification adjustment.
107(24C)(b)(vi)	Designate net positions in hedge relationships.	Disclose the hedging gains or losses recognised in each separate line item in the statement of profit and loss.
107(24G)-(30)	The entity has a credit derivative to manage the credit risk of a financial instrument and has designated the financial instrument, or a proportion of it, as measured at FVPL.	Provide the information required by IND AS 107 (24G) – (30)
107(24B)(b)(iii)	Cessation of hedging relationships during the year.	Disclose the balances remaining in the cash flow hedging reserve and the foreign currency translation reserve for any hedge relationships which have been terminated.
107(23E)	There are new sources of hedge ineffectiveness emerging in the hedge relationship that are not already disclosed in note 29.	Disclose the new sources of hedge ineffectiveness by risk category and explain the nature of the ineffectiveness.
107(24D)	The entity believes that the volume of hedge relationships at the end of the reporting period is unrepresentative of normal volumes during the period.	Disclose that fact and the reason why the entity believes the volumes are unrepresentative.

	Commentary - Financial risk management		
109(6.1.15), (B6.5.30)		Recognition of hedging gains/losses for cash flow hedges involving time period related hedge items (such as an interest rate cap covering a period of time)	Both the deferred hedging gains and losses and the aligned time value of the option contracts are reclassified to profit or loss as the hedged item affects earnings. Example accounting policy disclosure: Where the hedged item is a time-period related item (such as a currency swap contract hedging foreign currency interest payments) both the deferred hedging gains and losses and the aligned time value are reclassified to profit or loss as the hedged item affects earnings.
109(B6.5.32)		Further information of the deferral of the aligned time value component	The accounting for the time value of options applies only to the extent that the time value relates to the hedged item (aligned time value). The time value of an option relates to the hedged item if the critical terms of the option (such as the notional amount, life and underlying) are aligned with the hedged item. Hence, if the critical terms of the option and the hedged item are not fully aligned, an entity shall determine the aligned time value, i.e. how much of the time value included in the premium (actual time value) relates to the hedged item. An entity determines the aligned time value using the valuation of an option that would have critical terms that perfectly match the hedged item.

Commentary - Financial risk management

20. Impairment disclosures

Reference	Issue not illustrated	Relevant disclosures or reference
107(35F)(f),(35I)(b),(35J)	The entity has financial assets which are subject to the impairment requirements of IND AS 109 and which have had modifications to their contractual cash flows.	Provide the disclosures required by IND AS 107 (35F (f)) and (35J).
107(35H)(c),(35I)(a)	The entity has purchased or originated financial assets which are credit impaired.	Disclose the information required by IND AS 107 (35H(c)) and (35I).
107(35K)	The entity has received collateral or other credit enhancements in relation to its financial assets.	Explain the effect of the collateral and other credit enhancements on the amounts arising from expected credit losses by disclosing the information set out in IND AS 107 (35K).
107(35L)	Financial assets written off during the period but still subject to enforcement activity.	Disclose contractual amount outstanding.

21. Other items

Reference	Issue not illustrated	Relevant disclosures or references
107(28)	Fair value determined using valuation techniques – gain or loss on initial recognition	Disclose the accounting policy for recognising the difference in profit or loss, the aggregate difference yet to be recognised and why the transaction price was not the best evidence of fair value.
107(42D)	Transferred financial assets not derecognised in their entirety	Provide additional disclosures where the entity has recognised the assets only to the extent of its continuing involvement and where the counterparty to the liabilities has recourse only to the transferred assets.
107(42E)-(42H)	Transferred assets that are derecognised in their entirety but where the entity has continuing involvement	Various disclosures, see Ind AS 107(42E)-(42H) for details.
107(8)-(11),(20)(a)	Financial assets and financial liabilities designated at fair value through profit or loss.	Various balance sheet and profit and loss disclosures, see Ind AS 107 for details.
107(20)(c)	Fee income and expense on financial assets and liabilities that are not at FVPL	Disclose amount, if material.
107(18),(19)	Defaults and breaches in relation to financial liabilities	Disclose details of defaults (see illustrative example below).
107(29)(b),(c),(30)	Fair values are not disclosed for financial liability contracts with discretionary participation features	Disclose information to help users make their own judgements about the extent of possible differences between the carrying amount and the fair value.
107(36)	The entity has financial assets that are within the scope of IND AS 107 but which are not subject to the impairment requirements of IND AS 109.	Disclose the amount that best represent the maximum exposure to credit risk and describe any collateral held as security and other credit enhancements and their financial effect.
107(35E)	The entity believes that the credit risk disclosures are not sufficient to meet the objective of IND AS 107(25B).	Provide additional disclosures relevant to the users of the financial statements.

Commentary – Financial risk management

22. The following illustrative disclosures may be useful where relevant to an entity:

Put option arrangements

(a) Entities that have put option arrangements should consider explaining the accounting for these, as the individual terms and conditions (and hence the accounting) may vary. An illustrative policy could read as follows (but will need to be tailored depending on the specific arrangements):

32(11),(23) The group has written put options over the equity of its XYZ subsidiary which permit the holder to put their shares in the subsidiary back to the group at their fair value on specified dates over a 5 year period. The amount that may become payable under the option on exercise is initially recognised at the present value of the redemption amount within borrowings with a corresponding charge directly to equity. The charge to equity is recognised separately as written put options over non-controlling interests, adjacent to non-controlling interests in the net assets of consolidated subsidiaries.

The liability is subsequently accreted through finance charges up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

Designation of financial assets or financial liabilities as at fair value through profit or loss

107(B5)(a) (b) Entities that have designated financial assets or financial liabilities as at fair value through profit or loss must disclose the nature of the relevant assets and liabilities and provide additional information in relation to the designation. An illustrative policy could read as follows:

The group designates a financial asset or financial liability at fair value through profit or loss where designation significantly reduces a measurement inconsistency which may arise where a financial asset and a financial liability are measured using different methods.

During the reporting period, the group has financed fixed rate assets (not classified as amortised cost) with fixed rate debentures. Measurement inconsistency arises from measuring the assets at fair value through profit or loss and the debentures at amortised cost (no recognition of fair value changes). Management has therefore designated both the financial assets and financial liabilities as at fair value through profit or loss, as this designation will result in more relevant information through the consistent recognition of opposing movements in fair value.

Defaults and breaches in relation to financial liabilities

107(18) (c) Example disclosures for a default in relation to a borrowing could read as follows:

In the third quarter of 2019, the group was overdue paying interest on bank borrowings with a carrying amount of INR XXX. The group experienced a temporary shortage of cash because cash outflows in the second and third quarter were higher than anticipated due to business expansions. As a result, interest of INR XXX was not paid on the due date of 30 September 2018.

The company has since paid all outstanding amounts (including additional interest and penalties for late payment) during the fourth quarter of 2019.

Management expects that the company will be able to meet all contractual obligations from borrowings on a timely basis going forward.

(All amounts in INR lakhs, unless otherwise stated)

Note 30: Capital management

(a) Risk management

1(134), (135),(136) The group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet, including non-controlling interests).

1(134), (135),(136) The group's strategy is to maintain a gearing ratio within 30%. The gearing ratios were as follows:

	31 March 2019	31 March 2018
Net debt	20,634	33,985
Total equity	267,839	192,859
Net debt to equity ratio	**8%**	**18%**

(i) Loan covenants

1(135)(d) Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- the gearing ratio must be not more than 50%, and
- the ratio of net finance cost to EBITDA must be not more than 10%.

The group has complied with these covenants throughout the reporting period. As at 31 March 2019, the ratio of net finance cost to EBITDA was 4% (31 March 2018 – 3%).

(b) Dividends

		31 March 2019	31 March 2018
	(i) Equity shares		
1(107),Sch III	Final dividend for the year ended 31 March 2018 of INR 0.20 (31 March 2017 – INR 0.40) per fully paid share	260	500
	DDT on final dividend	55	100
1(107)	Interim dividend for the year ended 31 March 2019 of INR 0.90 (31 March 2018 – INR 0.73) per fully paid share	1,135	750
	DDT on interim dividend	230	150
	(ii) Dividends not recognised at the end of the reporting period		
1(137)(a) 10(12)	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.30 per fully paid equity share (31 March 2018 – INR 0.20). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	672	260
12(81)(i)	DDT on proposed dividend	135	55

Commentary - Capital management

Capital risk management

1(134),(135) 1. Capital is not defined in any of the Ind AS. Entities must describe what they manage as capital based on the type of information that is provided internally to the key management personnel. It therefore depends on the individual entity as to whether capital includes interest-bearing debt or not. If such debt is included, however, and the loan agreements include capital requirements such as financial covenants that must be satisfied, then these need to be disclosed under paragraph 135(d) of Ind AS 1.

Dividends

Parent vs consolidated information

2. The dividends disclosed in this note are only those paid by the parent entity and do not include dividends paid by subsidiaries to non-controlling interests. Ind AS 1 requires disclosure of the dividends recognised as distribution to owners during the period (paragraph 107). The term 'owners' is generally used in Ind AS 1 in the context of owners of the parent entity (e.g. paragraphs 81B and 106). The focus of the financial statements is still on the parent entity shareholders and on that basis a disclosure of dividends per share is only relevant for the owners of the parent entity. This disclosure also correlates to the disclosure of the number of shares issued as required under paragraph 79 of Ind AS 1. Holders of non-controlling interests will receive their dividend information from the separate financial statements of the relevant subsidiaries.

Disclosure not illustrated: not applicable to Value Ind AS Limited

3. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosures or reference
1(137)(b)	Cumulative preference dividends not recognised	Disclose amount
10(App A)	Dividends in the form of non-cash assets	Various disclosures, see the illustrative example below for details.
	Externally imposed capital requirements	Disclose whether the entity complied with such requirements, including consequences of non-compliance, if any.

4. The following illustrative disclosures may be useful where relevant to an entity:

Non-cash dividends

10(App A) (a) Where an entity distributes non-cash assets to its owners, an explanation could read as follows:

In November 2018, XYZ Limited transferred all of the shares held in its subsidiary, ABC Limited, to its shareholders as a non-cash dividend. The dividend was measured at the fair value of the subsidiary (INR XXXX). The difference between the fair value of the subsidiary's shares and their carrying amount (INR XXXX) is presented in profit or loss as other gains (INR XXXX).

Group information, acquisitions and disposals

This section provides information regarding the following:

(All amounts in INR lakhs, unless otherwise stated)

Note 31: Segment information

(a) Description of segments and principal activities

108(22)
1(138)(b)

The group's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective and has identified six reportable segments of its business:

1, 2: Furniture manufacturing – India and China: this part of the business manufactures and sells commercial office furniture, hardwood side boards, chairs and tables in India and China. The committee monitors the performance in those two regions separately.

108(22)(aa)

3: Furniture retail – India: The manufacturing business has been supplemented by a chain of retail stores in India. While the committee receives separate reports for each region, the stores have been aggregated into one reportable segment as they have similar average gross margins and similar expected growth rates. Although this part of the business is not large enough to be required to be reported under the accounting standards, it has been included here as it is seen as a potential growth segment which is expected to materially contribute to group revenue in the future.

4, 5: IT consulting – US and Europe: IT management, design, implementation and support services are provided in the US and in a number of European countries. Performance is monitored separately for those two regions.

6: Electronic equipment – India: This part of the business manufactures and sells electronic equipment, tablets and smartphones in India. This segment was established following the acquisition of Handy Electronics Limited during the year ended 31 March 2019.

108(16),(22)

All other segments –The purchase and lease of commercial properties, principally in Bangalore and Hyderabad and the ownership of investment properties are not reportable operating segments, as they are not separately included in the reports provided to the strategic steering committee. The results of these operations are included in the 'all other segments' column. This column also includes head office and group services.

The engineering subsidiary was sold effective from 31 May 2018. Information about this discontinued segment is provided in note 33.

The steering committee primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the steering committee also receives information about the segments' revenue and assets on a monthly basis.

108(23)

(b) Adjusted EBITDA

108(27)(b),(28)

Adjusted EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of share-based payments and gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

108(23)

	31 March 2019	31 March 2018 Restated*
Furniture manufacturing		
India	28,635	31,583
China	6,847	6,095
Furniture retail – India	1,245	1,108
IT Consulting		
US	9,337	8,311
Europe	6,225	5,541
Electronic equipment – India	6,847	-
All other segments	3,114	2,770
Total adjusted EBITDA	**62,250**	**55,408**

(All amounts in INR lakhs, unless otherwise stated)

108(28)(b) Adjusted EBITDA reconciles to profit before income tax as follows:

108(23)

	Notes	31 March 2019	31 March 2018 Restated*
Total adjusted EBITDA		62,250	55,408
Inter-segment eliminations		(265)	(652)
Finance costs	26	(3,203)	(2,794)
Interest income from investments	21(a)	1,411	493
Dividend income from investments	21(a)	313	434
Depreciation and amortisation expense	24	(10,820)	(9,761)
Impairment of goodwill and other non-current assets	3, 5	(2,100)	-
Net gain on financial assets mandatorily measured at fair value through profit or loss	21(b)	993	1,519
Net gain on sale of investments	21(b)	495	147
Fair value losses on derivatives not designated as hedges	21(b)	(132)	(121)
Employee share-based payment expense	39	(1,486)	(855)
Restructuring costs	14	65	380
Others		40	26
Profit before income tax from continuing operations		**47,561**	**44,224**

** See note 43 for details about regarding restatements for change in accounting policies consequent to adoption of Ind AS 115.*

(c) Disaggregation of revenue from contracts with customers

108(27)(a) Sales between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the statement of profit and loss.

115(114) The group derives revenue from transfer of goods and services over time and at a point of time in the following major product lines and geographical areas

108(23)(a),(b), (28)(a),115(115), (B87)-(B89)

31 March 2019	Total segment revenue	Inter-segment revenue	Revenue from external customers	Timing of recognition	
				At a point in time	Over time
Furniture manufacturing					
India	76,465	(1,800)	74,665	74,665	-
China	35,485	-	35,485	35,485	-
Furniture retail – India	10,430	(1,000)	9,430	9,430	-
IT Consulting					
US	36,275	(800)	35,475	1,000	34,475
Europe	24,095	(300)	23,795	600	23,195
Electronic equipment – India	37,703	-	37,703	37,703	-
All other segments	5,630	(400)	5,230	5,230	-
Total segment revenue	**226,083**	**(4,300)**	**221,783**	**164,113**	**57,670**

108(23)(a),(b), (28)(a),115(115), (B87)-(B89)

31 March 2018	Total segment revenue	Inter-segment revenue	Revenue from external customers	Timing of recognition	
				At a point in time	Over time
Furniture manufacturing					
India	79,052	(1,850)	77,202	77,202	-
China	34,188	-	34,188	34,188	-
Furniture retail – India	15,378	(1,300)	14,078	14,078	-
IT Consulting					
US	44,471	(600)	43,871	800	43,071
Europe	24,978	(610)	24,368	500	23,868
Electronic equipment – India	-	-	-	-	-
All other segments	7,500	(100)	7,400	7,400	-
Total segment revenue	**205,567**	**(4,460)**	**201,107**	**134,168**	**66,939**

108(32) Revenues from external customers comprises of sale of furniture on a wholesale and retail basis, from the provision of IT consulting services and from the sale of electronic equipment. The revenue from wholesale sales of furniture relates only to the group's own brand, Amazing Furniture. The retail sales relate to the group's own brand as well as other major retail brands.

108(34) Revenues of approximately INR 26,615 (31 March 2018– INR 22,154) are derived from a single external customer. These revenues are attributed to the India furniture manufacturing segment.

(All amounts in INR lakhs, unless otherwise stated)

108(33)(a) The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from external customers	31 March 2019	31 March 2018
India	127,028	98,680
US	35,475	43,871
China	35,485	34,188
Other countries	23,795	24,368
Total	**221,783**	**201,107**

(d) Segment assets

108(27)(c) Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

108(23),(24)

	31 March 2019			31 March 2018		
	Segment assets	Investments in associate and joint ventures	Additions to non-current assets *	Segment assets Restated **	Investments in associate and joint ventures	Additions to non-current assets *
Furniture manufacturing						
India	167,545	1,590	30,837	128,588	1,250	17,758
China	42,621	-	12,335	35,128	-	4,972
Furniture retail – India	13,304	-	10,573	10,041	-	4,262
IT Consulting						
US	41,103	-	7,049	28,832	-	1,421
Europe	34,253	801	10,573	24,027	611	4,262
Electronic equipment - India	20,801	-	9,692	-	-	-
All other segments	16,822	385	7,049	11,678	267	2,841
Total segment assets	**336,449**	**2,776**	**88,108**	**238,294**	**2,128**	**35,516**
Intersegment eliminations	(1,070)			(1,009)		
Discontinued operation (engineering business – see note 33)	-			19,310		
Unallocated:						
Deferred tax assets	4,598			2,774		
Investments	48,860			41,423		
Derivative financial instruments	3,643			2,718		
108(28)(c) **Total assets as per the balance sheet**	**392,480**			**303,510**		

* Other than financial assets and deferred taxes.

*** See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

108(27)(c) Investments in financial assets that are managed by the treasury department are not considered to be segment assets. These are investments in debt and equity instruments that are classified as fair value through profit or loss, FVOCI and at amortised cost.

108(33)(b) The total of non-current assets other than financial instruments, investments accounted for using equity method and deferred tax assets, broken down by location of the assets, is shown below:

	31 March 2019	31 March 2018
India	98,019	62,647
US	44,925	27,991
China	42,883	23,993
Other countries	18,379	18,661
Total non-current assets	**204,206**	**133,292**

(All amounts in INR lakhs, unless otherwise stated)

(e) Segment liabilities

108(27)(d) Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

108(27)(d) The group's borrowings and derivative financial instruments are not considered to be segment liabilities, but are managed by the treasury function.

108(23)

	31 March 2019	31 March 2018 Restated*
Furniture manufacturing		
India	33,735	27,414
China	6,216	5,086
Furniture retail – India	4,606	4,320
IT Consulting		
US	7,895	5,971
Europe	7,237	5,473
Electronic equipment - India	4,132	-
All other segments	1,972	1,494
Total segment liabilities	**65,793**	**49,758**
Intersegment eliminations	(2,319)	(1,794)
Discontinued operation (engineering division – see note 33)	-	8,990
Unallocated:		
Deferred tax liabilities	12,085	9,864
Current tax liabilities	2,803	1,905
Current borrowings	2,837	2,708
Non-current borrowings	42,828	38,312
Derivative financial instruments	614	908
108(28)(d) **Total liabilities as per the balance sheet**	**124,641**	**110,651**

108(27)(e) The changes in accounting policy disclosed in note 43 increased EBITDA and segment assets for the US IT consulting segment by INR 250 for the year ended 31 March 2018. It also increased EBITDA by INR 9 and decreased segment liabilities by INR 74 for the Furniture retail segment in India for the year ended 31 March 2018.

** See note 43 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115.*

Commentary - Segment information

Description of segments

108(22) 1. Entities shall disclose factors used to identify its reportable segments, including the basis of organisation, and types of products and services from which each reportable segment derives its revenues. They must also disclose the judgements made by management in applying the aggregation criteria of the standard, including a description of the aggregated segments and the economic indicators that have been assessed in determining that the aggregated segments share similar economic characteristics.

Non-GAAP segment measures

108(25),(27) 2. The measure of profit or loss that must be disclosed is the measure that is reported to the chief operating decision maker (CODM). The standard is not prescriptive as to how this measure should be calculated and a non-GAAP or non-Ind AS measure is acceptable, as long as it is clear from the disclosures how the measure is calculated and there is a detailed reconciliation of the disclosed measure to the respective Ind AS amount.

Other profit and loss disclosures

108(23) 3. The disclosure of other profit and loss items such as depreciation, amortisation and income tax by segment is only required where these amounts are reviewed by, or are otherwise regularly provided to the CODM. Value Ind AS Limited has not disclosed other profit and loss items by segment as these amounts are not reviewed by, or are regularly provided to the CODM.

Using graphs to disclose quantitative information

4. There is nothing in the segment standard or any other Ind AS that would appear to prohibit the use of graphics for disclosing quantitative information. However, entities will need to confirm whether this is acceptable under their own local regulatory requirements.

Discontinued operations

5. A discontinued operation can meet the Ind AS 108, *Operating Segments* definition of an operating segment, if it continues to engage in business activities, the operating results are regularly reviewed by the CODM and there is discrete financial information available to facilitate the review. This might be the case where an operation is being wound down, even if no strategic or long-term planning decisions are being made with respect to the operation. If the CODM continues to review the operation's results for the purpose of short-term management, it could still meet the definition of an operating segment.

Errors and changes in accounting policies

6. Ind AS 108 does not provide any guidance on how to deal with the correction of errors and changes in accounting policies in the segment disclosures. Management may decide not to restate comparative information and may not adjust segment measures for changes made to the accounting policies. In this case, the impact of the error or changes in accounting policies will be disclosed in the reconciliation to the reported results. Where the entity has restated prior year segment information and the adjustments are material, information about the adjustments is likely to be relevant to the understanding of segment information, and disclosure along the lines of that shown in the illustrative note may be necessary to adequately explain the information presented. Changes made to the measurement methods adopted in preparing the segment information will need to be disclosed under paragraph 27(e) of Ind AS 108.

Scope

108(4) 7. If a financial report contains both the consolidated financial statements of a parent as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements.

Disclosures not illustrated: not applicable to Value Ind AS Limited

8. The following disclosures are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

108(23)(c),(d) (a) information about interest revenue and interest expense for each reportable segment (if provided to the CODM)

108(27)(f) (b) the nature and effect of asymmetrical allocations to reportable segments

108(28)(e) (c) reconciliations for other material amounts disclosed in the segment note

108(29),(30) (d) explanations regarding restatements of previously reported information following an internal reorganisation.

(e) If an entity changes the structure of its internal organisation in a manner that causes the composition of its reportable segments to change, the corresponding information for earlier periods, including interim periods, shall be restated unless the information is not available and the cost to develop it would be excessive. The determination of whether the information is not available and the cost to develop it would be excessive shall be made for each individual item of disclosure. Following a change in the composition of its reportable segments, an entity shall disclose whether it has restated the corresponding items of segment information for earlier periods.

(f) If an entity has changed the structure of its internal organisation in a manner that causes the composition of its reportable segments to change and if segment information for earlier periods, including interim periods, is not restated to reflect the change, the entity shall disclose in the year in which the change occurs segment information for the current period on both the old basis and the new basis of segmentation, unless the necessary information is not available and the cost to develop it would be excessive.

36(129)(b) (g) reversal of impairment losses by reportable segment

7(50)(d) (h) cash flows by reportable segment (encouraged but not mandatory), and

108(27)(e) (i) changes in measurement methods (explain impact on reported segment profit or loss).

(All amounts in INR lakhs, unless otherwise stated)

Note 32: Business combinations

(a) Summary of acquisition

103(B64)(a)-(d) On 2 April 2018 the parent entity acquired 70% of the issued share capital of Handy Electronics limited, a manufacturer of electronic equipment. This acquisition will enable the group to enter into the electronics market in India.

103(B64)(a)-(d) On 30 August 2018 the parent entity acquired a further 60.35% of the issued share capital of Ambrosia Furniture Limited, a manufacturer of furniture and fittings having significant presence in north east India. The acquisition was made to increase the group's base in these areas through inorganic growth.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

103(B64)(f)

Purchase consideration	Handy Electronics Limited	Ambrosia Furniture Limited
Cash paid	5,400	4,250
Equity shares issued	6,998	-
Contingent consideration	1,050	-
Total purchase consideration	**13,448**	**4,250**

7(40)(a)

103(B64)(f)(iv),(m) The fair value of the 20,000,000 shares issued as part of the consideration paid for Handy Electronics Group (INR 7,000) was based on the published share price on date of acquisition of INR 35 per share. Issue costs of INR 2 which were directly attributable to the issue of the shares have been netted against the deemed proceeds.

103(B64)(i)
7(40)(d) The assets and liabilities recognised as a result of the acquisition are as follows:

	Handy Electronics Limited	Ambrosia Furniture Limited
	Fair value	**Fair value**
Freehold buildings	7,560	1,076
Plant and machinery	3,895	2,190
Intangible assets: Patents	878	-
Intangible assets: Non-compete fees	560	-
Inventories	1,303	1,036
Trade receivables	1,890	1,750
Cash	1,566	950
Deferred tax assets	750	746
Trade payables	(1,529)	(1,455)
Bank overdraft	(450)	(230)
Deferred tax liabilities	(460)	(140)
Post-employee benefit obligations, net of plan assets	(1,210)	(1,375)
Restructuring liability	(1,290)	-
Indemnification asset	-	400
Contingent liability	-	(713)
Net identifiable assets acquired	**13,463**	**4,235**

	Calculation of goodwill	Handy Electronics Limited	Ambrosia Furniture Limited
	Consideration transferred	13,448	4,250
103(B64)(o)(i)	Non-controlling interest in the acquired entity	4,039	1,271
	Acquisition date fair value of previously held equity interest	-	680
	Less: Net identifiable assets acquired	(13,463)	(4,235)
	Goodwill	**4,024**	**1,966**

(All amounts in INR lakhs, unless otherwise stated)

103(42) The group previously held around 9.65% interest in Ambrosia Furniture Limited which was classified as an FVOCI Investment during the previous year and change in fair value of INR 150 was recognised in OCI during the year ended 31 March 2018. Total change in fair value till date of acquisition accumulated in OCI amounted to INR 130 (negative change in fair value of INR 20 in the current year up to the date of acquisition) was transferred to retained earnings.

103(B64)(e),(k) The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

1(38) There were no acquisitions in the year ended 31 March 2018.

Significant estimate: contingent consideration

103(B64)(g)(i) In the event that certain pre-determined sales volumes are achieved by the Handy Electronics Limited for the year ended 31 March 2019 and 2020 respectively, additional consideration of up to INR 1,750 may be payable in cash on 30 July 2020.

103(B64)(g)(ii),(iii) The potential undiscounted amount payable under the agreement is between INR 575 for sales between INR 30,000 and INR 40,000 and INR 1,750 for sales above INR 40,000. The fair value of the contingent consideration of INR 1,050 was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 8% and assumed probability-adjusted sales of acquired subsidiary of between INR 30,000 and INR 45,000.

103(B67)(b) As at 31 March 2019, the contingent consideration has been fair valued resulting in an increase, as the actual sales revenue achieved by Handy Electronics was higher than the initial estimates of forecasted revenue levels. A loss on re-measurement of contingent consideration of INR 400 was included in other gains/(losses).

Significant judgement:
(i) Contingent liability

103(B64)(j) 37(85) A contingent liability of INR 713 was recognised on the acquisition of Ambrosia Furniture Limited for a pending lawsuit in which the entity is a defendant. The claim has arisen from a customer alleging defects on products supplied to them. It is expected that the courts will have reached a decision on this case by December 2019. The potential undiscounted amount of all future payments that the group could be required to make if there was an adverse decision related to the lawsuit is estimated to be between INR 500 to INR 1,000. As at 31 March 2019, there has been no change in the amount recognised for the liability in August 2018 (except for the unwinding of the discount of INR 46), as there has been no change in the probability of the outcome of the lawsuit.

103(B67)(c)

(ii) Indemnification asset

103(B64)(g) The former shareholders of Ambrosia Furniture Limited have agreed to reimburse the group up to an amount of INR 400 for the pending law-suit mentioned above. The group has recognised this as indemnification asset at the date of acquisition. There has been no change to the value of indemnification asset subsequent to the date of acquisition.

(iii) Acquired receivables

103(B64)(h) The fair value of acquired trade receivables is INR 1,890 and INR 1,750 with respect to Handy Electronics Limited and Ambrosia Furnitures Limited respectively. The gross contractual amount for trade receivables due is INR 1,930 and INR 1,780 with respect to Handy Electronics Limited and Ambrosia Furnitures Limited respectively, of which INR 40 and INR 30 is expected to be uncollectible.

(iv) Accounting policy choice for non-controlling interests

103(B64)(o)(i) The group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For both the non-controlling interests in Handy Electronics Group and Ambrosia Furniture Limited, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

(v) *Revenue and profit contribution*

103(B64)(q) The acquired business contributed revenues and profits to the group for the period 31 March 2019 as follows:

(a) Handy Electronics Limited: Revenue of INR 37,703 and profit of INR 2,896 for the period 2 April 2018 to 31 March 2019.

(b) Ambrosia Furniture Limited: Revenue of INR 15,525 and profit of INR 1,813 for the period from 30 August 2018 to 31 March 2019.

If the acquisitions had occurred on 1 April 2018, consolidated pro-forma revenue and profit for the year ended 31 March 2019 would have been INR 236,833 and INR 34,900 respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 April 2018, together with the consequential tax effects.

(All amounts in INR lakhs, unless otherwise stated)

(b) Purchase consideration – cash outflow

		31 March 2019	31 March 2018
	Outflow of cash to acquire subsidiaries, net of cash acquired		
7(40)(b)	Cash consideration	9,650	-
7(40)(c)	Less: Balances acquired		
	Cash	2,516	-
	Bank overdraft	(680)	
	Net outflow of cash – investing activities	**7,814**	**-**

Acquisition related costs

103(B64)(m) Acquisition related costs of INR 22 that were not directly attributable to the issue of shares are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

Commentary - Business combination

Comparatives

1(38) 1. Under Ind AS 1, comparative information must be given for all numerical information reported in the financial statements, including narratives. However, Ind AS 103 does not separately require comparative information in respect of business combinations. In our view, the Ind AS 103 disclosures are required only for business combinations occurring during the period. This means that in the period following the combination, the disclosures required in paragraph B64 of Ind AS 103 do not need to be repeated. However, the disclosures that are required in relation to a prior business combination in paragraph B67 of Ind AS 103 must be made.

Disclosures not illustrated: not applicable to Value Ind AS Limited

Additional disclosures

2. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosures or references
103(B64)(l),(52)	Transactions that are recognised separately from the business combination. For example, the acquirer and acquiree in a business combination may have a relationship (seller and customer, licensor and licensee or plaintiff and defendant) before the business combination occurs.	Disclose a description of the transaction and how it was accounted for, the amounts recognised and other information as specified in Ind AS 103.
103(B64)(n)	The entity has made a bargain purchase	Where the entity is able to identify the reason for making bargain purchase, it is recognised in other comprehensive income and accumulated in equity as capital reserve. Where the entity is not able to identify the reason for bargain purchase, it is recognised directly in equity (capital reserve). Also disclose the gain recognised in other comprehensive and explain why the transaction resulted in a gain.
103(B67)(a)	The initial accounting for the business combination is incomplete	Explain why the initial accounting is incomplete, which items are affected and any adjustments recognised during the reporting period.
103(B67)(e)	The entity has recognised a gain or loss in the current reporting period relating to identifiable assets acquired or liabilities assumed in a business combination from the current or a prior period	Disclose the amount and provide an explanation of the gain or loss.
103(63)	The objectives of Ind AS 103 are not satisfied with the required disclosures	Provide additional explanations as necessary.

(All amounts in INR lakhs, unless otherwise stated)

Note 33: Discontinued operation

(a) Description

105(41)(a),(b),(d) On 30 March 2018, the group announced its intention to exit the engineering business in Germany and initiated an active program to locate a buyer for its German subsidiary, Value Ind AS Engineering GmbH. The associated assets and liabilities were consequently presented as held for sale in financial statements for the year ended 31 March 2018.

105(30) The subsidiary was subsequently sold on 31 May 2018 and has been reported as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the two months ended 31 May 2018 (31 March 2019 column) and the year ended 31 March 2018.

		31 March 2019	31 March 2018
105(33)(b)(i)	Revenue	2,934	19,105
105(33)(b)(i)	Expenses	(2,523)	(17,004)
105(33)(b)(i)	**Profit before income tax**	411	2,101
105(33)(b)(ii) 12(81)(h)(ii)	Income tax expense	(123)	(630)
	Profit after income tax	288	1,471
	Gain on sale of the subsidiary after income tax (see (c) below)	325	-
	Profit from discontinued operation*	**613**	**1,471**
105(38)	Exchange differences on translation of discontinued operations	65	(30)
	Other comprehensive income from discontinued operations	**65**	**(30)**
105(33)(c)	Net cash inflow from operating activities	288	710
105(33)(c)	Net cash inflow (outflow) from investing activities (31 March 2019 includes inflow of INR 11,138 from the sale of the division)	11,138	(190)
105(33)(c)	Net cash (outflow) from financing activities	-	(280)
	Net increase in cash generated from discontinued operation	**11,426**	**240**

105(33)(d) * *The entire amount is attributable to equity holders of the company*

(c) Details of the sale of the subsidiary

		31 March 2019	31 March 2018
	Consideration received:		
7(40)(b)	Cash	11,138	-
	Carrying amount of net assets sold	(10,608)	-
	Gain on sale before income tax and reclassification of foreign currency translation reserve	**530**	**-**
105(38)	Reclassification of exchange differences on foreign currency translation	(65)	-
12(81)(h)(i)	Income tax expense on gain	(140)	-
	Gain on sale after income tax	**325**	**-**

7(40)(d) The carrying amounts of assets and liabilities as at the date of sale (31 May 2018) were as follows:

	31 May 2018
Property, plant and equipment	7,130
Trade receivables	11,860
Other current assets	1,130
Total assets	**20,120**
Trade payables	(8,652)
Other current liabilities	(860)
Total liabilities	**(9,512)**
Net assets	**10,608**

(All amounts in INR lakhs, unless otherwise stated)

(d) Assets and liabilities of disposal group classified as held for sale

105(38) The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 March 2018 :

		31 March 2019	31 March 2018
1(77)	Assets classified as held for sale		
	Property, plant and equipment	-	7,230
	Trade receivables	-	10,540
	Other current assets	-	1,540
	Total assets of disposal group held for sale	-	**19,310**
1(77)	Liabilities directly associated with assets classified as held for sale		
	Trade payables	-	(8,240)
	Other current liabilities	-	(750)
	Total liabilities of disposal group held for sale	-	**(8,990)**

Commentary - Discontinued operation

Restating prior periods

105(34) 1. An entity must re-present the disclosures for discontinued operations for prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented. The discontinued operations presented in the statement of profit and loss and statement of cash flows in the comparative period should therefore include all operations that have been discontinued by the end of the most recent reporting period. This means that the statements of profit and loss and cash flows for the comparative period should show as discontinued operations both those reported as discontinued in the previous period together with those classified as discontinued in the current period. As a consequence, the restated prior year statements of profit and loss and cash flows figures will not be entirely comparable to the current year's figures.

105(40) 2. In contrast, the balance sheet information for the prior year is neither restated nor remeasured.

Disclosures not illustrated: not applicable to Value Ind AS Limited

3. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issues not illustrated	Relevant disclosures or references
105(35)	Resolution of uncertainties relating to adjustments recognised as a result of the disposal of a discontinued operation	Disclose separately the nature and amount of the adjustments
105(36),(42)	Asset or disposal group is no longer classified as held for sale	Reclassify the results previously presented as discontinued operations and provide appropriate explanations.
105(41)(c)	Gains or losses recognised as a result of a remeasurement to fair value less costs to sell	Disclose the gain or loss recognised following the remeasurement and where the gain or loss is presented in the statement of profit and loss.
7(40)(c)	Subsidiary (or business) had cash or cash equivalents at the time of the disposal	Disclose amount of cash and cash equivalents over which control was lost.
10(App A)	Information about dividends in the form of non-cash assets	Disclose the following, if applicable: (a) The carrying amount of the dividend payable at the beginning and end of the period; and (b) The increase or decrease in the carrying amount of dividend payable recognised between the reporting period and settlement date as a result of a change in the fair value of the assets to be distributed. Further, if, after the end of a reporting period but before the financial statements are approved for issue, an entity declares a dividend to distribute a non-cash asset, it shall disclose (a) The nature of asset to be distributed; (b) The carrying amount of asset to be distributed as at the end of the reporting period; and (c) The fair value of the asset to be distributed if it is different from the carrying amount.

(All amounts in INR lakhs, unless otherwise stated)

Note 34: Interests in other entities

(a) Subsidiaries

112(10)(a) The group's subsidiaries at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

112(10)(a)(i),(ii)
112(12)(a)-(d)
24(13)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	
		%	%	%	%	
Value Ind AS Retail Limited	India	100	100	-	-	Furniture retail stores
Ambrosia Furniture Limited	India	70	-	30	-	Furniture manufacture
Handy Electronics Limited	India	80	-	20	-	Electronic equipment manufacture
Value Ind AS Manufacturing Limited	India	100	100	-	-	Furniture manufacture
Value Ind AS Overseas Limited (i)	China	45	45	55	55	Furniture manufacture
Value Ind AS Consulting Inc.	US	100	100	-	-	IT consulting
Value Ind AS Services SA	France	100	100	-	-	IT consulting
Value Ind AS IT Solutions Inc.	US	100	100	-	-	IT development services
Value Ind AS Engineering Gmbh	Germany	-	100	-	-	Engineering business note 33

1(122)

(i) Significant judgement: consolidation of entities with less than 50% voting interest

112(7)(a),(9)(b) The directors have concluded that the group controls Value Ind AS Overseas Limited, even though it holds less than half of the voting rights of this subsidiary. This is because the group is the largest shareholder with a 45% equity interest while the remaining shares are held by ten investors. Value Ind AS Limited directs the relevant activities (procurement, production and marketing) of Value Ind AS Overseas Limited by virtue of a shareholders' agreement. This agreement also grants Value Ind AS Limited the right to appoint, reassign or remove key managerial personnel comprising of chief executive officer and chief financial officer of Value Ind AS Overseas Limited and to establish and approve its financial and operating budgets. A 67% majority vote is required to change this agreement, which cannot be achieved without the group's consent as it holds 45% of the voting rights.

(All amounts in INR lakhs, unless otherwise stated)

(b) Non-controlling interests (NCI)

112(12)(g) 112(B11) Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

112(B10)(b)

Summarised balance sheet	Handy Electronics Limited		Value Ind AS Overseas Limited		Ambrosia Furniture Limited	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Current assets	6,799	-	15,444	19,366	6,221	-
Current liabilities	1,865	-	4,674	3,868	1,233	-
Net current assets	**4,934**	**-**	**10,770**	**15,498**	**4,988**	**-**
Non-current assets	14,322	-	27,728	16,183	3,899	-
Non-current liabilities	3,077	-	2,722	2,138	2,789	-
Net non-current assets	**11,245**	**-**	**25,006**	**14,045**	**1,110**	**-**
Net assets	**16,179**	**-**	**35,776**	**29,543**	**6,098**	**-**
112(12)(f) **Accumulated NCI**	3,236	-	19,677	16,248	1,829	-

112(B10)(b)

Summarised statement of profit and loss	Handy Electronics Limited		Value Ind AS Overseas Limited		Ambrosia Furniture Limited	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Revenue	37,703	-	35,485	34,188	15,525	-
Profit for the year	2,896	-	6,032	4,103	1,813	-
Other comprehensive income	120	-	201	(214)	50	-
Total comprehensive income	**3,016**	**-**	**6,233**	**3,889**	**1,863**	**-**
112(12)(e) Profit allocated to NCI	796	-	3,318	2,256	544	-
112(B10)(a) Dividends paid to NCI	60	-	-	-	-	-

112(B10)(b)

Summarised cash flows	Handy Electronics Limited		Value Ind AS Overseas Limited		Ambrosia Furniture Limited	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Cash flows from operating activities	2,989	-	4,203	5,366	980	-
Cash flows from investing activities	(1,760)	-	(3.584)	(3,455)	(870)	-
Cash flows from financing activities	390	-	256	(1,320)	(235)	-
Net increase/ (decrease) in cash and cash equivalents	**1,619**	**-**	**875**	**591**	**(125)**	**-**

(All amounts in INR lakhs, unless otherwise stated)

(c) Transactions with non-controlling interests

112(10) (b)(iii), (18) The group had acquired 70% stake in Handy Electronics Limited on 2 April 2018. On 2 January 2019, the group acquired an additional 10% stake for INR 1,721. Immediately prior to the purchase, the carrying amount of the existing 30% non-controlling interest was INR 4,713. The carrying amount of the 10% non-controlling interest acquired in Handy Electronics Limited was INR 1,571. The group recognised a decrease in non-controlling interests of INR 1,571 and a decrease in equity attributable to owners of the parent of INR 150. The effect on the equity attributable to the owners of Value Ind AS Limited during the year is summarised as follows:

	31 March 2019	31 March 2018
Carrying amount of non-controlling interests acquired	1,571	-
Consideration paid to non-controlling interests	(1,721)	-
Excess of consideration paid recognised in retained earnings within equity	**(150)**	**-**

There were no transactions with non-controlling interests in 2018.

(d) Joint operations

112(7)(b), (21)(a) The group has a 50% interest in a joint arrangement called the Fernwood Venture which was set up as a partnership together with Acacia Constructions Limited to develop properties for residential housing in south India.

112(21) (a)(iii) The principal place of business of the joint operation is in India.

Significant judgement: classification of joint arrangements

112(7)(c) The joint venture agreements in relation to the Fernwood Venture require unanimous consent from all parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the group recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

(e) Interests in associates and joint ventures

Set out below are the associates and joint ventures of the group as at 31 March 2019 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

112(21)(a), (b)(i),(iii)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Quoted fair value		Carrying amount	
					31 March 2019	31 March 2018	31 March 2019	31 March 2018
		%						
AB PTE SA	Brussels	15	Associate (1)	Equity method	937	715	801	611
SR India Private Limited	India	25	Associate (2)	Equity method	- *	- *	696	584
SB India Limited	India	30	Joint Venture (3)	Equity method	- *	- *	739	508
Immaterial associates (iv) below							540	425
Total equity accounted investments							**2,776**	**2,128**

112(21)(a) (ii)

(1) AB PTE SA is a software developer for the IT consulting division. It is a strategic investment which utilises the group's knowledge and expertise in the development of IT software.

(2) SR India Private Limited is a manufacturer of specialised furniture for the hospitality industry, including cafés and restaurants. Its product range complements the group's commercial furniture range and provides access to markets not previously serviced by the group.

(3) SB India Limited is a manufacturer of residential furniture with significant presence in eastern parts of India. Its products complement the retail segment of the group.

* Unlisted entity – no quoted price available.

(All amounts in INR lakhs, unless otherwise stated)

(i) Significant judgement: existence of significant influence

112(9)(e) Through the shareholder agreement, Value Ind AS Limited is guaranteed two seats on the board of AB PTE SA and participates in all significant financial and operating decisions. The group has therefore determined that it has significant influence over this entity, even though it only holds 15% of the voting rights.

(ii) Commitments and contingent liabilities in respect of associates and joint ventures

		31 March 2019	31 March 2018
112(23)(a),(B18)	*Commitments – joint ventures*		
112(B19)(a)	Commitment to provide funding for joint venture's capital commitments, if called	250	200
112(23)(b)	*Contingent liabilities – associates*		
	Share of contingent liabilities incurred jointly with other investors of the associate	150	120
	Contingent liabilities relating to liabilities of the associate for which the group is severally liable	-	80
	Contingent liabilities – joint ventures		
	Share of joint venture's contingent liabilities in respect of a legal claim lodged against the entity	200	180
	Total commitments and contingent liabilities	**600**	**580**

(iii) Summarised financial information for associates and joint ventures

112(21)(b)(ii), (B14) The tables below provide summarised financial information for those joint ventures and associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not Value Ind AS Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

	Summarised balance sheet	AB PTE SA		SR India Private Limited		SB India Limited	
112(B12),(B13)		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
112(B12)(b)(i)	Current assets						
112(B13)(a)	Cash and cash equivalents	*	*	*	*	75	18
	Other assets	*	*	*	*	1,810	1,347
	Total current assets	**2,198**	**1,849**	**541**	**480**	**1,885**	**1,365**
112(B12)(b)(ii)	**Total non-current assets**	**5,458**	**4,426**	**3,208**	**2,853**	**5,987**	**4,439**
112(B12)(b)(iii)	Current liabilities						
112(B13)(b)	Financial liabilities (excluding trade payables)	*	*	*	*	350	290
	Other liabilities	*	*	*	*	1,760	1,460
	Total current liabilities	**970**	**661**	**564**	**398**	**2,110**	**1,750**
112(B12)(b)(iv)	Non-current liabilities						
112(B13)(c)	Financial liabilities (excluding trade payables)	*	*	*	*	2,650	1,930
	Other liabilities	*	*	*	*	650	431
	Total non-current liabilities	**1,344**	**1,540**	**400**	**600**	**3,300**	**2,361**
	Net assets	**5,342**	**4,074**	**2,785**	**2,335**	**2,462**	**1,693**

(All amounts in INR lakhs, unless otherwise stated)

Reconciliation to carrying amounts

112(B14)(b)

	AB PTE SA		SR India Private Limited		SB India Limited	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Opening net assets	4,074	2,880	2,335	1,928	1,693	1,115
Profit for the year	1,114	1,008	450	407	739	535
Other comprehensive income	320	306	-	-	143	120
Dividends paid	(166)	(120)	-	-	(113)	(77)
Closing net assets	**5,342**	**4,074**	**2,785**	**2,335**	**2,462**	**1,693**
Group's share in %	15%	15%	25%	25%	30%	30%
Group's share in INR	801	611	696	584	739	508
Goodwill	-	-	-	-	-	-
Carrying amount	**801**	**611**	**696**	**584**	**739**	**508**

Summarised statement of profit and loss

		AB PTE SA		SR India Private Limited		SB India Limited	
112(B12),(B13)		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
112(B12)(b)(v)	Revenue	7,956	7,198	4,092	3,702	5,683	4,113
112(B13)(e)	Interest income	*	*	*	*	-	-
112(B13)(d)	Depreciation and amortisation	*	*	*	*	(1,540)	(1,240)
112(B13)(f)	Interest expense	*	*	*	*	(460)	(420)
112(B13)(g)	Income tax expense	*	*	*	*	(170)	(120)
112(B12)(b)(vi)	**Profit from continuing operations**	**1,114**	**1,008**	**450**	**407**	**739**	**535**
112(B12)(b)(vii)	Profit from discontinued operations	-	-	-	-	-	-
	Profit for the year	1,114	1,008	450	407	739	535
112(B12)(b)(viii)	Other comprehensive income	320	306	-	-	143	120
112(B12)(b)(ix)	**Total comprehensive income**	**1,434**	**1,314**	**450**	**407**	**882**	**655**
112(B12)(a)	Dividends received	25	18	-	-	34	23

* Shading indicates disclosures that are not required for investments in associates.

(iv) Individually immaterial associates

112(21)(c), (B16)

In addition to the interests in associates disclosed above, the group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

	31 March 2019	31 March 2018
Aggregate carrying amount of individually immaterial associates	540	425
Aggregate amounts of the group's share of:		
Profit/(loss) from continuing operations	115	70
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	**115**	**70**

	31 March 2019	31 March 2018
Share of profits from associates	394	322
Share of profits from joint ventures	222	161
Total share of profits from associates and joint ventures	**616**	**483**

Commentary - Interests in other entities

Joint operations – summary of assets employed/liabilities incurred

1(112)(c) 1. If an entity has significant interests in joint operations, it should consider disclosing the group's interests in the assets employed and liabilities incurred in relation to these joint operations. This information will assist users in assessing the extent and financial impact of the joint operations and may in certain circumstances be required on the basis that it is relevant to an understanding of the financial statements (Ind AS 1 paragraph 112(c)). Value Ind AS Limited has not disclosed this information as its joint operation in Fernwood Venture is not significant.

Summarised financial information of associates and joint ventures

2. The disclosure requirements in relation to summarised financial information of joint ventures are more onerous than those for interests in associates. Where certain information is not required for interests in associates, the relevant parts of the table have been shaded. We have chosen this form of presentation primarily to illustrate the similarities and differences in the disclosures for associates and joint ventures. This form of presentation may not be suitable or required in all circumstances.

Disclosures not illustrated: not applicable to Value Ind AS Limited

3. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosures or references
112(14)-(17)	Consolidated structured entities	Provide information as specified in Ind AS 112 paragraphs 14 – 17.
112(10)(b)(iv),(19) 1(106)(d),(97)	Disclosure or Loss of control over a subsidiary	Provide information about the gain or loss recognised on the loss of control. Consider also the requirement to reclassify any components of other comprehensive income that are attributable to the subsidiary from equity to profit or loss or directly to retained earnings. Any amounts transferred from equity reserves on the loss of control of a subsidiary will need to be reflected in the reconciliation of reserves as reclassification adjustments. Where the amounts reclassified are material, consider providing additional explanations.
112(11),(22)(b)	Subsidiaries, associates or joint ventures with different reporting dates	Disclose the reporting date and the reasons for using a different date or period. The difference between the date of the subsidiary's financial statements and that of the consolidated financial statements shall be no more than three months. Similarly, the difference between the end of the reporting period of the associate or joint venture and that of the entity shall be no more than three months.
112(21)(c),(B16)	Individually immaterial joint ventures	Disclose the same information as illustrated in note 34(e) for immaterial associates.
112(22)(a)	Significant restrictions – associates or joint ventures	Disclose the nature and extent of the restrictions on the ability of a joint venture or associate to transfer funds in the form of cash dividends, or to repay loans or advances made by the entity.
112(22)(c)	Unrecognised share of losses of joint ventures and associates	Disclose the unrecognised amounts both for the reporting period and cumulatively.
112(B15) 28(18)	Interests in associates and joint ventures held by venture capital organisation or a mutual fund or similar entities and measured at fair value	The summarised financial information that must be provided for each material associate or joint venture may be presented based on non-Ind AS compliant financial statements if preparation of Ind AS compliant financial statements would be impracticable or cause undue cost. In such case, the entity shall disclose the basis on which the summarised financial information has been prepared.
112(B17)	Interest in subsidiary, associate or joint venture classified as held for sale	Summarised financial information does not need to be provided for associates or joint ventures that are held for sale.
112(B19)(b)	Commitment to acquire another party's ownership interest in a joint venture	Disclose as part of the disclosures of unrecognised commitments.
112(24)-(31)	Information about unconsolidated structured entities	Various disclosures, see Ind AS 112 paragraphs 24 – 31 for details.
112(9A),(9B),(19A)-(19G),(25A)	Investment entities – information about unconsolidated subsidiaries	Various disclosures, see Ind AS 112 paragraphs (9A), (9B), (19A)-(19G) and (25A) for details.
112(7),(9)(a)	Holding more than 50% of voting rights without control	Ind AS 112 requires disclosure of the reasons why the ownership, directly or indirectly through subsidiaries, of more than half of the voting or potential voting power of an investee does not constitute control.
112(10)(b)(i) (13)(c)	Significant restrictions on the ability to access or use assets, and settle liabilities	Disclose the nature and extent of significant restrictions. An illustrative example could read as follows *Cash and short-term deposits held in XX country is subject to local exchange control regulations. These regulations provide for restrictions on repatriation of funds from the country, other than through normal dividends.* The carrying amounts of the assets included within the financial statements to which these restrictions apply is INR XXX (Previous year: INR XXX).
	Reconciliation to carrying amounts	While not required under Ind AS 112, readers of the financial statements may find it useful if the note for equity-accounted investments also provides a reconciliation of the aggregate carrying amounts from opening to closing balances in totality.

(All amounts in INR lakhs, unless otherwise stated)

Note 35: Related party transactions

(a) Parent entities

1(138)(c) The group is controlled by the following entity:

	Name	Type	Place of incorporation	Ownership interest 31 March 2019	Ownership interest 31 March 2018
24(13) 1(138)(c)	Value Ind AS Conglomerate Limited	Immediate and Ultimate parent entity	India	51%	65%

(b) Subsidiaries

24(13) Interests in subsidiaries are set out in note 34.

(c) Key management personnel compensation

24(17)

		31 March 2019	31 March 2018
24(17)(a)	Short-term employee benefits	623	524
24(17)(b)	Post-employment benefits	264	225
24(17)(c)	Long-term employee benefits	60	55
24(17)(d)	Termination benefits	78	-
24(17)(e)	Employee share-based payment	340	230
	Total compensation	**1,365**	**1,034**

(d) Transactions with related parties

24(18)

24(18)(a) The following transactions occurred with related parties:

		31 March 2019	31 March 2018
	Sales and purchases of goods and services		
24(19)(d)	Sale of goods to associates	1,380	2,100
24(19)(d)	Purchases of raw materials from associates	650	340
24(19)(a)	Purchase of management services from parent	325	288
24(19)(f)	Purchases of various goods and services from entities controlled by key management personnel:		
24(18)	(i) Construction of a warehouse building	2,810	4,090
24(18)	(ii) Professional services	1,500	2,200
	Other transactions		
24(19)(a)	Dividends paid to parent entity	938	1,004
24(19)(a)	Subscriptions for new equity shares by parent entity as a result of rights issue (note 12 (a))	12,692	-
24(19)(f)	Subscription for new equity shares by key management personnel as a result of the rights issue (note 12 (a))	1,359	-

(All amounts in INR lakhs, unless otherwise stated)

(e) Outstanding balances arising from sales/purchases of goods and services

24(18)(b) The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

		31 March 2019	31 March 2018
	Trade payables (purchases of goods and services)		
24(19)(a)	Value Ind AS Conglomerate Limited	87	77
24(19)(d)	Associates	210	99
24(19)(f)	Entities controlled by key management personnel	61	36
	Total payables to related parties (note 13(c))	**358**	**212**

		31 March 2019	31 March 2018
	Trade receivables (sale of goods and services)		
24(19)(d)	Associates (note 6(b))	270	1,300

(f) Loans to/from related parties

		31 March 2019	31 March 2018
24(19)(f)	*Loans to key management personnel*		
24(18)(b)	Beginning of the year	166	120
24(18)(a)	Loans advanced	20	152
24(18)(a)	Loan repayments received	(110)	(106)
24(18)(a)	Interest charged	13	12
24(18)(a)	Interest received	(13)	(12)
24(18)(b)	**End of the year** (note 6(c))	**76**	**166**

		31 March 2019	31 March 2018
24(19)(d)	*Loans to associates*		
24(18)(b)	Beginning of the year	571	650
24(18)(a)	Loans advanced	457	880
24(18)(a)	Loan repayments received	(157)	(959)
24(18)(a)	Interest charged	132	184
24(18)(a)	Interest received	(132)	(184)
24(18)(b)	**End of the year** (note 6(c))	**871**	**571**

24(18)(c),(d) There is no loss allowance for receivables in relation to any outstanding balances, and no loss allowance has been recognised during the year in respect of receivables due from related parties.

		31 March 2019	31 March 2018
24(19)(d)	*Loans from associates*		
24(18)(b)	Beginning of the year	-	-
24(18)(a)	Loans received	400	-
24(18)(a)	Loan repayments made	-	-
24(18)(a)	Interest charged *	3	-
24(18)(a)	Interest paid	-	-
24(18)(b)	**End of the year** (note 13(a))	**403**	**-**

** Disclosed as part of interest accrued within other financial liabilities.*

(g) Terms and conditions

24(18)(b)(i) Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.

The loans to key management personnel are generally for periods of 2-3 years repayable in quarterly instalments at interest rates of 8% per annum.

Goods were sold to associates during the year based on the price lists in force and terms that would be available to third parties. Management services were bought from the immediate parent entity on a cost-plus basis, allowing a margin ranging from 15% to 30% (31 March 2018 – 10% to 24%). All other transactions were made on normal commercial terms and conditions and at market rates. The average interest rate on the other loans during the year was 8.5% (31 March 2018 – 8.25%).

24(18)(b)(i) All outstanding balances are unsecured and repayable in cash.

Commentary - Related party transactions

Presentation

1. All of the related party information required by Ind AS 24, *Related Party Disclosures* that is relevant to Value Ind AS Limited has been presented, or referred to, in one note. This is considered to be a convenient and desirable method of presentation, but there is no requirement to present the information in this manner. Compliance with the standard could also be achieved by disclosing the information in relevant notes throughout the financial statements.

Disclosure

24(13)

2. In consolidated financial statements, disclosure is not required of any transactions or balances between group entities that have been eliminated on consolidation. But disclosure of control is not exempted and so relationships between parents and subsidiaries have to be disclosed irrespective of whether there have been transactions between those related parties.

Materiality

1(7)

3. The disclosures required by Ind AS 24 apply to the financial statements when the information is material. According to Ind AS 1, materiality depends on the size and nature of an item. It may be necessary to treat an item or a group of items as material because of their nature, even if they would not be judged material on the basis of the amounts involved. This may apply when transactions occur between an entity and parties who have a fiduciary responsibility in relation to that entity, such as those transactions between the entity and its key management personnel.

Key management personnel compensation

4. While the disclosures under Ind AS 24 paragraph 17 are subject to materiality, this must be determined based on both quantitative and qualitative factors. In our view, it will not be appropriate to omit the aggregate compensation disclosures based on materiality.

Related party definition

24(9)

5. The definition of a related party includes the following persons and entities:
   (a) A person (or a close member of that person's family) is related to the reporting entity if the person:
      (i) has control or joint control over the reporting entity
      (ii) has significant influence over the reporting entity, or
      (iii) is a member of the key management personnel of the reporting entity, or of a parent of the reporting entity
   (b) The reporting entity (A) is related to another entity (B) if:
      (i) A and B are members of the same group (that is all entities within a group are related to each other)
      (ii) A is an associate or joint venture of B. In this case A is related to all members of the group that B belongs to
      (iii) A and B are joint ventures of the same third party, C
      (iv) A is a joint venture of C and B is an associate of C (or vice versa)
      (v) B is a post-employment benefit plan for the benefit of employees of A or an entity related to A. If A is itself a post-employment benefit plan, any sponsoring employers are also related to A
      (vi) B is controlled or jointly controlled by a person identified in (a) above
      (vii) A person who has control or joint control over A has significant influence over B or is a member of the key management personnel of B, or
      (viii) B (or any member of the group of which B is a part) provides key management personnel services to A or A's parent.

24(12)

In this definition, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Post-employment benefit plans

24(9)(b)(v)
19(151)

6. Post-employment benefit plans for the benefit of employees of the entity, or of any entity that is a related party of the entity, are related parties as per the definition in Ind AS 24 paragraph 9. This means that contributions made to such plans by the entity or any other entity in the consolidated group must be disclosed as a related party transaction, regardless of whether the plans are defined contribution or defined benefit plans.

Transactions with related parties

24(9),(21)
37(3)

7. Related party transactions are transfers of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged. They include commitments to do something if a particular event occurs (or does not occur) in the future and executory contracts (recognised or unrecognised). As per Ind AS 37, executory contracts are contracts under which neither party has performed any of its obligations, or both parties have partially performed their obligations to an equal extent.

Commentary - Related party transactions

24(24),(24A) 8. Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity. Disclosure of details of particular transactions with individual related parties would frequently be too voluminous to be easily understood. Accordingly, items of a similar nature may be disclosed in aggregate by type of related party. However, this should be done in such a manner such that it does not obscure significant transactions. For example, purchases or sales of goods are not aggregated with purchases or sales of fixed assets. Nor a material related party transaction with an individual party is clubbed in an aggregated disclosure.

Comparatives

1(38) 9. Ind AS 24 is silent on comparatives. Under Ind AS 1 comparative information must be provided for all amounts reported in the financial statements, except when a standard provides otherwise, which is not the case with Ind AS 24. As the notes are part of the financial statements (see Ind AS 1(10)), comparative information should be included for all amounts that provide further analysis of the line items in the financial statements.

10. Ind AS 1 further states that comparative information should also be provided for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements. In the case of related party disclosures, comparative information is likely to be relevant for all narrative and descriptive information. The comparative information should disclose transactions with parties that were related at the time the transaction took place, but need not include information about transactions with parties that were unrelated at that time.

Disclosures not illustrated: not applicable to Value Ind AS Limited

11. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosures or references
24(18)(b)	Commitments to related parties including committed future purchases or sales	Disclose amount of commitments as at the end of the reporting period, including terms and conditions.
24(18),(18A)	KMP services are provided by a separate management entity	Disclose fee paid to the management entity for the KMP services and any other transactions with that entity.
24(25)-(27)	The entity applies the exemption for government related entities.	Provide the information required by Ind AS 24(25) – (27).
110(31)	An investment entity is exempt from consolidating certain subsidiaries and measures them at fair value through profit or loss instead.	Disclose any transactions and outstanding balances with those subsidiaries, as they are not eliminated on consolidation.

Unrecognised items

Description about section is not mandatory

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

In addition to the items and transactions disclosed below, there are also:

(a) Unrecognised tax amounts – see note 27

(b) Non-cash investing and financing transactions – see cash flow statement.

(All amounts in INR lakhs, unless otherwise stated)

Note 36: Contingent liabilities and contingent assets

(a) Contingent liabilities

The group has contingent liabilities at 31 March 2019 in respect of:

(i) Claims against the group not acknowledged as debts

37(86),(91) A claim for unspecified damages was lodged against Value Ind AS Retail Limited in December 2017 in relation to alleged non-performance under a sales contract. The group has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, but legal advice indicates that it is not probable that a significant liability will arise.

37(86) In September 2018, a claim was lodged against Value Ind AS Manufacturing Limited asserting that the entity had breached certain registered patents of a competitor. The matter is currently being considered by the courts and the group expects judgement before the end of August 2019. The group considers it to be probable that the judgement will be in its favour and has therefore not recognised a provision in relation to this claim. The potential undiscounted amount of the total payments that the group could be required to make if there was an adverse decision related to the lawsuit is estimated to be approximately INR 1,375.

The disputed demands for excise duty, custom duty, sales tax and other matters amounts to INR 2,560 and INR 2,338 as of 31 March 2019 and 31 March 2018, respectively.

(ii) Associates and joint ventures

112(23)(b) For contingent liabilities relating to associates and joint ventures refer to note 34.

(b) Contingent assets

37(89) A subsidiary has lodged a claim against a supplier for damages caused by the supply of faulty products. The matter has been referred to arbitration and, having received legal advice, the directors believe that a favourable outcome is probable. However, the contingent asset amounting to INR 1,250 (31 March 2018: Nil) has not been recognised as a receivable at 31 March 2019 as its receipt is dependent on the outcome of the arbitration process.

Commentary - Contingent liabilities and contingent assets

Definitions

37(10) *Application of definitions*

1. Careful consideration will need to be given to each potential contingent liability or asset. For example, in the case of an entity that has:
   (a) incurred liabilities in acting as trustee for a trust: if the liabilities of the trust are insignificant compared to the assets in the trust and the chances of the trustee being called to meet those liabilities is remote, no contingent liability and asset disclosures will need to be made. It is likely that it will be possible to demonstrate remoteness where the entity is acting as trustee for an equity trust that has no borrowings and holds investments that can be readily sold to meet any liabilities that do arise. Remoteness is unlikely to be demonstrated where an entity acts as trustee for a trust that is carrying on a business and the trustee is incurring liabilities and undertaking the risks relating to the business.
   (b) provided a guarantee or indemnity to another party: it will be more difficult to demonstrate the probability of having to meet the potential liabilities as being remote because there are likely to be commercial risks which gave rise to the need for the guarantee or indemnity.

Sch III
2. As per Schedule III, contingent liabilities shall be classified as:
   (a) claims against the company not acknowledged as debt;
   (b) guarantees excluding financial guarantees; and
   (c) other money for which the company is contingently liable.

Disclosures not illustrated: not applicable to Value Ind AS Limited

3. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosures or references
37(88)	Provisions and contingent liabilities arising from the same set of circumstances	Make the required disclosures in a way such that the link between the provision and the contingent liability is clear.
37(91)	Information cannot be disclosed because it is not practicable to do so	Disclose the fact.
37(92)	Disclosure of information can be expected to seriously prejudice the position of the entity	Disclose the general nature of the dispute together with the fact that, and the reasons why, the information has not been disclosed.
19(152)	Contingent liabilities arising from post-employment benefit plans	Provide information about these contingent liabilities.
Sch III	Guarantees excluding financial guarantees	Provide information about these guarantees.

(All amounts in INR lakhs, unless otherwise stated)

Note 37: Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

		31 March 2019	31 March 2018
16(74)(c)	Property, plant and equipment	11,340	10,450
40(75)(h)	Investment property	430	320
38(122)(e)	Intangible assets	120	80

Fernwood venture

112(23)(a) The above commitments include capital expenditure commitments of INR 350 (31 March 2018 – Nil) relating to the Fernwood Venture (refer to note 34).

(b) Non-cancellable operating leases

17(35)(d) The group leases various offices, warehouses and retail stores under non-cancellable operating leases expiring within two to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

		31 March 2019	31 March 2018
17(35)(a)	Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
17(35)(a)(i)	Within one year	850	750
17(35)(a)(ii)	Later than one year but not later than five years	2,300	2,300
17(35)(a)(iii)	Later than five years	3,940	3,770
		7,090	**6,820**

17(35)(c) *Rental expense relating to operating leases*

	31 March 2019	31 March 2018
Minimum lease payments	1,555	1,224
Total rental expense relating to operating leases	1,555	1,224

(c) Repairs and maintenance: investment property

		31 March 2019	31 March 2018
40(75)(h)	Contractual obligation for future repairs and maintenance – not recognised as a liability	540	389

Commentary – Commitments

Sch III

1. As per Schedule III, commitments shall be classified as:
   (a) estimated amount of contracts remaining to be executed on capital account and not provided for;
   (b) uncalled liability on shares and other investments partly paid; and
   (c) other commitments

Disclosures not illustrated: not applicable to Value Ind AS Limited

Arrangements containing a lease - payments cannot be separated

17(App C)(15)(b)(i), (ii)

2. Where an arrangement contains an operating lease but the lessee cannot reliably separate the payments, all payments under the arrangement must be treated as lease payments for the purpose of complying with the disclosure requirements in Ind AS 17, *Leases*. In addition, the lessee must:
   (a) disclose those payments separately from other lease payments that do not include non-lease elements
   (b) state that the payments include payments for non-lease elements.

17(App A)

Lease incentives provided by the lessor

3. Where a lessor provides the right to use certain assets free of cost as part of lease arrangement, the lessee shall recognise the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

   An illustrative example is provided below:

   A number of lease agreements for the retail stores include free fit-outs provided by the lessor as a lease incentive. The assets obtained by the group have been recognised as furniture and equipment at fair value and are depreciated over the shorter of their useful life or the lease term. The lease incentive is presented as part of the lease liabilities and is recognised on a straight line basis over the lease term by reducing the rental expense.

17(35)(b)

Non-cancellable sub-lease arrangements

4. Where assets under operating leases are sub-let, disclose the amount of future minimum sub-lease payments expected to be received in relation to non-cancellable operating leases.

   Also disclose the rental expenditure related to such sub-leases arrangements

17(35)(d)(i)

Contingent rentals

5. Where a lease arrangement contains contingent rental provision, disclose the amount of contingent rent which will be payable and the basis on which the contingent rent is determined.

   An illustrative disclosure is provided below

   Contingent rental payments may arise relating to leased assets in the event that units produced by the leased assets exceed a pre-determined production capacity. The contingent rental payable is 1% of sales revenue from the excess production.

6. *Finance leases*

	Issue not illustrated	Relevant disclosures or references
17(31)(b)	Finance leases of lessees	Disclose reconciliation between the total of future minimum lease payments at the end of the reporting period, and their present value. In additional disclose total of the future minimum lease payments at the end of the reporting period, and their present value for each of the following periods: i) not later than one year; ii) later than one year but not later than five years; and iii) later than five years. Value Ind AS Limited has not provided this disclosure since future minimum lease payments under finance leases are not considered material to the group.
17(31)(c)	Finance leases of lessees	Disclose the amount of contingent rents recognised as an expense in the period.
17(31)(d)	Finance leases of lessees – sub-leases	Disclose expected future minimum sub-lease payments expected to be received.
17(47),(48)	Finance leases of lessors	Various disclosures, see Ind AS 17 for details.

(All amounts in INR lakhs, unless otherwise stated)

Note 38: Events occurring after the reporting period

(a) Refinancing of borrowing

10(21)
109(3.3.2), (B3.3.6)

At the beginning of May 2019, the group renegotiated its existing loan facility to finance the construction of the new production plant for the electronic equipment division. The total available amount under the facility was increased by INR 1,175, which is expected to be drawn down over the next 12 months. The facility is now repayable in three annual instalments, commencing 1 June 2020. As the terms and conditions of the facility remain largely unchanged, the refinancing did not result in recognition of settlement gain or loss.

(b) Other events

10(21)

Refer to note 30 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Commentary - Events occurring after the reporting period

1(74)

1. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1(75)

2. An entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

Disclosures not illustrated: not applicable to Value Ind AS Limited

3. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosures or references
10(21),(22)(c) 103(B64)	Major business combination after the reporting period	Provide information about acquired receivables, recognised or unrecognised contingent liabilities, equity instruments issued or issuable, transactions that are recognised separately from the business combination, a bargain purchase and business combinations achieved in stages.
10(21),(22)(c) 105(12),(41)(a),(b),(d)	Discontinued operations or assets held for sale where the criteria as held for sale were met after the end of the reporting period	Provide a description of the non-current asset or disposal group, the facts and circumstances and expected timing of the sale or disposal and the reportable segment in which the asset(s) are presented (where applicable).

Other information

This section provides information regarding the following

(All amounts in INR lakhs, unless otherwise stated)

Note 39: Share-based payments

(a) Employee option plan

102(44),(45)(a) The establishment of the Value Ind AS Limited Employee Option Plan was approved by shareholders at the 2015 annual general meeting. The Employee Option Plan is designed to provide incentives to employees above the designation of managers to deliver long-term returns. Under the plan, participants are granted options which vest upon completion of two years of service from the grant date. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Once vested, the options remain exercisable for a period of two years.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is based on the weighted average exercise price at which the company's shares are traded on the stock exchange during the week up to and including the date of the grant.

Set out below is a summary of options granted under the plan:

102(45)(b)(i),(ii),(iii),(iv),(vii)

	31 March 2019		31 March 2018	
	Average exercise price per share option (INR)	Number of options	Average exercise price per share option (INR)	Number of options
Opening balance	42	40,960,557	40	28,392,857
Granted during the year	44	20,150,000	43	19,000,000
Exercised during the year *	42	(13,000,000)	40	(6,000,000)
Forfeited during the year	40	(745,321)	42	(432,300)
Closing balance		**47,365,236**		**40,960,557**
Vested and exercisable		21,960,557		12,776,786

102(45)(c) * The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2019 was INR 48 (31 March 2018 – INR 46).

102(45)(b)(v) No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

102(45)(b)(vi),(d)

Grant Date	Expiry date	Exercise price (INR)	Share options 31 March 2019	Share options 31 March 2018
1 November 2015	31 October 2019	39	311,484	6,344,486
1 November 2016	31 October 2020	41	7,903,752	15,616,071
1 November 2017	31 October 2021	43	19,000,000	19,000,000
1 November 2018	31 October 2022	44	20,150,000	-
Total			**47,365,236**	**40,960,557**
Weighted average remaining contractual life of options outstanding at end of period			2.9 years	2.8 years

(i) Fair value of options granted

102(46),(47)(a)(i) The fair value at grant date of options granted during the year ended 31 March 2019 was INR 5.75 per option (31 March 2018 – INR 5.21). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

102(47)(a)(i) The model inputs for options granted during the year ended 31 March 2019 included:

a) options are granted for no consideration and vest upon completion of service for a period of two years. Vested options are exercisable for a period of two years after vesting.

b) exercise price: INR 44 (31 March 2018 – 43)

c) grant date: 1 November 2018 (31 March 2018 – 1 November 2017)

d) expiry date: 31 October 2022 (31 March 2018 – 31 October 2021)

e) share price at grant date: 47 (31 March 2018 – 46)

f) expected price volatility of the company's shares: 35% (31 March 2018 – 33%)

g) expected dividend yield: 2.2% (31 March 2018 – 2.1%)

h) risk-free interest rate: 7% (31 March 2018– 7%)

102(47)(a)(ii) The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(All amounts in INR lakhs, unless otherwise stated)

(b) Share appreciation rights

102(44),(45)(a) In July 2018, the remuneration committee decided to reward divisional managers for their contribution to the performance of the group by granting them 5,090,000 share appreciation rights (SARs). The rights entitle the employees to a cash payment after three years of service. The amount payable will be determined based on the increase of Value Ind AS Limited's share price between the grant date (4 July 2018) and the share price on vesting date (3 July 2021).

102(46) The fair value of the SARs was determined using the Black-Scholes model using the following inputs at the grant date and as at 31 March 2019:

		31 March 2019	31 March 2018
	Share price at measurement date (INR per share)	46	-
	Expected volatility (%)	35	-
	Dividend yield (%)	2.2	-
	Risk-free interest rate (%)	7	-
102(51)(b)(i)	Carrying amount of liability – included in employee benefit obligations (note 15) (INR)	246	-

102(51)(b)(ii) There were no SARs granted in prior years and none of the SARs had vested as at 31 March 2019.

(c) Expense arising from share-based payment transactions

102(50),(51)(a) Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

	31 March 2019	31 March 2018
Employee option plan	1,240	855
Share appreciation rights	246	-
Total employee share-based payment expense	**1,486**	**855**

Commentary - Share-based payments

Share award disclosures

1. The detailed disclosures in paragraph 45 of Ind AS 102 are only required for share options. However, some share awards (such as the deferred shares) are equivalent to share options with a zero exercise price. It may therefore be appropriate to provide similar disclosures to the extent they are applicable to the share awards.

Disclosures not illustrated: not applicable to Value Ind AS Limited

Fair value of goods or services received, or of equity instruments granted

2. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosures or references
102(47)(b)	Fair value of equity instruments was not measured on basis of an observable market price	Explain how the fair value was determined.
102(47)(c)	Modification of share-based payment arrangements	Explain the modifications, disclose the incremental fair value granted and how this was measured (see below).
102(49)	Rebuttal of the presumption that the fair value of goods or services received from parties other than employees can be measured reliably	Disclose that fact and explain why the presumption was rebutted.
102(52)	The information disclosed does not satisfy the principles in Ind AS 102 paragraphs 44, 46 and 50	Provide additional information as necessary.

3. The following illustrative disclosure may be useful where relevant to an entity:

Modification of share-based payment arrangements

102(47)(c) In May 2018, Value Ind AS Limited reduced the exercise price of stock options to INR 30 to reflect the recent fall in the company's share price. The incremental fair value being the difference between the fair value of the modified equity instrument and that of the original equity instrument estimated at the date of modification amounted to INR 180. This amount together with the original grant date fair value of the options will be recognised as an expense over the remaining vesting period. The fair value of the modified options was determined using the same models and principles as described above, with the following model inputs [provide details].

(All amounts in INR lakhs, unless otherwise stated)

Note 40: Earnings per share

		31 March 2019	31 March 2018
	(a) Basic earnings per share	**INR**	**INR**
	From continuing operations attributable to the equity holders of the company	15.07	22.88
33(68)	From discontinued operation	0.33	1.17
	Total basic earnings per share attributable to the equity holders of the company	15.40	24.05
	(b) Diluted earnings per share		
	From continuing operations attributable to the equity holders of the company	14.26	22.19
33(68)	From discontinued operation	0.31	1.13
	Total diluted earnings per share attributable to the equity holders of the company	14.57	23.32

(c) Reconciliations of earnings used in calculating earnings per share

		31 March 2019	31 March 2018
33(70)(a)	*Basic earnings per share*		
	Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
	From continuing operations	27,552	28,711
	From discontinued operation	613	1,471
		28,165	**30,182**
33(70)(a)	*Diluted earnings per share*		
	Profit from continuing operations attributable to the equity holders of the company:		
	Used in calculating basic earnings per share	27,552	28,711
33(70)(a)	Add: interest savings on convertible bonds	208	-
	Used in calculating diluted earnings per share	27,760	28,711
	Profit from discontinued operation	613	1,471
	Profit attributable to the equity holders of the company used in calculating diluted earnings per share	**28,373**	**30,182**

(d) Weighted average number of shares used as the denominator

		31 March 2019 Number of shares	31 March 2018 Number of shares
33(70)(b)	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	182,833,333	125,500,000
33(70)(b)	Adjustments for calculation of diluted earnings per share:		
	Options	4,869,367	3,901,995
	Convertible bonds	7,000,000	-
33(70)(b)	**Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share**	**194,702,700**	**129,401,995**

(All amounts in INR lakhs, unless otherwise stated)

(e) Information concerning the classification of securities

(i) Options

33(72) Options granted to employees under the Value Ind AS Limited Employee Option Plan are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 39.

(ii) Convertible bonds

33(72) Convertible bonds issued during the year are considered to be potential equity shares and have been included in the determination of diluted earnings per share from their date of issue. The bonds have not been included in the determination of basic earnings per share. Details relating to the notes are set out in note 13(a).

Commentary - Earnings per share

33(12)

1. Where any item of income or expense which is otherwise required to be recognised in profit or loss in accordance with Indian Accounting Standards is debited or credited to securities premium account/other reserves, the amount in respect thereof shall be deducted from profit or loss from continuing operations for the purpose of calculating basic earnings per share.

Disclosures not illustrated: not applicable to Value Ind AS Limited

2. The following requirements are not illustrated in this publication as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosures or references
33(70)(c)	Antidilutive instruments	Disclose instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period(s) presented.
33(70)(d)	Share transactions after the end of the reporting period	Provide a description of material share transactions that occurred after the end of the reporting period and that were not retrospectively adjusted in the calculation of EPS.
33(73)	EPS based on alternative earnings	Indicate the basis on which the alternative earnings are determined, including whether the amounts are before or after tax. Provide a reconciliation between the earnings used and a line item that is reported in the statement of profit and loss, where necessary.
1(112)(c)	Major capital restructuring	Consider providing appropriate explanations in the notes where the restructuring had a significant impact on the EPS information that was calculated in accordance with the requirements of Ind AS 33.
33(64)	The number of ordinary or potential ordinary shares changes as a result of a capitalisation, bonus issue, share split or reverse share split	Retrospectively adjust the calculation of basic and diluted EPS for all periods presented and explain the changes made. This applies regardless of whether the change occurred during the reporting period or after the end of the period before the financial statements are authorised for issue.
	Rights issue with bonus element	Retrospectively adjust the calculation of basic and diluted EPS for all periods presented.

(All amounts in INR lakhs, unless otherwise stated)

Note 41: Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 March 2019 and 31 March 2018. The column 'net amount' shows the impact on the group's balance sheet if all set-off rights were exercised.

107(13C)

	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
31 March 2019						
Financial assets						
Cash and cash equivalents	25,031	-	25,031	-	(320)	24,711
Other financial assets (i)	1,900	(1,500)	400	-	-	400
Derivative financial instruments	3,643	-	3,643	(340)	-	3,303
Total	**30,574**	**(1,500)**	**29,074**	**(340)**	**(320)**	**28,414**
Financial liabilities						
Borrowings (i)	45,762	(1,500)	44,262	-	(1,840)	42,422
Derivative financial instruments	614	-	614	(340)	-	274
Total	**46,376**	**(1,500)**	**44,876**	**(340)**	**(1,840)**	**42,696**
31 March 2018						
Financial assets						
Cash and cash equivalents	7,035	-	7,035	-	(420)	6,615
Other financial assets (i)	1,500	(1,500)	-	-	-	-
Derivative financial instruments	2,718	-	2,718	(432)	-	2,286
Total	**11,253**	**(1,500)**	**9,753**	**(432)**	**(420)**	**8,901**
Financial liabilities						
Borrowings (i)	39,750	(1,500)	38,250	-	(2,203)	36,047
Derivative financial instruments	908	-	908	(432)	-	476
Total	**40,658**	**(1,500)**	**39,158**	**(432)**	**(2,203)**	**36,523**

(a) Offsetting arrangements

(i) Borrowings

107(13B) The group is required to maintain cash on deposit of INR 1,500 in respect of certain borrowings. The cash cannot be withdrawn or used by the group for liquidity purposes whilst the borrowing is outstanding. Upon maturity of the borrowing, the group and the lender intend to net settle. As a result, Value Ind AS Limited's borrowings have been presented net of the cash on deposit, as the requirements under Ind AS to offset have been met.

(b) Master netting arrangements – not currently enforceable

107(13E), (B50) Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/ receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet, but have been presented separately in the table above.

(c) Collateral against borrowings

107(13C) The group has pledged financial instruments as collateral against a number of its borrowings. Refer to note 42 for further information on financial and non-financial collateral pledged as security against borrowings.

Commentary - Offsetting financial assets and financial liabilities

Scope

1. Because of the broad scope of the offsetting requirements, the disclosures are relevant not only to financial institutions but also corporate entities.

107(13A),(B40)
32(50)

2. The offsetting disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreements, irrespective of whether they are set off in accordance with paragraph 42 of Ind AS 32. While there is no definition of "master netting arrangement", a master netting arrangement will commonly:
   (a) provide for a single net settlement of all financial instruments covered by the agreement in the event of default on, or termination of, any one contract;
   (b) be used by financial institutions to provide protection against loss in the event of bankruptcy or other circumstances that result in a counterparty being unable to meet its obligations; and
   (c) create a right of set-off that becomes enforceable and affects the realisation or settlement of individual financial assets and financial liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business.

107(B41)

3. The offsetting disclosures do not apply to arrangements, such as:
   (a) financial instruments with only non-financial collateral agreements
   (b) financial instruments with financial collateral agreements but no other rights of set-off, and
   (c) loans and customer deposits with the same financial institution, unless they are set off in the balance sheet

Location of disclosures

107(13F)

4. Where the disclosures are provided in more than one note to the financial statements, cross references between the notes shall be included. Entities with significant offsetting arrangements should consider including this information more prominently, for example together with the information about financial risk management or as part of their financial assets/financial liabilities disclosures.

Master netting without offsetting

107(36)(b)

5. An entity may have entered into one or more master netting arrangements that serve to mitigate its exposure to credit loss but do not meet the criteria for offsetting. When a master netting arrangement significantly reduces the credit risk associated with financial assets not offset against financial liabilities with the same counterparty, the entity must provide additional information concerning the effect of the arrangement.

Collateral arrangements

107(13C)(d),(B41)

6. Where an entity has pledged financial instruments (including cash) as collateral, this is only required to be disclosed as part of the offsetting disclosures where there are other set off arrangements currently in place in relation to the same instrument(s). That is, disclosure is not required where the only potential effect of the set off relates to a collateral agreement. Value Ind AS Limited illustrates an example where cash has been set off against borrowings held by the entity. As a result, it is required to disclose other financial instrument collateral provided in relation to this borrowing.

Cash pooling arrangements

32(42)

7. Some groups may have entered into forms of cash pooling arrangements where the cash may be swept into a single account. These arrangements can take a variety of forms. In some cases these sweeping arrangements are notional and the cash is not actually swept into a single account, however interest is earned on the net position as if they had been swept. In these cases, offsetting would not be appropriate as there is no actual sweeping taking place and no intention to offset the cash positions.

(All amounts in INR lakhs, unless otherwise stated)

Note 42: Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

		Notes	31 March 2019	31 March 2018
	Current			
	Financial assets			
	First charge			
	Transferred receivables	6(b)	850	953
	Floating charge			
107(14)(a)	Cash and cash equivalents	6(d)	320	420
107(14)(a)	Receivables	6(b)	670	830
			1,840	**2,203**
	Non-financial assets			
	First charge			
2(36)(h)	Inventories	9	2,345	2,120
	Total current assets pledged as security		**4,185**	**4,323**
	Non-current			
	First charge			
16(74)(a)	Freehold land	3	4,300	4,300
16(74)(a)	Freehold buildings	3	24,340	24,340
16(74)(a)	Furniture, fittings and equipment acquired under finance lease	3	1,255	1,305
	Total non-currents assets pledged as security		**29,895**	**29,945**
	Total assets pledged as security		**34,080**	**34,268**

(All amounts in INR lakhs, unless otherwise stated)

Note 43: Changes in accounting policies

8(28) This note explains the impact of the adoption of Ind AS 115 *Revenue from Contracts with Customers* on the group's financial statements.

Impact on the financial statements

The group has adopted Ind AS 115 *Revenue from Contracts with Customers* from 1 April 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in Ind AS 115, the group has adopted the new rules retrospectively and has restated comparatives for the financial year ended 31 March 2018.

8(28)(b),(f),(g) As a result of the changes in the entity's accounting policies, comparative information for prior periods had to be restated. The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail below.

Balance sheet (extract)	31 March 2018 As originally presented	Increase/ (decrease)	1 April 2018 Restated	31 March 2017 As originally presented	Increase/ (decrease)	1 April 2017 Restated
Non-current assets						
Deferred tax assets	2,736	38	2,774	2,029	25	2,054
Other non-current assets	10,315	250	10,565	7,466	-	7,466
Total non-current assets	**173,385**	**288**	**173,673**	**157,474**	**25**	**157,499**
Current assets						
Other financial assets	4,690	(2,597)	2,093	2,949	(1,897)	1,052
Contract assets	-	2,597	2,597	-	1,897	1,897
Other current assets	343	200	543	216	150	366
Total current assets	**129,637**	**200**	**129,837**	**105,427**	**150**	**105,577**
Total assets	**303,022**	**488**	**303,510**	**262,901**	**175**	**263,076**
Non-current liabilities						
Deferred tax liabilities	9,729	135	9,864	7,731	45	7,776
Total non-current liabilities	**51,554**	**135**	**51,689**	**50,905**	**45**	**50,950**
Current liabilities						
Contract liabilities	-	866	866	-	810	810
Provisions	678	(235)	443	335	(205)	130
Other current liabilities	3,713	(505)	3,208	4,015	(520)	3,495
Total current liabilities	**58,836**	**126**	**58,962**	**54,619**	**85**	**54,704**
Total liabilities	**110,390**	**261**	**110,651**	**105,524**	**130**	**105,654**
Net assets	**192,632**	**227**	**192,859**	**157,377**	**45**	**157,422**
Retained earnings	117,574	227	117,801	88,508	45	88,553
Total equity	192,632	227	192,859	157,377	45	157,422

(All amounts in INR lakhs, unless otherwise stated)

Statement of profit and loss (extract) year ended 31 March 2018	As originally presented	Increase/ (decrease)	Restated
Revenue from operations	201,098	9	201,107
Total income	205,745	9	205,754
Expenses			
Other expenses	9,051	(250)	8,801
Total expenses	162,263	(250)	162,013
Profit before tax from continuing operations	43,965	259	44,224
Income tax expense	(13,180)	(77)	(13,257)
Profit from continuing operations	30,785	182	30,967
Profit from discontinued operations	1,471	-	1,471
Profit for the year	32,256	182	32,438
Total comprehensive income for the year	33,351	182	33,533
Profit is attributable to:			
Owners of Value Ind AS Limited	30,000	182	30,182
Non-controlling interests	2,256	-	2,256
Total comprehensive income is attributable to:			
Owners of Value Ind AS Limited	31,212	182	31,394
Non-controlling interests	2,139	-	2,139
Earnings per equity share for profit from continuing and discontinued operation attributable to owners of Value Ind AS Limited			
Basic earnings per share	23.90	0.15	24.05
Diluted earnings per share	23.18	0.14	23.32

8(28)(a)-(d),(f),(g) In summary, the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 April 2018) and the beginning of the earliest period presented (1 April 2017):

		Ind AS 18 carrying amount	Reclassi-fication	Remeasure -ments	Ind AS 115 carrying amount
		31 March 2018			1 April 2018
Other financial assets	(iv)	4,690	(2,597)	-	2,093
Contract assets	(iv)	-	2,597	-	2,597
Other current assets	(i)	343	200	-	543
Other non-current assets	(iii)	10,315	-	250	10,565
Contract liabilities	(ii), (iv)	-	866	-	866
Other current liabilities	(ii),(iv)	3,713	(431)	(74)	3,208
Provisions	(i), (iv)	678	(235)	-	443
Deferred tax assets	(i),(ii)	2,736	-	38	2,774
Deferred tax liabilities	(i),(iii)	9,729	-	135	9,864

(All amounts in INR lakhs, unless otherwise stated)

		Ind AS 18 carrying amount 31 March 2017	Reclassi-fication	Remeasure-ments	Ind AS 115 carrying amount 1 April 2017
Other financial assets	(iv)	2,949	(1,897)	-	1,052
Contract assets	(iv)	-	1,897	-	1,897
Other current assets	(i)	216	150		366
Contract liabilities	(ii), (iv)	-	810		810
Other current liabilities	(ii),(iv)	4,015	(455)	(65)	3,495
Provisions	(i), (iv)	335	(205)		130
Deferred tax assets	(i),(ii)	2,029		25	2,054
Deferred tax liabilities	(i)	7,731		45	7,776

8(28)(f)(i) The impact on the group's retained earnings as at 1 April 2018 and 1 April 2017 is as follows:

	Notes	1 April 2018	1 April 2017
Retained earnings		117,574	88,508
Recognition of asset for costs to fulfil a contract	(iii)	250	-
Restatement of contract liability for customer loyalty programme	(ii)	74	65
Increase in deferred tax assets	(i),(ii)	38	25
Increase in deferred tax liabilities	(i),(iii)	(135)	(45)
Adjustment to retained earnings from adoption of Ind AS 115		227	45
Retained earnings		117,801	88,553

(i) Accounting for refunds

When the customer has a right to return the product within a given period, the entity is obliged to refund the purchase price. The group previously recognised a provision for returns which was measured on a net basis at the margin on the sale (INR 110 at 31 March 2018 and INR 100 at 1 April 2017). Revenue was adjusted for the expected value of the returns and cost of sales were adjusted for the value of the corresponding goods expected to be returned.

Under Ind AS 115, a refund liability for the expected refunds to customers is recognised as adjustment to revenue in other current liabilities (INR 310 at 31 March 2018 and INR 250 as at 1 April 2017). At the same time, the group has a right to recover the product from the customer where the customer exercises his right of return and recognises an asset and a corresponding adjustment to changes in inventories of finished goods (INR 200 at 31 March 2018 and INR 150 at 1 April 2017). The asset is measured by reference to the former carrying amount of the product. The costs to recover the products are not material because the customer usually returns the product in a saleable condition at the store.

To reflect this change in policy, the group has reclassified INR 110 from provisions and recognised other current liabilities of INR 310 and other current assets of INR 200 at 31 March 2018 (INR 100 reclassified from provisions, with INR 250 recognised in other current liabilities and INR 150 in other current assets on 1 April 2017). Deferred tax liabilities and deferred tax assets increased each by INR 60 on 31 March 2018 and INR 45 on 1 April 2017.

(ii) Accounting for customer loyalty programme

In previous reporting periods, the consideration received from the sale of goods was allocated to the points and the goods sold using the residual method. Under this method, a part of the consideration representing the fair value of the points was allocated to the points. The residual part of the consideration was allocated to the goods sold.

Under Ind AS 115, the total consideration must be allocated to the points and goods based on the relative stand-alone selling prices. Using this new method, the amounts allocated to the goods sold are, on average, higher than the amounts allocated under the residual value method. As a consequence, the contract liability recognised in relation to the customer loyalty programme amounting to INR 476 at 31 March 2018 (INR 410: 1 April 2017) was INR 74 (INR 65: 1 April 2017) lower than the amount recognised in other current liabilities under the previous policy, with a corresponding reduction of deferred tax assets by INR 22 (INR 20: 1 April 2017) and a net adjustment to retained earnings of INR 52 (INR 45: 1 April 2017). Revenue for year ended 31 March 2018 increased by INR 9, tax expense increased by INR 2 and profit before tax increased by INR 7.

(iii) Accounting for costs to fulfil a contract

In 2017-18, costs amounting to INR 250 related to data transfer for the set-up of an IT platform relating to a long term IT contract were expensed as incurred. However, the costs relate directly to the contract, generate resources used in satisfying the contract and are expected to be recovered. They were therefore capitalised as costs to fulfil a contract following the adoption of Ind AS 115 and included in other non-current assets in the balance sheet at 31 March 2018. A deferred tax liability of INR 75 was recognised, resulting in net adjustment to retained earnings of INR 175. The asset is amortised on a straight line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

(iv) Presentation of assets and liabilities related to contracts with customers [9]

(All amounts in INR lakhs, unless otherwise stated)

The Group has also voluntarily changed the presentation of certain amounts in the balance sheet to reflect the terminology of Ind AS 115:

- Contract assets recognised in relation to IT consulting contracts were previously presented as part of other financial assets (INR 2,597 as at 31 March 2018; INR 1,897 as at 1 April 2017). Contract assets are in the nature of unbilled receivables which arises when entity satisfies a performance obligation but does not have an unconditional right to consideration, for e.g., because it first needs to perform future service which is necessary to achieve the billing milestone.
- Contract liabilities in relation to IT consulting contracts were previously included in other current liabilities (INR 390 as at 31 March 2018; INR 400 as at 1 April 2017). Contract liabilities represent deferred revenue arising from IT consulting contracts.
- Contract liabilities in relation to the customer loyalty programme were previously included in other current liabilities – deferred revenue, see (ii) above.
- Liabilities relating to expected volume discounts and refund liabilities for the expected returns were previously presented as current provisions are now included in other current liabilities as refund liabilities (INR 125 and INR 110 respectively as at 31 March 2018; INR 105 and INR 100 respectively as at 1 April 2017).

Commentary - Changes in accounting policies

1. The disclosures in this publication show how a corporate group may be affected by the adoption of Ind AS 115 *Revenue from Contracts with Customers*. The amendments to other standards and their impact are summarised in Appendix D. We have assumed that these amendments did not have any significant impact on the group's accounting policies. However, this assumption will not necessarily apply to all entities. Where there has been a change in policy which has a material impact on the amounts reported in the entity's financial statements, this will need to be explained.
2. In compiling the illustrative disclosures in this publication, we have made a number of assumptions in relation to the adoption of Ind AS 115 which are explained below.

Materiality

1(82)(a),(ba)

3. The disclosures are compiled for an entity that derives its revenue primarily from the sale of products and provision of services rather than the holding of, or trading in, financial instruments. We have therefore assumed that certain disclosures are not material to the entity. For example, interest revenue is not separately disclosed on the face of the statement of profit and loss.

Assumptions made in adoption Ind AS 115

Transition options for Ind AS 115

115(C3), (C5)

4. Value Ind AS Limited has chosen a full retrospective application of Ind AS 115 in accordance with paragraph C3(a) without using the practical expedients for completed contracts in paragraphs C5(a) and (b) and contract modifications in paragraph C5(c).

115(C5)

5. An entity that elects to apply the standard using the full retrospective method can apply certain practical expedients:
   (a) An entity need not restate contracts that begin and end within the same annual reporting period and/or were completed at the beginning of the earliest period presented.
   (b) For completed contracts that have variable consideration, an entity can use hindsight and use the transaction price at the date the contract was completed.
   (c) The effect of contract modifications that occurred before the beginning of the earliest period presented may be reflected in aggregate rather than being determined individually for each modification.
   (d) For all reporting periods presented before the date of initial application (1 April 2018 for Value Ind AS Limited), an entity is not required to disclose the amount of transaction price allocated to the remaining performance obligations and an explanation of when the entity expect to recognise that amount as revenue.

115(C7), (C7A)

6. Where the entity has chosen the modified retrospective transition method, it may elect to apply Ind AS 115 retrospectively only to contracts that are not completed at the date of initial application (1 April 2018 for Value Ind AS Limited). It may apply the practical expedient for contract modifications either to all modifications that occurred before the beginning of the earliest period presented (1 April 2017) or before the date of initial application (1 April 2018). Appendix A illustrates the disclosure and presentation requirements of modified retrospective transition method.

Other assumptions

7. The group does not incur material costs to obtain contracts with customers such as sales commissions.
8. The group does not provide any ancillary services to the tenants of the investment properties. The lease payments therefore relate entirely to rental and are recognised as lease income. It was not necessary to separate the considerations between lease and non-lease components on the adoption of Ind AS 115.

Presentation and description of contract assets and contract liabilities

115(109)

9. Ind AS 115 requires the presentation of any unconditional rights to consideration as a receivable separately from contract assets. Value Ind AS Limited has therefore reclassified its contract assets and contact liabilities upon adoption of Ind AS 115 and presented them as a separate line items in the balance sheet.

Commentary - Changes in accounting policies

Impact of change on the current period

8(28)(f) 10. Ind AS 8 specifically requires disclosure of the effect of a change in accounting policy not only on prior periods but also on the current period, unless it is impracticable to determine the amount of the adjustment. To make this disclosure, entities will need to apply both the old accounting policy and the new policies parallel in the year of adoption. The standard includes a definition of impracticable and a set of criteria that must be satisfied for the exemption to be applied, setting quite a high hurdle for using this exemption.

115(C4) 11. Entities that have adopted Ind AS 115 using the full retrospective method need not to disclose the effect of change in accounting policy (arising on adoption of Ind AS 115) on the current period.
Further, see paragraph 14 below for disclosures required where entities have adopted Ind AS 115 using the modified retrospective transition method.

Additional comparative information – third balance sheet

1(40A),(40C) 12. If an entity has applied an accounting policy retrospectively, restated items retrospectively or reclassified items in its financial statements and this had a material effect on the information in the balance sheet at the beginning of the preceding period, the entity must present a third balance sheet as at that date (1 April 2017 for entities with a 31 March 2019 year-end). However, it is not necessary to include the additional comparative information in the affected notes, provided the entity has disclosed all of the quantitative information that is required by Ind AS 8.

Disclosures not illustrated: not applicable to Value Ind AS Limited

13. The following requirements of Ind AS 115 are not illustrated as they are not applicable to Value Ind AS Limited:

	Issue not illustrated	Relevant disclosures or reference
115(C6)	Full retrospective method: practical expedients used (see paragraph 5 above)	Disclose which expedients have been used and, to the extent reasonably possible, provide a qualitative assessment of the estimated effect of applying each expedient. Value Ind AS Limited has only used the practical expedient of Ind AS 115(C5)(d), see illustrative disclosure in note 20.
115(C8), (C6),(C7A)	Modified retrospective transition method	Disclose the amount by which each financial statement line item is affected by the adoption of the new rules in the current period and explain the reasons for any significant changes. Also disclose if the entity has applied the practical expedient for contract modifications described in paragraph 6 above and provide a qualitative assessment of the estimated effect of applying the expedient. Appendix A illustrates the disclosure and presentation requirements of modified retrospective transition method.

(All amounts in INR lakhs, unless otherwise stated)

Note 44: Additional information required by Schedule III

Sch III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Value Ind AS Limited (refer note 1)								
31 March 2019	59.0%	149,961	62.0%	20,362	22.1%	344	60.3%	20,705
31 March 2018	60.5%	116,734	76.4%	24,792	85.4%	936	76.8%	25,728
Subsidiaries (group's share)								
Indian								
Value Ind AS Retail Limited								
31 March 2019	3.0%	9,374	(9.2%)	(3,037)	-	-	(8.8%)	(3,037)
31 March 2018	3.2%	6,171	(7.1%)	(2,321)	-	-	(6.9%)	(2,321)
Ambrosia Furniture Limited								
31 March 2019	1.5%	4,269	3.8%	1,269	2.2%	35	3.7%	1,304
31 March 2018	-	-	-	-	-	-	-	-
Handy Electronics Limited								
31 March 2019	3.6%	12,943	6.4%	2,100	5.8%	91	6.4%	2,191
31 March 2018	-	-	-	-	-	-	-	-
Value Ind AS Manufacturing Limited								
31 March 2019	7.0%	18,749	3.8%	1,247	34.0%	529	5.2%	1,777
31 March 2018	5.0%	9,643	5.2%	1,687	46.0%	504	6.6%	2,191
Foreign								
Value Ind AS Overseas Limited								
31 March 2019	6.0%	16,099	8.2%	2,714	5.8%	90	8.2%	2,804
31 March 2018	6.8%	13,295	5.6%	1,846	(8.7%)	(96)	5.3%	1,750
Value Ind AS Consulting Inc.								
31 March 2019	3.5%	12,053	4.0%	1,313	8.3%	130	4.3%	1,442
31 March 2018	4.0%	7,714	5.7%	1,849	(20.8%)	(228)	4.9%	1,621
Value Ind AS Services SA								
31 March 2019	4.0%	10,713	5.0%	1,639	1.4%	22	4.8%	1,661
31 March 2018	3.0%	5,785	4.3%	1,395	4.0%	44	4.2%	1,439

(All amounts in INR lakhs, unless otherwise stated)

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Value Ind AS Engineering Gmbh								
31 March 2019	-	-	2.2%	613	4.1%	65	1.9%	678
31 March 2018	5.3%	10,320	4.9%	1,471	(2.7%)	(30)	4.3%	1,441
Value Ind AS IT Solutions Inc.								
31 March 2019	2.3%	6,160	(2.0%)	(672)	-	-	(1.9%)	(672)
31 March 2018	2.8%	4,821	(3.1%)	(1,020)	-	-	(3.0%)	(1,020)
Non-controlling interests in all subsidiaries								
31 March 2019	9.2%	24,742	14.1%	4,658	10.0%	157	14.0%	4,815
31 March 2018	8.4%	16,248	6.9%	2,256	(10.7%)	(117)	6.3%	2,139
Associates (Investment as per equity method)								
Indian								
SR India Private Limited								
31 March 2019	0.2%	696	0.3%	113	-	-	0.3%	113
31 March 2018	0.3%	584	0.3%	102	-	-	0.3%	102
AB Electronics Limited								
31 March 2019	0.1%	162	0.1%	35	-	-	0.1%	35
31 March 2018	0.1%	127	0.1%	21	-	-	0.1%	21
Teakwood Limited								
31 March 2019	0.1%	378	0.2%	80	-	-	0.2%	80
31 March 2018	0.1%	298	0.1%	49	-	-	0.1%	49
Foreign								
AB PTE SA								
31 March 2019	0.3%	801	0.5%	167	3.5%	48	0.6%	215
31 March 2018	0.3%	611	0.4%	151	4.2%	46	0.5%	197
Joint ventures (Investment as per equity method)								
Indian								
SB India Limited								
31 March 2019	0.2%	739	0.6%	222	2.8%	43	0.7%	265
31 March 2018	0.2%	508	0.4%	160	3.3%	36	0.5%	196
Total								
31 March 2019	**100.0%**	**267,839**	**100.0%**	**32,823**	**100.0%**	**1,554**	**100.0%**	**34,377**
31 March 2018	**100.0%**	**192,859**	**100.0%**	**32,438**	**100.0%**	**1,095**	**100.0%**	**33,533**

Note 1: Includes the group's share in the net assets and results of Fernwood venture classified as a joint operation.

Appendices

This section provides information regarding the following

(All amounts in INR lakhs, unless otherwise stated)

Appendix A: Alternative method of adopting Ind AS 115

This Appendix illustrates the key changes to the group's consolidated financial statements had the group elected to adopt Ind AS 115 using the modified retrospective method. An entity has an option to adopt Ind AS 115 using either the full retrospective method or the modified retrospective method. An entity that elects the modified retrospective method would apply Ind AS 115 retrospectively to only the current period by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application (i.e. 1 April 2018 in the case of the group). Under the modified retrospective method, the comparative information in the financial statements would not be restated and would be presented based on the requirements of the previous standards (e.g. Ind AS 18/Ind AS 11).

1(10)(a),(54)

Consolidated balance sheet

1(113),(51),(c),(e)		Notes	31 March 2019	31 March 2018
	ASSETS			
1(60),(66)	**Non-current assets**			
1(54)(a)	Property, plant and equipment		137,048	97,023
Sch III	Capital work-in-progress		17,450	3,100
1(54)(b)	Investment properties		7,419	7,179
Sch III	Goodwill		8,670	4,530
1(54)(c)	Other intangible assets		12,033	10,895
Sch III	Intangible assets under development*		-	-
Sch III	Biological assets other than bearer plants*		-	-
1(54)(e)	Investments accounted for using the equity method		2,776	2,128
1(54)(d)	Financial assets			
Sch III	i. Investments		38,165	32,253
Sch III	ii. Loans		3,084	2,601
Sch III	iii. Other financial assets		1,187	625
1(54)(o),(56)	Deferred tax assets		4,598	2,736
Sch III	Other non-current assets		21,586	10,315
	Total non-current assets		**254,016**	**173,385**
1(60),(66)	**Current assets**			
1(54)(g)	Inventories		66,392	58,465
1(54)(d)	Financial assets			
Sch III	i. Investments		10,695	9,170
1(54)(h)	ii. Trade receivables		30,712	30,078
1(54)(i)	iii. Cash and cash equivalents		25,031	7,035
Sch III	iv. Bank balances other than (iii) above*		-	-
Sch III	v. Loans		623	546
Sch III	vi. Other financial assets		2,856	4,690
115(105)	Contract assets		1,486	-
1(55),Sch III	Other current assets		459	343
			138,254	**110,327**
1(54)(j) 105(38)	Assets classified as held for sale		210	19,310
	Total current assets		**138,464**	**129,637**
	Total assets		**392,480**	**303,022**

(All amounts in INR lakhs, unless otherwise stated)

Consolidated balance sheet

		Notes	31 March 2019	31 March 2018
	EQUITY AND LIABILITIES			
	Equity			
1(54)(r)	Equity share capital		22,400	12,600
Sch III	**Other equity**			
1(54)(r),(55)	Equity component of compound financial instruments		372	-
1(54)(r),(55)	Reserves and surplus		216,092	160,569
1(54)(r),(55)	Other reserves		4,233	3,215
1(54)(r)	**Equity attributable to owners of Value Ind AS Limited**		**243,097**	**176,384**
1(54)(q)	Non-controlling interests		24,742	16,248
	Total equity		**267,839**	**192,632**
	LIABILITIES			
1(60),(69)	**Non-current liabilities**			
1(54)(m)	Financial Liabilities			
Sch III	i. Borrowings		41,455	35,565
Sch III	ii. Other financial liabilities		1,670	199
1(54)(l)	Provisions		241	91
1(55)	Employee benefit obligations		5,416	3,420
1(54)(o),(56)	Deferred tax liabilities		12,085	9,729
1(55)	Government grants		2,352	2,550
Sch III	Other non-current liabilities*		-	-
	Total non-current liabilities		**63,219**	**51,554**
1(60),(69)	**Current liabilities**			
1(54)(m)	Financial liabilities			
Sch III	i. Borrowings		2,807	2,685
1(54)(k)	ii. Trade payables			
	(a) total outstanding dues of micro and small enterprises		1,011	1,977
	(b) total outstanding dues other than (ii) (a) above		37,000	27,000
Sch III	iii. Other financial liabilities		8,909	8,837
115(105)	Contract liabilities		833	-
1(54)(l)	Provisions		1,412	678
1(55)	Employee benefit obligations		2,300	2,034
1(55)	Government grants		938	1,017
1(54)(n)	Current tax liabilities		2,803	1,905
Sch III	Other current liabilities		3,409	3,713
			61,422	**49,846**
1(54)(p) 105(38)	Liabilities directly associated with assets classified as held for sale		-	8,990
	Total current liabilities		**61,422**	**58,836**
	Total liabilities		**124,641**	**110,390**
	Total equity and liabilities		**392,480**	**303,022**

*Schedule III requires these items to be presented on the face of the balance sheet. They have been included for illustrative purposes though they are not applicable to Value Ind AS Limited.

(All amounts in INR lakhs, unless otherwise stated)

1(10)(b),(10A)

Consolidated statement of profit and loss

1(113),(51)(c),(e)		Notes	Year ended 31 March 2019	Year ended 31 March 2018
	Continuing operations			
1(82)(a),Sch III	Revenue from operations		221,783	201,098
1(102)	Other income		4,430	3,444
1(85)	Other gains/(losses) – net		1,233	1,203
	Total income		**227,446**	**205,745**
	Expenses			
1(102)	Cost of materials consumed		78,382	76,039
Sch III	Purchases of stock-in-trade		62,763	45,632
1(102), Sch III	Changes in inventories of work-in-progress, stock-in-trade and finished goods		(7,038)	(2,428)
1(85)	Excise duty		-	3,174
1(102)	Employee benefit expense		20,237	17,786
1(102)	Depreciation and amortisation expense		10,820	9,761
1(85)	Impairment of goodwill and other non-current assets		2,100	-
1(82)(ba)	Net impairment losses on financial and contract assets		443	454
1(102)	Other expenses		9,591	9,051
1(82)(b)	Finance costs		3,203	2,794
Sch III	**Total expenses**		**180,501**	**162,263**
	Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		**46,945**	**43,482**
1(82)(c)	Share of net profit of associates and joint ventures accounted for using the equity method		616	483
	Profit before exceptional items and tax		**47,561**	**43,965**
Sch III	Exceptional items*		-	-
Sch III	**Profit before tax from continuing operations**		**47,561**	**43,965**
1(82)(d) 12(77)	Income tax expense			
Sch III	- Current tax		14,795	12,555
Sch III	- Deferred tax		556	625
	Total tax expense		**15,351**	**13,180**
	Profit from continuing operations		**32,210**	**30,785**
Sch III	**Discontinued operations**			
Sch III	Profit from discontinued operation before tax		876	2,101
Sch III	Tax expense of discontinued operations		263	630
105(33)(a), 1(82)(ea)	**Profit from discontinued operation**		**613**	**1,471**
1(81A)(a)	**Profit for the year**		**32,823**	**32,256**

(All amounts in INR lakhs, unless otherwise stated)

Consolidated statement of profit and loss

		Notes	Year ended 31 March 2019	Year ended 31 March 2018
	Other comprehensive income			
1(82A)(b)	*Items that may be reclassified to profit or loss*			
1(7)(da),(82A)	Changes in the fair value of debt instruments at FVOCI*		-	-
1(7)(e),(82A)	Gains on cash flow hedges		1,153	1,003
1(7)(g),(h) 1(82A)	Costs of hedging		(228)	(91)
1(82A)	Share of other comprehensive income of associates and joint ventures accounted for using the equity method		59	44
1(7)(c),(82A) 21(32)	Exchange differences on translation of foreign operations		(238)	(280)
105(38)	Exchange differences on translation of discontinued operation		65	(30)
1(7)(c),(82A) 109(6.5.13)	Gains on net investment hedge		480	-
1(91)(b),Sch III	Income tax relating to these items		(295)	(287)
			996	**359**
1(82A)(a)	*Items that will not be reclassified to profit or loss*			
1(7)(d),(82A)	Changes in the fair value of equity investments at FVOCI		221	440
1(7)(e),(82A)	Losses on cash flow hedges		(170)	(112)
109(6.5.15)(b)	Costs of hedging		(42)	(35)
1(82A)	Share of other comprehensive income of associates and joint ventures accounted for using the equity method		32	38
1(7)(b) 19(120)(c)	Remeasurements of post-employment benefit obligations		756	720
1(91)(b),Sch III	Income tax relating to these items		(239)	(315)
			558	**736**
1(81A)(b)	**Other comprehensive income for the year, net of tax**		**1,554**	**1,095**
1(81A)(c)	**Total comprehensive income for the year**		**34,377**	**33,351**

**Schedule III requires these items to be presented on the face of the statement of profit and loss. They have been included for illustrative purposes though they are not applicable to Value Ind AS Limited.*

(All amounts in INR lakhs, unless otherwise stated)

Consolidated statement of profit and loss

		Notes	Year ended 31 March 2019	Year ended 31 March 2018
1(81B)(a)	Profit is attributable to:			
1(81B)(a)(i)	Owners of Value Ind AS Limited		28,165	30,000
1(81B)(a)(ii)	Non-controlling interests		4,658	2,256
			32,823	**32,256**
Sch III	Other comprehensive income is attributable to:			
	Owners of Value Ind AS Limited		1,397	1,212
	Non-controlling interests		157	(117)
			1,554	**1,095**
1(81B)(b)	Total comprehensive income is attributable to:			
1(81B)(b)(i)	Owners of Value Ind AS Limited		29,562	31,212
1(81B)(b)(ii)	Non-controlling interests		4,815	2,139
			34,377	**33,351**
	Total comprehensive income attributable to owners of Value Ind AS Limited arises from:			
	Continuing operations		28,949	29,741
105(33)(d)	Discontinued operations		613	1,471
			29,562	**31,212**
			INR	INR
33(66),Sch III	**Earnings per equity share for profit from continuing operation attributable to owners of Value Ind AS Limited:**			
	Basic earnings per share		15.07	23.73
	Diluted earnings per share		14.26	22.05
33(66),Sch III	**Earnings per equity share for profit from discontinued operation attributable to owners of Value Ind AS Limited:**			
	Basic earnings per share		0.33	1.17
	Diluted earnings per share		0.31	1.13
33(66),Sch III	**Earnings per equity share for profit from continuing and discontinued operation attributable to owners of Value Ind AS Limited:**			
	Basic earnings per share		15.40	23.90
	Diluted earnings per share		14.57	23.18

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

(All amounts in INR lakhs, unless otherwise stated)

1(10)(c), (106)

Consolidated statement of changes in equity

A. Equity share capital

1(106)(d)
Sch III

		Notes	
	As at 1 April 2017		12,000
	Changes in equity share capital		600
	As at 31 March 2018		**12,600**
	Changes in equity share capital		9,800
	As at 31 March 2019		**22,400**

B. Other equity

		Notes	Attributable to owners of Value Ind AS Limited										Non-controlling interests	Total
				Reserves and surplus				Other reserves						
			Equity component of compound financial instruments	Securities premium	Retained earnings	Debenture redemption reserve	Share options outstanding account	FVOCI-equity investments	Cash flow hedging reserve	Costs of hedging reserve	Foreign currency translation reserve	Total other equity		
1(106)(d)	Balance at 1 April 2017		-	30,000	88,508	8,750	1,590	1,580	872	(32)	-	131,268	14,109	145,377
1(106)(d)(i)	Profit for the year		-	-	30,000	-	-	-	-	-	-	30,000	2,256	32,256
1(106)(d)(ii)	Other comprehensive income		-	-	566	-	-	308	624	(89)	(197)	1,212	(117)	1,095
1(106)(a)	**Total comprehensive income for the year**		**-**	**-**	**30,566**	**-**	**-**	**308**	**624**	**(89)**	**(197)**	**31,212**	**2,139**	**33,351**
109 (6.5.11)(d)(i)	Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year		-	-	-	-	-	-	131	18	-	149	-	149
			-	**-**	**-**	**-**	**-**	**-**	**131**	**18**	**-**	**149**	**-**	**149**
1(106)(d)(iii)	**Transactions with owners in their capacity as owners:**													
32(22),(35)	Issue of equity shares		-	1,800	-	-	-	-	-	-	-	1,800	-	1,800
	Dividends paid		-	-	(1,250)	-	-	-	-	-	-	(1,250)	-	(1,250)
ASB FAQ on DDT	Dividend distribution tax		-	-	(250)	-	-	-	-	-	-	(250)	-	(250)
102(50)	Employee stock option expense		-	-	-	-	855	-	-	-	-	855	-	855
			-	**1,800**	**(1,500)**	**-**	**855**	**-**	**-**	**-**	**-**	**1,155**	**-**	**1,155**
1(106)(d)	**Balance at 31 March 2018**		**-**	**31,800**	**117,574**	**8,750**	**2,445**	**1,888**	**1,627**	**(103)**	**(197)**	**163,784**	**16,248**	**180,032**

(All amounts in INR lakhs, unless otherwise stated)

		Notes	Attributable to owners of Value Ind AS Limited										Non-controlling interests	Total
			Equity component of compound financial instruments	Reserves and surplus				Other reserves				Total other equity		
				Securities premium	Retained earnings	Debenture redemption reserve	Share options outstanding account	FVOCI-equity investments	Cash flow hedging reserve	Costs of hedging reserve	Foreign currency translation reserve			
1(106)(d)	Balance at 1 April 2018 (as originally presented)		-	31,800	117,574	8,750	2,445	1,888	1,627	(103)	(197)	163,784	16,248	180,032
1(106)(b)	Change in accounting policy		-	-	227	-	-	-	-	-	-	227	-	227
	Restated balance at 1 April 2018		**-**	**31,800**	**117,801**	**8,750**	**2,445**	**1,888**	**1,627**	**(103)**	**(197)**	**164,011**	**16,248**	**180,259**
1(106)(d)(i)	Profit for the year		-	-	28,165	-	-	-	-	-	-	28,165	4,658	32,823
1(106)(d)(ii)	Other comprehensive income		-	-	480	-	-	155	688	(189)	263	1,397	157	1,554
1(106)(a)	**Total comprehensive income for the year**		**-**	**-**	**28,645**	**-**	**-**	**155**	**688**	**(189)**	**263**	**29,562**	**4,815**	**34,377**
109 (6.5.11) (d)(i)	Deferred hedging gains/(losses) and costs of hedging transferred to inventory		-	-	-	-	-	-	169	23	-	192	-	192
	Transfer to retained earnings on acquisition of subsidiary		-	-	91	-	-	(91)	-	-	-	-	-	-
	Transfer to debenture redemption reserve		-	-	(175)	175	-	-	-	-	-	-	-	-
			-	**-**	**(84)**	**175**	**-**	**(91)**	**169**	**23**	**-**	**192**	**-**	**192**
1(106)(d) (iii)	**Transactions with owners in their capacity as owners:**													
32(22), (35)	Issue of equity shares, net of transaction costs		-	27,150	-	-	-	-	-	-	-	27,150	-	27,150
	Issue of optionally convertible bonds (net of deferred tax)		372	-	-	-	-	-	-	-	-	372	-	372
	Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	-	-	-	-	-	5,310	5,310
110(23)	Transactions with non-controlling interests		-	-	(150)	-	-	-	-	-	-	(150)	(1,571)	(1,721)
	Dividends paid		-	-	(1,395)	-	-	-	-	-	-	(1,395)	(50)	(1,445)
ASB FAQ on DDT	Dividend distribution tax		-	-	(285)	-	-	-	-	-	-	(285)	(10)	(295)
102(50)	Employee stock option expense		-	-	-	-	1,240	-	-	-	-	1,240	-	1,240
			372	**27,150**	**(1,830)**	**-**	**1,240**	**-**	**-**	**-**	**-**	**26,932**	**3,679**	**30,611**
1(106)(d)	**Balance at 31 March 2019**		**372**	**58,950**	**144,532**	**8,925**	**3,685**	**1,952**	**2,484**	**(269)**	**66**	**220,697**	**24,742**	**245,439**

** see note 43 for details about restatements for changes in accounting policies consequent to adoption of Ind AS 115.*

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

(All amounts in INR lakhs, unless otherwise stated)

1(10)(d)
7(1),(10)

Consolidated statement of cash flows

Reference		Notes	Year ended 31 March 2019	Year ended 31 March 2018
1(113)				
	Cash flow from operating activities			
	Profit before income tax from			
	Continuing operations		47,561	44,224
	Discontinued operations		876	2,101
7(18)(b),(20)	**Profit before income tax including discontinued operations**		**48,437**	**46,325**
	Adjustments for			
	Depreciation and amortisation expense		10,820	9,761
	Impairment of goodwill and other non-current assets		2,100	-
	Non-cash employee share-based payments		1,486	855
	Gain on disposal of property, plant and equipment		(743)	(430)
	Gain on sale of subsidiary		(465)	-
	Amortisation of government grants		(1,033)	(1,180)
	Gain on sale of investments		(495)	(147)
	Changes in fair value of financial assets at fair value through profit or loss		(993)	(1,519)
	Fair value adjustment to derivatives not designated as hedges		132	121
	Share of profits of associates and joint ventures		(616)	(483)
	Unwinding of discount on security deposits		(125)	(98)
	Changes in fair value of contingent consideration		400	-
	Dividend and interest income classified as investing cash flows		(1,724)	(927)
	Finance costs		3,203	2,794
	Net exchange differences		78	66
	Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:			
	(Increase)/decrease in trade receivables		3,006	(12,408)
	(Increase)/decrease in inventories		(5,588)	(208)
	Increase in trade payables		6,050	3,022
	(Increase) in other financial assets and liabilities		(852)	(562)
	(Increase)/decrease in contract assets		1,111	-
	(Increase)/decrease in other non-current assets		168	(244)
	(Increase)/decrease in other current assets		84	(1,717)
	Increase/(decrease) in provisions		(882)	137
	Increase in employee benefit obligations		187	973
	Increase/(decrease) in contract liabilities		(33)	-
	Increase in other current liabilities		199	786
7(14)(a)	**Cash generated from operations**		**63,912**	**44,917**
7(14)(f),(35),(36)	Income taxes paid		14,070	12,130
	Net cash inflow from operating activities		**49,842**	**32,787**

(All amounts in INR lakhs, unless otherwise stated)

Consolidated statement of cash flows

		Notes	Year ended 31 March 2019	Year ended 31 March 2018
7(10),(21)	**Cash flows from investing activities**			
7(39)	Payment for acquisition of subsidiary, net of cash acquired		(7,814)	-
7(16)(a)	Payments for property, plant and equipment		(61,886)	(37,456)
7(16)(a)	Payments for investment property		(930)	(500)
7(16)(c)	Payments for purchase of investments		(14,105)	(3,794)
7(16)(a)	Payments for software development costs		(880)	(720)
7(16)(e)	Loans to employees and related parties		(547)	(1,182)
7(16)	Receipts of government grants		756	657
7(39)	Proceeds from sale of subsidiary		11,138	-
7(16)(d)	Proceeds from sale of investments		7,762	5,192
7(16)(b)	Proceeds from sale of property, plant and equipment		4,618	4,320
7(16)(f)	Repayment of loans by employees and related parties		286	1,115
7(38)	Dividends from joint ventures and associates		59	41
7(31),(33)	Other dividends		313	434
7(31),(33)	Interest received		1,346	493
	Net cash outflow from investing activities		**(59,884)**	**(31,400)**
7(10),(21)	**Cash flows from financing activities**			
7(17)(a)	Proceeds from issues of shares		30,160	2,400
7(17)(c)	Proceeds from borrowings		6,292	198
	Share issue costs		(300)	-
7(17)(d)	Repayment of borrowings		(1,975)	(300)
7(17)(e)	Principal elements of finance lease payments		(304)	(271)
7(42A),(42B)	Transactions with non-controlling interests		(1,721)	-
7(31)-(33)	Interest paid		(2,043)	(2,075)
7(31),(34)	Dividends paid to company's shareholders (including DDT)		(1,680)	(1,500)
7(31),(34)	Dividends paid to non-controlling interests (including DDT)		(60)	-
	Net cash inflow (outflow) from financing activities		**28,369**	**(1,548)**
	Net increase (decrease) in cash and cash equivalents		**18,327**	**(161)**
	Cash and cash equivalents at the beginning of the financial year		5,280	5,423
7(28)	Effects of exchange rate changes on cash and cash equivalents		(160)	18
	Cash and cash equivalents at end of the year		**23,447**	**5,280**
7(43)	Non-cash financing and investing activities			
	- Acquisition of property, plant and equipment by means of finance lease		300	450
	- Partial settlement of a business combination through the issue of shares		6,998	-

Reconciliation of cash and cash equivalents as per the cash flow statement

		31 March 2019	31 March 2018
7(45)	Cash and cash equivalents as per above comprise of the following		
	Cash and cash equivalents	25,031	7,035
7(8)	Bank overdrafts	(1,584)	(1,755)
	Balances per statement of cash flows	**23,447**	**5,280**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

(All amounts in INR lakhs, unless otherwise stated)

Note 43: Changes in accounting policies

8(28) This note explains the impact of the adoption of Ind AS 115 *Revenue from Contracts with Customers* on the group's financial statements.

Impact on the financial statements

8(28) The group applied Ind AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the group recognised the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings as at 1 April 2018. Comparative prior period has not been adjusted.

Entities applying the modified retrospective method can elect to apply the revenue standard only to contracts that are not completed as at the date of initial application (that is, they would ignore the effects of applying the revenue standard to contracts that were completed prior to the date of initial application). However, the group elected to apply the standard to all contracts as at 1 April 2018.

8(28) The impact on the group's retained earnings as at 1 April 2018 is as follows:

	Notes	1 April 2018
Retained earnings		117,574
Recognition of asset for costs to fulfil a contract	(iii)	250
Restatement of contract liability for customer loyalty programme	(ii)	74
Increase in deferred tax assets	(i),(ii)	38
Increase in deferred tax liabilities	(i),(iii)	(135)
Adjustment to retained earnings from adoption of Ind AS 115		227
Retained earnings		117,801

115(C8) The following table presents the amounts by which each financial statement line item is affected in the current year ended 31 March 2019 by the application of Ind AS 115 as compared with the previous revenue recognition requirements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

Balance sheet (extract)	31 March 2019 without adoption of Ind AS 115	Increase/ (decrease)	31 March 2019 as reported
Non-current assets			
Deferred tax assets	4,575	23	4,598
Other non-current assets	21,444	142	21,586
Total non-current assets	**253,851**	**165**	**254,016**
Current assets			
Other financial assets	4,342	(1,486)	2,856
Contract assets	-	1,486	1,486
Other current assets	300	159	459
Total current assets	**138,305**	**159**	**138,464**
Total assets	**392,156**	**324**	**392,480**
Non-current liabilities			
Deferred tax liabilities	11,995	90	12,085
Total non-current liabilities	**63,129**	**90**	**63,219**
Current liabilities			
Contract liabilities	-	833	833
Provisions	1,743	(331)	1,412
Other current liabilities	3,836	(427)	3,409
Total current liabilities	**61,347**	**75**	**61,422**
Total liabilities	**124,476**	**165**	**124,641**
Net assets	**267,680**	**159**	**267,839**
Retained earnings	144,373	159	144,532
Total equity	267,680	159	267,839

(All amounts in INR lakhs, unless otherwise stated)

Statement of profit and loss (extract) year ended 31 March 2019	31 March 2019 without adoption of Ind AS 115	Increase/ (decrease)	31 March 2019 as reported
Revenue from operations	221,773	10	221,783
Total income	227,436	10	227,446
Expenses			
Other expenses	9,483	108	9,591
Total expenses	180,393	108	180,501
Profit before income tax from continuing operations	47,659	(98)	47,561
Income tax expense	(15,381)	30	(15,351)
Profit from continuing operations	32,278	(68)	32,210
Profit from discontinued operations	613	-	613
Profit for the year	32,891	(68)	32,823
Total comprehensive income for the year	34,445	(68)	34,377
Profit is attributable to:			
Owners of Value Ind AS Limited	28,233	(68)	28,165
Non-controlling interests	4,658	-	4,658
Total comprehensive income is attributable to:			
Owners of Value Ind AS Limited	29,630	(68)	29,562
Non-controlling interests	4,815	-	4,815
Earnings per equity share for profit from continuing and discontinued operation attributable to owners of Value Ind AS Limited			
Basic earnings per share	15.44	(.04)	15.40
Diluted earnings per share	14.60	(.03)	14.57

(i) Accounting for refunds

When the customer has a right to return the product within a given period, the entity is obliged to refund the purchase price. Had the group applied the previous revenue recognition standards, provision for returns would be measured on a net basis at the margin on the sale of INR 62 at 31 March 2019. Under Ind AS 115, revenue for the year ended 31 March 2019 has been adjusted for the expected value of the returns and cost of sales has been adjusted for the value of the corresponding goods expected to be returned.

Accordingly, under Ind AS 115, a refund liability for the expected refunds to customers is recognised as adjustment to revenue in other current liabilities of INR 221 at 31 March 2019. At the same time, the group has a right to recover the product from the customer where the customer exercises his right of return and recognises an asset and a corresponding adjustment to changes in inventories of finished goods of INR 159 at 31 March 2019. The asset is measured by reference to the former carrying amount of the product. The costs to recover the products are not material because the customer usually returns the product in a saleable condition at the store.

To reflect this change in policy, the group has reclassified INR 62 at 31 March 2019 from provisions and recognised other current liabilities of INR 221 at 31 March 2019 and other current assets of INR 159 at 31 March 2019. Deferred tax liabilities and deferred tax assets increased each by INR 48 at 31 March 2019 (1 April 2018: INR 60).

(ii) Accounting for customer loyalty programme

Under the previous revenue recognition standards, the consideration received from the sale of goods was allocated to the points and the goods sold using the residual method. Under this method, a part of the consideration equalling the fair value of the points was allocated to the points. The residual part of the consideration was allocated to the goods sold.

Under Ind AS 115, the total consideration must be allocated to the points and goods based on the relative stand-alone selling prices. Using this new method, the amounts allocated to the goods sold are, on average, higher than the amounts allocated under the residual value method. As a consequence, the contract liability recognised in relation to the customer loyalty programme of INR 433 at 31 March 2019 was INR 84 lower than the amount recognised in other current liabilities under the previous policy, with a corresponding reduction of deferred tax assets by INR 25 at 31 March 2019 (1 April 2018: INR 22) and a net adjustment to retained earnings of INR 59 at 31 March 2019 (1 April 2018: INR 52).

Revenue for year ended 31 March 2019 increased by INR 10, tax expense increased by INR 3 and profit before tax increased by INR 7.

(All amounts in INR lakhs, unless otherwise stated)

(iii) Accounting for costs to fulfil a contract

Under the previous revenue standards, costs related to data transfer for the set-up of an IT platform relating to a long term IT contract were expensed as incurred. However, the costs relate directly to the contract, generate resources used in satisfying the contract and are expected to be recovered. They are therefore capitalised as costs to fulfil a contract following the adoption of Ind AS 115. An amount of Nil at 31 March 2019 (1 April 2018: INR 250) has been capitalised and included in other non-current assets. A deferred tax liability of INR 75 was recognised, resulting in net adjustment to retained earnings of INR 175 at 31 March 2018.

The asset is amortised on a straight line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue. During the year ended 31 March 2019, costs to fulfil the contract was amortised to the extent of INR 108 which also resulted in reversal of deferred tax liability of INR 33.

(iv) Presentation of assets and liabilities related to contracts with customers

The Group has also voluntarily changed the presentation of certain amounts in the balance sheet to reflect the terminology of Ind AS 115:

- Contract assets recognised in relation to IT consulting contracts were previously presented as part of other financial assets of INR 1,486 at 31 March 2019. Contract assets are in the nature of unbilled receivables which arises when entity satisfies a performance obligation but does not have an unconditional right to consideration, for e.g., because it first needs to perform future service which is necessary to achieve the billing milestone.
- Contract liabilities in relation to IT consulting contracts were previously included in other current liabilities of INR 400 at 31 March 2019. Contract liabilities represent deferred revenue arising from IT consulting contracts.
- Contract liabilities in relation to the customer loyalty programme were previously included in other current liabilities – deferred revenue, see (ii) above.
- Liabilities relating to expected volume discounts of INR 269 at 31 March 2019 and refund liabilities for the expected returns of INR 62 at 31 March 2019 were previously presented as current provisions are now included in other current liabilities as refund liabilities.

(v) Other disclosures relevant for modified retrospective transition method

For other relevant disclosures, refer commentary below:

Commentary – Modified retrospective transition method

When an entity applies modified retrospective transition method, the following changes in the notes to the consolidated financial statements of the group would also be required:

- The summary of significant accounting policies in Note 1 and the critical estimates and judgements in Note 2 would also include the significant accounting policies and the critical estimates and judgements under the previous standards. A description may be necessary to distinguish between the accounting policies and the critical estimates and judgements that applied before and those that applied after 1 April 2018.
- The disclosures for the comparative period in the notes to the consolidated financial statements would follow the requirements of the previous standards. Further, the disclosures required by Ind AS 115 would not include comparative information.

(All amounts in INR lakhs, unless otherwise stated)

Appendix B: Industry-specific disclosures

(i) Biological assets

1(10)(b),(10A)

Consolidated statement of profit and loss

		Notes	31 March 2019	31 March 2018
	Revenue from operations	20	26,240	27,548
41(40)	Change in fair value of biological assets	3(b)	22,500	18,028

1(10)(a)

Consolidated balance sheet

		Notes	31 March 2019	31 March 2018
1(60),(66)	**Non-current assets**			
1(54)(a)	Property, plant and equipment	3(a)	XX	XX
1(54)(f)	Biological assets other than bearer plant	3(b)	4,300	5,760
1(60),(66)	**Current assets**			
1(54)(f)	Biological assets	3(b)	19,188	12,437

1(117)

1. Summary of significant accounting policies

1(112)(a)

(a) Basis of preparation

(ii) Historical cost convention

1(117)(a) The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value,
- certain biological assets – measured at fair value less cost to sell,
- assets held for sale – measured at fair value less cost to sell,
- defined benefit plans – plan assets measured at fair value.

Accounting policy for palm oil trees

16(73)(a) Oil palm trees are recognised at historical cost less depreciation.

16(50),(73)(b) Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

16(73)(c) Oil palm trees 25 Years

The group's oil palm trees qualify as bearer plants under the definition in Ind AS 41 and are therefore accounted for as part of property, plant and equipment. The trees are classified as immature until the produce can be commercially harvested. At that point they are reclassified and depreciation commences. Immature palm oil trees are measured at accumulated cost.

Accounting policy for biological assets

Biological assets are measured at fair value less cost to sell.

1(117) Costs to sell include the incremental selling costs, including auctioneers' fees, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income taxes.

41(43) Sheep held for slaughter are classified as immature until they are ready for slaughter. Livestock are classified as current assets if they are to be sold within one year.

41(7),(13)
16(6) The palm oil trees are bearer plants and are therefore presented and accounted for as property, plant and equipment, see note 3(a). However, the oil palm fresh fruit bunches (FFB) growing on the trees is accounted for as biological assets until the point of harvest. Harvested oil palm FFB are transferred to inventory at fair value less costs to sell when harvested.

41(26) Changes in fair value of livestock and oil palm FFB on trees are recognised in the statement of profit and loss.

Farming costs such as feeding, labour costs, pasture maintenance, veterinary services and sheering are expensed as incurred. The cost of purchase of sheep plus transportation charges are capitalised as part of biological assets.

(All amounts in INR lakhs, unless otherwise stated)

1(117) **Accounting policy for measuring biological assets at fair value**

113(91)(a),(93)(d) Sheep are measured at fair value less cost to sell, based on market prices at auction of livestock of similar age, breed and genetic merit with adjustments, where necessary, to reflect the differences. Market prices are obtained from the weekly auctions at the local market, which is considered the principal market for the purpose of the valuation.

113(91)(a),93(d) The fair value of growing oil palm FFB is determined using a discounted cash flow model based on the expected palm oil yield by plantation size, the market price for crude palm oil and palm kernel oil and after allowing for harvesting costs, contributory asset charges for the land and palm trees owned by the entity and other costs yet to be incurred in getting the fruit bunches to maturity.

2. Critical estimates and judgements

1(122),(125), 113(93)(d) In measuring the fair value of sheep and oil palm FFB various management estimates and judgements are required:

Sheep

Estimates and judgements in determining the fair value of sheep relate to market prices, average weight and quality of animals and mortality rates.

The sheep grow at different rates and there can be a considerable spread in the quality and weight of animals that affects the price achieved. An average weight is assumed for the slaughter sheep livestock that are not yet at marketable weight.

Oil palm FFB on oil palm trees

Estimates and judgements in determining the fair value of the FFB growing on palm trees include the volume and stages of maturity of FFB at balance sheet date, palm oil yield, the long term crude palm oil price, palm kernel oil price and the discount rates. See note 28 for key assumptions about unobservable inputs and their relationship to fair value.

3(a) Property, plant and equipment

		Freehold land	Freehold buildings	Furniture, fittings and equipment	Mature oil palm trees	Immature oil palm trees	Total
	Year ended 31 March 2018						
16(73)(d)	**Gross carrying amount**						
16(73)(d)	Opening gross carrying amount	X	X	X	10,200	2,000	XX
16(73)(e)(i),(74)(b)	Additions	X	X	X	-	2,503	XX
16(73)(e)(ix)	Transfers	X	X	X	3,000	(3,000)	XX
16(73)(d)	**Closing gross carrying amount**	**X**	**X**	**X**	**13,200**	**1,503**	**XX**
16(73)(d)	**Accumulated depreciation**						
16(73)(d)	Opening accumulated depreciation	X	X	X	2,000		
16(73)(e)(vii)	Depreciation charge during the year	X	X	X	2,000	-	XX
16(73)(d)	**Closing accumulated depreciation**	**X**	**X**	**X**	**4,000**	**-**	XX
1(77)	Net carrying amount	**X**	**X**	**X**	**9,200**	**1,503**	**XX**
	Year ended 31 March 2019						
16(73)(d)	**Gross carrying amount**						
16(73)(d)	Opening gross carrying amount	X	X	X	13,200	1,503	XX
16(73)(e)(i), (74)(b)	Additions	X	X	X	-	4,309	XX
16(73)(e)(ix)	Transfers	X	X	X	2,700	(2,700)	XX
16(73)(d)	**Closing gross carrying amount**	**X**	**X**	**X**	**15,900**	**3,112**	**XX**
16(73)(d)	**Accumulated depreciation and impairment**						
16(73)(d)	Opening accumulated depreciation	X	X	X	4,000	-	XX
16(73)(e)(vii)	Depreciation charge during the year	X	X	X	2,400	-	XX
16(73)(e)(v) 36(126)(a),(b)	Impairment loss	X	X	X	-	-	XX
16(73)(d)	**Closing accumulated depreciation and impairment**	**X**	**X**	**X**	**6,400**	**-**	**XX**
1(77)	Net carrying amount	**X**	**X**	**X**	**9,500**	**3,112**	**XX**

(All amounts in INR lakhs, unless otherwise stated)

3(b) Biological assets

Analysis by group of biological assets

41(41) Biological assets comprise sheep and oil palm FFB growing on palm trees.

Ref		31 March 2019 Sheep	31 March 2019 Oil palm FFB	31 March 2019 Total	31 March 2018 Sheep	31 March 2018 Oil palm FFB	31 March 2018 Total
113(93)(e)							
41(50)	Opening balance	11,450	6,747	18,197	18,781	3,639	22,420
41(50)(b)	Increase due to purchases	5,971	-	5,971	2,097	-	2,097
41(50)(a)	Livestock losses	(480)	-	(480)	(350)	-	(350)
41(50)(a),(51)	Change in fair value due to biological transformation	3,444	18,006	21,450	1,430	15,500	16,930
41(50)(a),(51)	Change in fair value due to price changes	1,180	350	1,530	1,088	360	1,448
41(50)(d)	Transfer of harvested FFB to inventory	-	(14,115)	(14,115)	-	(12,752)	(12,752)
41(50)(c)	Decrease due to sale of lambs for slaughter	(9,065)	-	(9,065)	(11,596)	-	(11,596)
41(50)	**Closing balance**	**12,500**	**10,988**	**23,488**	**11,450**	**6,747**	**18,197**
	Current assets:						
	- Sheep held for slaughter	8,200	-	8,200	5,690	-	5,690
	- Oil palm FFB on trees	-	10,988	10,988	-	6,747	6,747
	Total current assets	8,200	10,988	19,188	5,690	6,747	12,437
	Non-current assets:						
	- breeding stock – mature	3,950	-	3,950	5,190	-	5,190
	- breeding stock – immature	350	-	350	570	-	570
	Total non-current assets	**4,300**	**-**	**4,300**	**5,760**	**-**	**5,760**

41(46)(b) As at 31 March 2019, the group had 6,500 sheep (31 March 2018 - 5,397 sheep) and 3,123 sheep were sold during the year (31 March 2018 - 4,098 sheep).

As at 31 March 2019, there were 2,600,000 hectares of palm oil plantations (31 March 2018 - 2,170,000 hectares). During the year, the group sold 550,000 kg of palm oil (31 March 2018 - 545,000 kg)

(All amounts in INR lakhs, unless otherwise stated)

20. Revenue from operations

108(23)(a) The group derives the following types of revenue by operating segment:

115(114)

	31 March 2019	31 March 2018
Sheep		
Sale of livestock	9,225	12,096
Sale of wool	2,500	2,350
Sale of palm oil	14,515	13,102
Total revenue	26,240	27,548

28. Fair value measurements

(i) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the biological assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its biological assets into the three levels prescribed under the accounting standard.

The quality of livestock sold at the local markets is considered to approximate the group's breeding and slaughter livestock. Sheep have therefore been classified as level 2 in the fair value hierarchy, since no significant adjustments need to be made to the prices obtained from the local markets.

113(93)(a),(b)

At 31 March 2019	Notes	Level 1	Level 2	Level 3	Total
Sheep					
Mature – breeding stock	x	-	3,950	-	3,950
Immature – breeding stock	x	-	350	-	350
Held for slaughter	x	-	8,200	-	8,200
Oil palm FFB on trees	x	-	-	10,988	10,988
Total biological assets		**-**	**12,500**	**10,988**	**23,488**

113(93)(a),(b)

At 31 March 2018	Notes	Level 1	Level 2	Level 3	Total
Sheep					
Mature – breeding stock	x	-	5,190	-	5,190
Immature – breeding stock	x	-	570	-	570
Held for slaughter	x		5,690	-	5,690
Oil palm FFB on trees	x	-	-	6,747	6,747
Total biological assets		**-**	**11,450**	**6,747**	**18,197**

There were no transfers between any levels during the year.

(All amounts in INR lakhs, unless otherwise stated)

113(93)(e) The movements in the fair value of assets within level 3 of the hierarchy, being the FFB growing on trees, is summarised in the previous table. The gains or (losses) recognised in relation to the palm fresh fruit bunches are as follows:

		31 March 2019	31 March 2018
113(93)(e)(i)	Total gains for the period recognised in profit or loss under 'Change in fair value of biological assets'	18,356	15,860
113(93)(f)	Change in unrealised gains or losses for the period recognised in profit or loss attributable to palm fresh fruit bunches held at the end of the reporting period	9,300	5,900

(ii) Valuation inputs and relationships to fair value

113(93)(d),(99) The following table summarises the quantitative information about the significant unobservable inputs used in the fair value measurements of the palm fresh fruit bunches on trees. The fair values are determined based on discounted cash flows.

113(91)(a), (93)(d),(h)(i)

	Fair value at			Range of inputs (probability-weighted average)		
Description	31 March 2019	31 March 2018	Unobservable inputs	31 March 2019	31 March 2018	Relationship of unobservable inputs to fair value
Oil palm FFB on trees	10,988	6,747	Palm oil yield – tonnes per hectare	20-30 (24) per year	20-30 (25) per year	The higher the palm oil yield, the higher the fair value
			Crude palm oil price	INR800-INR1,100 (INR900) per tonne	INR 750-INR1,070 (INR900) per tonne	The higher the market price, the higher the fair value
			Palm Kernel Oil price	INR1,000 - INR1,200 (INR1,050) per tonne	INR900 - INR1,150 (INR1,030) per tonne	
			Discount rate	9%-11% (10.5%)	9%-11% (10.5%)	The higher the discount rate, the lower the fair value

(iii) Valuation processes

113(93)(g) The group's finance department includes a team that performs the valuations of the group's biological assets for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the group's quarterly reporting requirements.

The main level 3 inputs used by the group are derived and evaluated as follows:

- Palm oil yield is determined based on the age of the plantation, historical yields, and climate-induced variations such as severe weather events, plant losses and new areas coming into production.
- Crude palm oil prices and palm kernel oil prices are quoted prices for the relevant region.
- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO, AC and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

The cash outflows include notional cash flows (contributory asset charges) for the land and palm trees owned by the entity. They are based on market rental payable for orchards of similar size and maturity.

(All amounts in INR lakhs, unless otherwise stated)

31. Segment information

Description of segments and principal activities

1(138)(b) 41(46)(a) The group is engaged in the business of farming sheep primarily for sale to meat processors. The group is also engaged in the business of growing and managing palm oil plantations for the sale of palm oil. The group earns ancillary income from various agricultural produce, such as wool.

108(22)(a),(b),(aa) The group's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, receives separate reports for each sheep farm and palm oil plantation.

37. Commitments

41(49)(b) The group has entered into a contract to acquire 250 breeding sheep at 31 March 2019 for INR 480 (31 March 2018 – Nil).

Commentary - Biological assets

Disclosures not illustrated: not applicable to VALUE Ind AS Agriculture Limited

1. The following disclosure requirements of Ind AS 41 are not illustrated above:

	Item	Nature of disclosure
41(49)(a)	Biological assets with restricted title and/or pledged as security	Disclose existence and carrying amount.
41(50)(e),(f)	Reconciliation of carrying amount of biological assets	Show separately increases due to business combinations and net exchange differences.
41(53),1(97)	Material items of income or expense as result of climatic, disease and other natural risks	Disclose amount and nature.
41(54)-(56)	The fair value of biological assets cannot be measured reliably	Provide additional information.
41(57)	Government grants received in relation to agricultural activity	Disclose the nature and extent of the grants, any unfulfilled conditions and other contingencies, and if there are significant decreases expected in the level of government grants.

(All amounts in INR lakhs, unless otherwise stated)

(ii) Oil and gas exploration assets

1. Summary of significant accounting policies

Accounting for oil and gas assets

106(24)(a)
1(117)

Oil and natural gas exploration and evaluation expenditures are accounted for using the 'successful efforts' method of accounting. Costs are accumulated on a field-by-field basis. Geological and geophysical costs are expensed as incurred. Costs directly associated with an exploration well, and exploration and property leasehold acquisition costs, are capitalised until the determination of reserves is evaluated. If it is determined that commercial discovery has not been achieved, these costs are charged to expense.

Capitalisation is made within property, plant and equipment or intangible assets according to the nature of the expenditure.

Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to development tangible and intangible assets. No depreciation and/or amortisation is charged during the exploration and evaluation phase.

Development tangible and intangible assets

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells, is capitalised within property, plant and equipment and intangible assets according to nature. When development is completed on a specific field, it is transferred to production or intangible assets.

Oil and gas production assets

Oil and gas production properties are aggregated as exploration and evaluation tangible assets, and development expenditures associated with the production of proved reserves.

Depreciation/amortisation

No depreciation or amortisation is charged during the exploration and evaluation phase.

Oil and gas properties intangible assets are depreciated or amortised using the unit-of-production method. Unit-of-production rates are based on proved developed reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods. Oil and gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

Impairment – exploration and evaluation assets

106(18)

Exploration and evaluation assets are tested for impairment when reclassified to development tangible or intangible assets, or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less costs of disposal and their value in use.

Impairment – proved oil and gas production properties and intangible assets

36(9),(18),(59)

Proven oil and gas production properties and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(All amounts in INR lakhs, unless otherwise stated)

3. Property, plant and equipment

16(73)
106(24)(b),(25)

	Capitalised exploration and evaluation expenditure	Capitalised development expenditure	Subtotal- assets under construction	Production assets	Other businesses and corporate assets	Total
Year ended 31 March 2019						
Gross carrying amount						
Opening gross carrying amount	218	12,450	12,668	58,720	3,951	75,339
Business acquisitions	-	206	206	125	4	335
Additions	45	1,526	1,571	5,530	95	7,196
Transfers to production assets	(9)	(958)	(967)	1,712	-	745
Disposals	(12)	(1,967)	(1,979)	-	-	(1,979)
Closing gross carrying amount	**242**	**11,257**	**11,499**	**66,087**	**4,050**	**81,636**
Accumulated depreciation and impairment						
Opening accumulated depreciation	33	**-**	**33**	**5,100**	**77**	**5,210**
Depreciation charge	-	-	-	725	42	767
Impairment loss	7	36	43	250	3	296
Closing accumulated depreciation and impairment	**40**	**36**	**76**	**6,075**	**122**	**6,273**
Net carrying amount	**202**	**11,221**	**11,423**	**60,012**	**3,928**	**75,363**

(i) Other exploration and evaluation assets and liabilities

106(24)(b) In addition to the exploration and evaluation assets disclosed above, the group also has the following assets and liabilities relating to exploration:

	31 March 2019	31 March 2018
Receivables from joint venture partners (refer note XX)	35	22
Payable to subcontractors and operators (refer note XX)	32	34

(ii) Amounts recognised in profit or loss

106(24)(b) Exploration and evaluation activities have led to total expenses of INR XX (31 March 2018 – INR XX), of which INR XX (31 March 2018 – INR XX) are impairment charges to write off costs of unsuccessful exploration activities.

In 2019, the disposal of a XX% interest in an offshore exploration stage 'Field X' resulted in profits on sale of INR XX (31 March 2018: XX).

Cash payments of INR XX (31 March 2018 –INR XX) have been incurred related to exploration and evaluation activities. The cash proceeds due to the disposal of the interest in Field X were INR XX (31 March 2018 – INR XX).

(All amounts in INR lakhs, unless otherwise stated)

38(118)
106(24)(b),(25)

5. Intangible assets

	Capitalised exploration and evaluation expenditure	Capitalised development expenditure	Subtotal-assets under construction	Production assets	Goodwill	Total
Year ended 31 March 2019						
Gross carrying amount						
Opening gross carrying amount	5,192	750	5,942	3,142	9,475	18,559
Business acquisitions	26	32	58	10	-	68
Additions	381	8	389	15	-	404
Transfers to production	(548)	(302)	(850)	104	-	(746)
Disposals	-	(43)	(43)	-	-	(43)
Closing gross carrying amount	**5,051**	**445**	**5,496**	**3,271**	**9,475**	**18,242**
Accumulated depreciation and impairment						
Opening accumulated depreciation and impairment	924	-	924	852	75	**1,851**
Amortisation charge	-	-	-	98	-	98
Impairment loss	45	-	45	-	175	220
Closing accumulated depreciation and impairment	**969**	**-**	**969**	**950**	**250**	**2,169**
Net carrying amount	**4,082**	**445**	**4,527**	**2,321**	**9,225**	**16,073**

Oil and gas exploration assets

Comparatives required

Disclosure objectives

1(38) 1. This appendix does not show any comparative information for the illustrative disclosures. However, readers should note that comparative amounts must be disclosed to comply with the requirements of Ind AS 1.

(All amounts in INR lakhs, unless otherwise stated)

Appendix C - Correction of errors relating to prior years

The discussion below summarises the presentation requirements in the financial statements and related disclosures in the notes to the financial statements in the year in which an error relating to prior years has been corrected. **For the purpose of this illustration, we have assumed that Value Ind AS Limited is not a first-time adopter of Ind AS and there are no changes in the accounting policies.**

Consolidated balance sheet

	Notes	31 March 2019	31 March 2018 (Restated)*	1 April 2017 (Restated)*
ASSETS				
Non-current assets				
Property, plant and equipment	3	137,048	97,023	88,145
Capital work-in-progress	3	17,450	3,100	-
Investment properties	4	7,419	7,179	7,255
Goodwill	5	8,670	4,530	4,530
Other intangible assets	5	12,033	10,895	11,210
Intangible assets under development*		-	-	-
Biological assets other than bearer plants*		-	-	-
Investments accounted for using the equity method	34(e)	2,776	2,128	1,604
Financial assets				
i. Investments	6(a)	38,165	32,253	32,299
ii. Loans	6(c)	3,084	2,601	2,182
iii. Other financial assets	6(e)	1,187	625	754
Deferred tax assets	7	4,598	2,774	2,054
Other non-current assets	8	21,586	10,565	7,466
Total non-current assets		**254,016**	**173,673**	**157,499**
Current assets				
Inventories	9	66,392	58,465	58,957
Financial assets				
i. Investments	6(a)	10,695	9,170	8,416
ii. Trade receivables	6(b)	30,712	30,078	28,210
iii. Cash and cash equivalents	6(d)	25,031	7,035	6,131
iv. Bank balances other than (iii) above*		-	-	-
v. Loans	6(c)	623	546	548
vi. Other financial assets	6(e)	2,856	2,093	1,052
Contract assets	6A	1,486	2,597	1,897
Other current assets	10	459	543	366
		138,254	**110,527**	**105,577**
Assets classified as held for sale	11	210	19,310	-
Total current assets		**138,464**	**129,837**	**105,577**
Total assets		**392,480**	**303,510**	**263,076**

(All amounts in INR lakhs, unless otherwise stated)

	Notes	31 March 2019	31 March 2018 (Restated)*	1 April 2017 (Restated)*
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12(a)	22,400	12,600	12,000
Other equity				
Equity component of compound financial instruments	13(a)	372	-	-
Reserves and surplus	12(b)	216,092	160,796	128,893
Other reserves	12(c)	4,233	3,215	2,420
Equity attributable to owners of Value Ind AS Limited		**243,097**	**176,611**	**143,313**
Non-controlling interests	34(b)	24,742	16,248	14,109
Total equity		**267,839**	**192,859**	**157,422**
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	13(a)	41,455	35,565	36,537
ii. Other financial liabilities	13(b)	1,670	199	312
Provisions	14	241	91	-
Employee benefit obligations	15	5,416	3,420	3,401
Deferred tax liabilities	16	12,085	9,864	7,776
Government grants	18	2,352	2,550	2,924
Other non-current liabilities		-	-	-
Total non-current liabilities		**63,219**	**51,689**	**50,950**
Current liabilities				
Financial liabilities				
i. Borrowings	13(a)	2,807	2,685	1,433
ii. Trade payables				
(a) total outstanding dues of micro and small enterprises	13(c)	1,011	1,977	1,195
(b) total outstanding dues other than ii (a) above	13(c)	37,000	27,000	33,000
iii. Other financial liabilities	13(b)	8,909	8,837	10,825
Contract liabilities	6A	833	866	810
Provisions	14	1,412	443	130
Employee benefit obligations	15	2,300	2,034	1,800
Government grants	18	938	1,017	1,166
Current tax liabilities	17	2,803	1,905	850
Other current liabilities	19	3,409	3,208	3,495
		61,422	**49,972**	**54,704**
Liabilities directly associated with assets classified as held for sale	33	-	8,990	-
Total current liabilities		**61,422**	**58,962**	**54,704**
Total liabilities		**124,641**	**110,651**	**105,654**
Total equity and liabilities		**392,480**	**303,510**	**263,076**

(*) See note XX for details regarding the restatement as a result of an error.

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

(All amounts in INR lakhs, unless otherwise stated)

Consolidated statement of profit and loss

	Notes	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)*
Continuing operations			
Revenue from operations	20	221,783	201,107
Other income	21(a)	4,430	3,444
Other gains/(losses) – net	21(b)	1,233	1,203
Total income		**227,446**	**205,754**
Expenses			
Cost of materials consumed	22(a)	78,382	76,039
Purchases of stock-in-trade		62,763	45,632
Changes in inventories of work-in-progress, stock-in-trade and finished goods	22(b)	(7,038)	(2,428)
Excise duty		-	3,174
Employee benefit expense	23	20,237	17,786
Depreciation and amortisation expense	24	10,820	9,761
Impairment of goodwill and other non-current assets	3, 5	2,100	-
Net impairment losses on financial and contract assets	29	443	454
Other expenses	25	9,591	8,801
Finance costs	26	3,203	2,794
Total expenses		**180,501**	**162,013**
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		**46,945**	**43,741**
Share of net profit of associates and joint ventures accounted for using the equity method	34	616	483
Profit before exceptional items and tax		**47,561**	**44,224**
Exceptional items*		-	-
Profit before tax from continuing operations		**47,561**	**44,224**
Income tax expense	27		
- Current tax		14,795	12,555
- Deferred tax		556	702
Total tax expense		**15,351**	**13,257**
Profit from continuing operations		**32,210**	**30,967**
Discontinued operations			
Profit from discontinued operation before tax	33	876	2,101
Tax expense of discontinued operations	27, 33	263	630
Profit from discontinued operation		**613**	**1,471**
Profit for the year		**32,823**	**32,438**

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)*
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments		-	-
Gains on cash flow hedges	12	1,153	1,003
Costs of hedging	12	(228)	(91)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	12, 34	59	44
Exchange differences on translation of foreign operations	12	(238)	(280)
Other comprehensive income/(loss) arising from discontinued operations	33	65	(30)
Gains on net investment hedge	12	480	-
Income tax relating to these items	12	(295)	(287)
		996	**359**
Items that will not be reclassified to profit or loss			
Changes in fair value of FVOCI equity investments	12	221	440
Losses on cash flow hedges	12	(170)	(112)
Costs of hedging	12	(42)	(35)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	12	32	38
Remeasurements of post-employment benefit obligations	15	756	720
Income tax relating to these items	12	(239)	(315)
		558	**736**
Other comprehensive income for the year, net of tax		**1,554**	**1,095**
Total comprehensive income for the year		**34,377**	**33,533**

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)*
Profit is attributable to:			
Owners of Value Ind AS Limited		28,165	30,182
Non-controlling interests		4,658	2,256
		32,823	**32,438**
Other comprehensive income is attributable to:			
Owners of Value Ind AS Limited		1,397	1,212
Non-controlling interests		157	(117)
		1,554	**1,095**
Total comprehensive income is attributable to:			
Owners of Value Ind AS Limited		29,562	31,394
Non-controlling interests		4,815	2,139
		34,377	**33,533**
Total comprehensive income attributable to owners of Value Ind AS Limited arises from:			
Continuing operations		28,949	29,923
Discontinued operations		613	1,471
		29,562	**31,394**
Earnings per equity share for profit from continuing operation attributable to owners of Value Ind AS Limited:		INR	INR
Basic earnings per share	40	15.07	22.88
Diluted earnings per share		14.26	22.19
Earnings per equity share for profit from discontinued operation attributable to owners of Value Ind AS Limited:			
Basic earnings per share	40	0.33	1.17
Diluted earnings per share		0.31	1.13
Earnings per equity share for profit from continuing and discontinued operation attributable to owners of Value Ind AS Limited:			
Basic earnings per share	40	15.40	24.05
Diluted earnings per share		14.57	23.32

(*) See note XX for details regarding the restatement as a result of an error.

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

(All amounts in INR lakhs, unless otherwise stated)

Consolidated statement of changes in equity (Extract)

B. Other equity

	Notes	Attributable to owners of Value Ind AS Limited										Non-controlling interests	Total
		Equity component of compound financial instruments	Reserves and surplus				Other reserves				Total other equity		
			Securities premium	Retained earnings	Debenture redemption reserve	Share options outstanding account	FVOCI-equity investments	Cash flow hedging reserve	Costs of hedging reserve	Foreign currency translation reserve			
Balance at 1 April 2017 (as previously reported)		**-**	**30,000**	**88,347**	**8,750**	**1,590**	**1,580**	**872**	**(32)**	**-**	**131,107**	**14,109**	**145,216**
Correction of error (net of tax)	XX	-	-	206	-	-	-	-	-	-	206	-	206
Restated balance at 1 April 2017			**30,000**	**88,553**	**8,750**	**1,590**	**1,580**	**872**	**(32)**	**-**	**131,313**	**14,109**	**145,422**
Profit for the year		-	-	30,182	-	-	-	-	-	-	30,182	2,256	32,438
Other comprehensive income		-	-	566	-	-	308	624	(89)	(197)	1,212	(117)	1,095
Total comprehensive income for the year		**-**	**-**	**30,748**	**-**	**-**	**308**	**624**	**(89)**	**(197)**	**31,394**	**2,139**	**33,533**
Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	12(c)	**-**	**-**	**-**	**-**	**-**	**-**	131	18	**-**	149	**-**	**149**
		-	**-**	**-**	**-**	**-**	**-**	**131**	**18**	**-**	**149**	**-**	**149**
Transactions with owners in their capacity as owners:													
Issue of equity shares	12	-	1,800	-	-	-	-	-	-	-	1,800	-	1,800
Dividends paid	30	-	-	(1,250)	-	-	-	-	-	-	(1,250)	-	(1,250)
Dividend distribution tax	30	-	-	(250)	-	-	-	-	-	-	(250)	-	(250)
Employee stock option expense	39	-	-	-	-	855	-	-	-	-	855	-	855
		-	**1,800**	**(1,500)**	**-**	**855**	**-**	**-**	**-**	**-**	**1,155**	**-**	**1,155**
Balance at 31 March 2018		**-**	**31,800**	**117,801**	**8,750**	**2,445**	**1,888**	**1,627**	**(103)**	**(197)**	**164,011**	**16,248**	**180,259**

(All amounts in INR lakhs, unless otherwise stated)

Note XX: Correction of error in accounting for leasing contracts

8(49)(a) In December 2018, the group undertook a detailed review of its leasing contracts and discovered that the terms and conditions of some of its leasing contracts in respect of furniture, fittings and equipment had been misinterpreted. Consequently, such furniture, fittings and equipment had been incorrectly accounted for as a finance lease rather than as an operating lease.

8(49)(b)(i),(c) The error has now been corrected by restating each of the affected financial statement line items for the prior years as follows:

Balance sheet (Extract)	31 March 2018 (as previously reported)	Increase/ (Decrease)	31 March 2018 (Restated)	31 March 2017	Increase/ (Decrease)	1 April 2017 (Restated)
Property, plant and equipment	102,337	(5,314)	97,023	94,124	(5,979)	88,145
Deferred tax assets	2,937	(163)	2,774	2,143	(89)	2,054
Non-current borrowings	(40,955)	5,390	(35,565)	(42,026)	5,489	(36,537)
Other current financial liabilities	(9,740)	468	(9,272)	(11,965)	785	(11,180)
Net assets	**192,478**	**381**	**192,859**	**157,216**	**206**	**157,422**
Retained earnings	(117,420)	(381)	(117,801)	(88,347)	(206)	(88,553)
Total equity	**(192,478)**	**(381)**	**(192,859)**	**(157,216)**	**(206)**	**(157,422)**

Statement of profit and loss (Extract)	31 March 2018 (as previously reported)	Increase/ (Decrease)	31 March 2018 (Restated)
Depreciation and amortisation expense	10,426	(665)	9,761
Other expense	7,601	1,200	8,801
Finance cost	3,578	(784)	2,794
Profit before tax from continuing operations	**43,975**	**249**	**44,224**
Income tax expense			
- Current tax	12,555	-	12,555
- Deferred tax	628	74	702
Total tax expense	**13,183**	**74**	**13,257**
Profit from continuing operations	**30,792**	**175**	**30,967**
Profit from discontinued operations	**1,471**	**-**	**1,471**
Profit for the year	**32,263**	**175**	**32,438**
Profit for the period	32,263	175	32,438
Other comprehensive income for the year, net of tax	1,095	-	1,095
Total comprehensive income for the year	**33,358**	**175**	**33,533**

(All amounts in INR lakhs, unless otherwise stated)

Profit is attributable to:			
Owners of Value In AS Limited	30,007	175	30,182
Non-controlling interest	2,256	-	2,256
	32,263	**175**	**32,438**
Total comprehensive income is attributable to:			
Owners of Value Ind AS Limited	31,219	175	31,394
Non-controlling interests	2,139	-	2,139
	33,358	**175**	**33,533**

Statement of cash flows (Extract)	**31 March 2018 (as previously reported)**	**Increase/ (Decrease)**	**31 March 2018 (Restated)**
Net cash inflow from operating activities	33,987	(1,200)	32,787
Net cash (outflow) from financing activities	(2,748)	1,200	(1,548)

8(49)(b)(ii) Basic and diluted earnings per share for the prior year have also been restated. The amount of the correction for basic and diluted earnings per share was an increase of Rs.0.14 and Rs.0.13 per share, respectively.

The correction further affected some of the amounts disclosed in notes 24, 25 and 26. Depreciation expense for the prior year was reduced by INR 665, rental expense relating to operating leases increased by INR 1,200 and finance costs reduced by INR 784.

Comparative information relating to notes 3, 7, 13(a), 13(b), 24, 25, 26 and 40 shall also be labelled as 'restated'. Such labelling is considered necessary to draw attention of the users of the financial statements to the fact that the comparative information has been restated due to retrospective restatement.

Commentary – Correction of errors relating to prior year

8(42) 1. Material prior period errors shall be corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts for the prior periods presented in which the error occurred or if the error occurred before the earliest prior period presented, by restating the opening balance of assets, liabilities and equity of the earliest prior period presented. Value Ind AS Limited has identified an error in the year ended 31 March 2019, which has been corrected by restating the related balances of assets, liabilities and equity as at 1 April 2017.

1(40A) (40C) 2. A third balance sheet as at the beginning of the preceding period should be presented in addition to the minimum comparative financial statements if restatement has a material effect on the information in the balance sheet at the beginning of the preceding period. However, the entity does not need to include the additional comparatives in the related notes. This contrasts with the position whereby an entity chooses to present additional comparative information as permitted by paragraph 38C and 38D to Ind AS 1, *Presentation of Financial Statements*.

8(43) 3. Following disclosures are required to be provided in the financial statements in the year in which correction of prior period errors have been effected:
   a. the nature of the prior period error;
   b. for each prior period presented, to the extent practicable, the amount of the correction:
      i. for each financial statement line item affected; and
      ii. if Ind AS 33 applies to the entity, for basic and diluted earnings per share;
      iii. the amount of the correction at the beginning of the earliest prior period presented; and
      iv. if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

   These disclosures need not be repeated in the financial statements of subsequent periods.

Appendix D: New standards and amendments

This appendix provides a summary of the new standards and amendments that are effective for the first time for periods commencing on or after 1 April 2018 (i.e. years ending 31 March 2019).

Title	Key requirements	Effective Date
Ind AS 115, *Revenue from Contracts with Customers* and associated amendments to various other standards	The MCA has issued a new standard for the recognition of revenue. This will replace Ind AS 18, *Revenue* which covers contracts for goods and services and Ind AS 11, *Construction Contracts* which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. A new five-step process must be applied before revenue can be recognised: • identify contracts with customers • identify the separate performance obligation • determine the transaction price of the contract • allocate the transaction price to each of the separate performance obligations, and • recognise the revenue as each performance obligation is satisfied. Key changes to current practice are: • Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. • Revenue may be recognised earlier than under previous standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) – minimum amounts must be recognised if they are not at significant risk of reversal. • The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa. • There are new specific rules on licences, warranties, non-refundable upfront fees and, consignment arrangements, to name a few. • As with any new standard, there are also increased disclosures. These accounting changes may have flow-on effects on the entity's business practices regarding systems, processes and controls, compensation and bonus plans, contracts, tax planning and investor communications. Entities will have a choice of full retrospective application, or prospective application with additional disclosures.	1 April 2018
Transfers of Investment Property – Amendments to Ind AS 40, Investment Property	The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples to help illustrate the principle. The Board provided two options for transition: • prospectively, with any impact from the reclassification recognised as adjustment to opening retained earnings as at the date of initial recognition, or • retrospectively - only permitted without the use of hindsight. Additional disclosures are required if an entity adopts the requirements prospectively.	1 April 2018

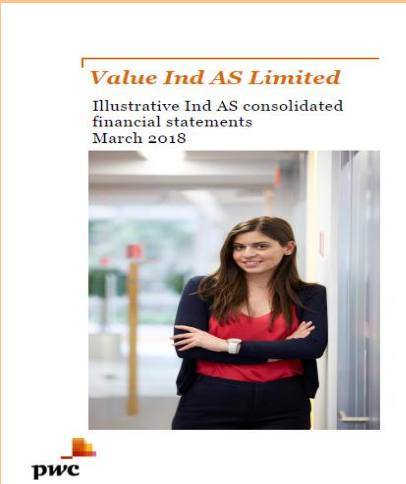
Title	Key requirements	Effective Date
Appendix B Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates	The amendment clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, a date of transaction should be determined as above for each payment or receipt. Entities can choose to apply the amendment: • retrospectively for each period presented • prospectively to items in scope that are initially recognised on or after the beginning of the reporting period in which the amendment is first applied, or • prospectively from the beginning of a prior reporting period presented as comparative information.	1 April 2018
Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance and associated amendments to various other standards	The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2018 (the 'Rules') on 20 September 2018. The Rules amend Ind AS 20 to allow entities the option of recording non-monetary government grants at a nominal amount and presenting government grants related to assets by deducting the grant from the carrying amount of the asset. An entity shall apply these amendments for annual periods beginning on or after 1 April 2018. The Rules also include consequential amendments to other Ind AS.	1 April 2018
Recognition of Deferred Tax Assets for Unrealised Losses - Amendments to Ind AS 12, Income Taxes	Amendments made to Ind AS 12 clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that: • A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period. • An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit. • Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type. • Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets.	1 April 2018
Amendment to Ind AS 112, Disclosure of Interests in Other Entities	The amendments clarify that the disclosure requirements of Ind AS 112 apply to interests in entities that are classified as held for sale, except for the summarised financial information.	1 April 2018
Amendment to Ind AS 28, Investments in Associates and Joint Ventures	The amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.	1 April 2018

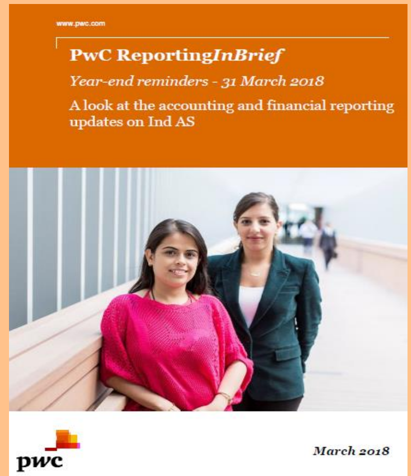
Appendix E: Abbreviations

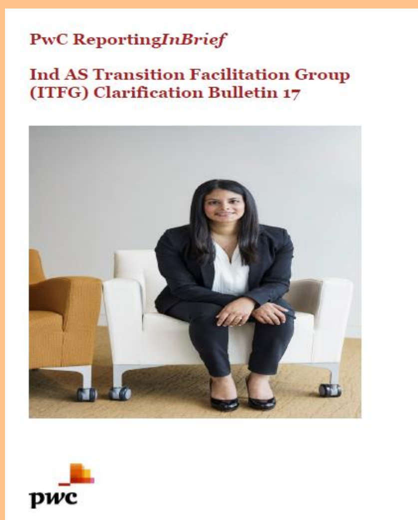
Abbreviations used in this publication are set out below.

Act	Companies Act, 2013
AS	Accounting Standard
ASB	Accounting Standards Board
App	Appendix
Bps	basis points
CGU	Cash-Generating Unit
CODM	Chief operating decision maker
CSR	Corporate Social Responsibility
DDT	Dividend Distribution Tax
EEFC	Exchange Earners' Foreign Currency Account
FV	Fair value
FVLCOD	Fair value less cost of disposal
FVOCI	(Financial assets/liabilities at) fair value through other comprehensive income
FVPL	(Financial assets/liabilities at) fair value through profit or loss
GAAP	Generally Accepted Accounting Principles
GN Sch III	Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013
Ind AS	Indian Accounting Standards
ITFG	Ind AS Technical Facilitation Group
ISDA	International Swaps and Derivatives Association
KMP	Key management personnel
MAT	Minimum Alternate Tax
NCI	Non-controlling interest
OCI	Other comprehensive income
Schedule II (Sch II)	Schedule II of the Companies Act, 2013
Schedule III (Sch III)	Schedule III (Division II) of the Companies Act, 2013
SEBI	Securities and Exchange Board of India
SPPI	Solely payments of principal and interest
STI	Short-term Incentive
1(42)	Ind AS 1 paragraph 42

Previous publications







Our offices

Ahmedabad
1701, 17th Floor, Shapath V
Opposite Karnavati Club
S G Highway
Ahmedabad - 380 051
Gujarat
Phone: [91] (79) 3091 7000

Bengaluru
The Millenia, Tower D
#1 & 2 Murphy Road, Ulsoor
Bengaluru- 560 008
Karnataka
Phone: [91] (80) 4079 4000

Chennai
Prestige Palladium Bayan,
8th Floor
129–140, Greams Road
Chennai - 600 006
Tamil Nadu
Phone: [91] (44) 4228 5000

Delhi NCR
Building 8, Tower B
DLF Cyber City
Gurgaon - 122 002
Haryana
Phone: [91] (124) 462 0000

Hyderabad
Plot no. 77/A, 8-624/A/1
3rd Floor, Road no. 10
Banjara Hills
Hyderabad - 500 034
Telangana
Phone: [91] (40) 4424 6000

Kolkata
Plot nos 56 & 57
Block DN-57, Sector V
Salt Lake Electronics Complex
Kolkata - 700 091
West Bengal
Phone: [91] (33) 2357 9100

Mumbai
252 Veer Savarkar Marg
Next to Mayor's Bungalow
Shivaji Park, Dadar
Mumbai - 400 028
Maharashtra
Phone: [91] (22) 6669 1000

Pune
Tower A - Wing 1, 7th Floor
Business Bay
Airport Road, Yerawada
Pune - 411 006
Maharashtra
Phone: [91] (20) 4100 4444

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with more than 250,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

In India, PwC has offices in these cities: Ahmedabad, Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune. For more information about PwC India's service offerings, visit www.pwc.com/in

PwC refers to the PwC International network and/or one or more of its member firms, each of which is a separate, independent and distinct legal entity in separate lines of service. Please see www.pwc.com/structure for further details.

pwc.in

Data Classification: DC0