VISWESWARA RAO & ASSOCIATES
Chartered Accountants

'SRI', 8-2-686/DB/22/1,
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Independent Auditors' Report

To
The Members,
Ramky Multi Product Industrial Park Limited

Report on the Ind AS financial statements

We have audited the accompanying financial Ind AS statements of **Ramky Multi Product Industrial Park Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (Including other comprehensive income), the Statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as 'Ind AS financial statements').

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of Cash flows and the statement of changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, relevant rules issued there under.

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for Visweswara Rao & Associates
Chartered Accountants
Firm Registration No. 005774S

VISWESWARA RAO & ASSOCIATES ★ HYDERABAD ★ CHARTERED ACCOUNTANTS

(Mahidhar S.G.)
Partner
Membership No.216463

Place: Hyderabad
Date: 17-05-2018

Annexure- A to the Independent Auditors' Report:

The Annexure referred to the Independent auditors' report to the members of the company on the Ind AS financial statements for the year ended 31 March 2018, we report that:

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) A major portion of fixed assets have been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The special nature of inventories carried on by the company as on the Balance sheet date does not need physical verification and hence paragraph 3 (ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.

iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with by the company.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal.

vi. In our opinion and according to the information and explanations given to us, maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us the company has been generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable with the appropriate authorities and no undisputed amounts payable, *except Tax deducted at source of Rs.1,54,98,431/-and Works contract tax of Rs.3,03,66,540/-*, were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax or Sales Tax or Service Tax or duty of customs or duty of excise or value added tax or cess as at 31st March, 2018 which have not been deposited on account of a dispute.

viii. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any loans from Government and outstanding debentures during the year.

ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. The company has not paid or provided any managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable.

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

For Visweswara Rao & Associates
Chartered Accountants
Firm Registration No 005774S

(Mahidhar.S.G)
Partner
Membership No.216463

VISWESWARA RAO & ASSOCIATES * CHARTERED ACCOUNTANTS * HYDERABAD

Place: Hyderabad
Date : 17-05-2018

Annexure- B to the Independent Auditors' Report:

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

We have audited the internal financial controls over financial reporting of **Ramky Multi Product Industrial Park Limited** ("the Company") as of 31st March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

for Visweswara Rao & Associates
Chartered Accountants
Firm Registration No .005774S

VISWESWARA RAO & ASSOCIATES
HYDERABAD
CHARTERED ACCOUNTANTS

(Mahidhar.S.G)
Partner
Membership No.216453

Place: Hyderabad
Date: 17-05-2018

Ramky Multi Product Industrial Park Limited
Balance Sheet
As at 31 March 2018

(Rs in Millions)

	Notes	31 March 2018	31 March 2017
Assets			
Non-current assets			
Property, plant and equipment	4	285.792	70.719
Non-current tax assets	6	14.000	14.000
Total non-current assets		**299.792**	**84.719**
Current assets			
Inventories		-	-
Financial assets			
Cash and cash equivalents	7	0.274	0.057
Other current assets	8	457.864	677.722
Total current assets		**458.138**	**677.779**
Total assets		**757.930**	**762.498**
Equity and liabilities			
Equity			
Equity share capital	9	50.000	50.000
Other equity	10		
Securities premium		135.000	135.000
Retained earnings		(68.875)	(60.537)
Capital Contribution		233.741	233.741
Total equity		**349.866**	**358.204**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	11	148.085	140.889
Deferred tax liabilities, net	5	82.572	84.443
Total non-current liabilities		**230.657**	**225.332**
Current liabilities			
Financial liabilities			
Borrowings		-	-
Trade and other payables	12	129.511	133.096
Provisions	13	0.001	0.001
Other current liabilities	14	47.895	45.865
Total current liabilities		**177.407**	**178.962**
Total liabilities		**408.064**	**404.294**
Total equity and liabilities		**757.930**	**762.498**

The notes 1 to 24 are an integral part of the financial statements.

In terms of our report attached.

For Visweswara Rao & Associates
Chartered Accountants
Firm Registration No. 005774S

VISWESWARA RAO & ASSOCIATES * HYDERABAD * CHARTERED ACCOUNTANTS

Mahidhar S.G
Partner
Membership Number : 216463

Place : Hyderabad
Date : 17-May-2018

For and on behalf of the Board
Ramky Multi Product Industrial Park Limited

P. Ravi Prasad
Director
DIN:07872103

Divakar Marri
Director
DIN:06865376

Surabhula Venkateswarlu
Chief Financial Officer

Ramky Multi Product Industrial Park Limited *

Ramky Multi Product Industrial Park Limited
Statement of Profit and Loss
For the year ended 31 March 2018

(Rs in Millions)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Total income		-	-
Expenses			
Employee benefits expense	15	0.168	0.164
Finance costs	16	8.820	35.535
Depreciation	4	0.002	-
Other expenses	17	1.219	1.702
Total expenses		**10.209**	**37.401**
Profit before income tax		**(10.209)**	**(37.401)**
Current tax		-	-
Deferred tax		(1.871)	(6.757)
Income tax expense		(1.871)	(6.757)
Profit for the year		**(8.338)**	**(30.644)**
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		**(8.338)**	**(30.644)**
Earnings per share			
Basic earnings per share (INR)	19	(1.668)	(6.129)
Diluted earnings per share (INR)	19	(1.668)	(6.129)

The notes 1 to 24 are an integral part of the financial statements.

In terms of our report attached.

For Visweswara Rao & Associates
Chartered Accountants
Firm Registration No. 005774S

VISWESWARA RAO & ASSOCIATES * CHARTERED ACCOUNTANTS * HYDERABAD

Mahidhar S.G
Partner
Membership Number : 216468

For and on behalf of the Board
Ramky Multi Product Industrial Park Limited

P. Ravi Prasad
Director
DIN:07872103

Divakar Marri
Director
DIN:06865376

Surabhula Venkateswarlu
Chief Financial Officer

Ramky Multi Product Industrial Park Limited *

Place : Hyderabad
Date : 17-May-2018

Ramky Multi Product Industrial Park Limited
Statement of Cash Flows
For the year ended 31 March 2018

(Rs in Millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flows from operating activities		
Profit for the year (before tax)	(10.209)	(37.401)
Adjustment for:		
Finance costs	8.820	35.535
Working capital adjustments:		
(Increase) in loans		
(Increase) decrease in inventories	-	1,320.844
(Increase) Decrease in other current assets	219.859	(552.717)
Increase (decrease) in trade payables	(3.584)	(487.070)
Increase in other current liabilities	2.030	4.357
Cash generated from operating activities	216.916	283.548
Income tax paid (net)	-	(14.000)
Net cash from operating activities (A)	**216.916**	**269.548**
Cash flows from investing activities		
Purchase of property, plant and equipment	(215.075)	(70.719)
Net cash used in investing activities (B)	**(215.075)**	**(70.719)**
Cash flows from financing activities		
Proceeds (Repayment) of short-term borrowings	-	(185.214)
Interest paid	(1.624)	(13.668)
Net cash flow from (used in) financing activities (C)	**(1.624)**	**(198.882)**
Net decrease in cash and cash equivalents (A+B+C)	0.217	(0.052)
Cash and cash equivalents as at 1 April	0.057	0.109
Cash and cash equivalents as at 31 March	**0.274**	**0.057**

The notes 1 to 24 are an integral part of the financial statements.

In terms of our report attached.

For Visweswara Rao & Associates
Chartered Accountants
Firm Registration No. 005774S

VISWESWARA RAO & ASSOCIATES * HYDERABAD * CHARTERED ACCOUNTANTS

Mahidhar S.G
Partner
Membership Number : 216463

Place : Hyderabad
Date : 17-May-2018

For and on behalf of the Board
Ramky Multi Product Industrial Park Limited

P. Ravi Prasad
Director
DIN:07872103

Divakar Marri
Director
DIN:06865376

Surabhula Venkateswarlu
Chief Financial Officer

Ramky Multi Product Industrial Park Limited *

Ramky Multi Product Industrial Park Limited
Statement of changes in equity
For the year ended 31 March 2018

a. Equity share capital

(Rs in Millions)

	Amount
Balance as at 1 April 2017	50.000
Changes in equity share capital during 2017-18	-
Balance as at the 31 March 2018	**50.000**

b. Other equity

(Rs in Millions)

	Reserves and surplus		Capital Contribution on account of Non-Convertible Preference shares	Items of Other Comprehensive Income	Total
	Retained earnings	Securities premium		Others	
Balance at 1 April 2016	(29.893)	135.000	233.741	-	**338.848**
Total comprehensive income for the year ended 31 March 2017					
Profit or loss	(30.644)	-	-	-	(30.644)
Other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive income	**(30.644)**	-	-	-	**(30.644)**
Transactions with owners, recorded directly in equity	-	-	-	-	-
Balance at 31 March 2017	**(60.537)**	**135.000**	233.741	-	**308.204**
Total comprehensive income for the year ended 31 March 2017					
Profit or loss	(8.338)	-	-	-	(8.338)
Other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive income	**(8.338)**	-	-	-	**(8.338)**
Transactions with owners, recorded directly in equity	-	-	-	-	-
Balance at 31 March 2018	**(68.875)**	**135.000**	233.741	-	**299.866**

The notes 1 to 24 are an integral part of the financial statements.

In terms of our report attached.

For Visweswara Rao & Associates
Chartered Accountants
Firm Registration No. 005774S

Mahidhar S.G
Partner
Membership Number : 216463

For and on behalf of the Board
Ramky Multi Product Industrial Park Limited

P. Ravi Prasad
Director
DIN:07872103

Divakar Marri
Director
DIN:06865376

Surabhula Venkateswarlu
Chief Financial Officer

Place : Hyderabad
Date : 17-May-2018

Ramky Multi Product Industrial Park Limited
Notes to the financial statements for the year ended 31 March 2018

1. Reporting entity

Ramky Multi Product Industrial Park Limited (the 'Company') is a company domiciled in India, with its registered office situated at Ramky Grandiose, 15th Floor, Sy No 136/2 & 4, Gachibowli, Hyderabad, Telangana. The Company has been incorporated under the provisions of the Companies Act, 1956 as a Special Purpose Vehicle ("SPV") for development of an industrial park to meet the requirements of various industrial, manufacturing, service sectors at Chityal, Andhra Pradesh.

2. Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 17th May 2018.

Details of the Company's accounting policies are included in Note3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Millions, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair value

D. Use of estimates and judgment

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

– Note 3(h)(ii) – realization of deferred tax assets

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2018 is included in the following notes:

– Note 3(c)(ii) – impairment test of non-financial assets: key assumptions underlying recoverable amounts

– Note 3(h)(ii) – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Ramky Multi Product Industrial Park Limited

– Notes 3(e) – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

– Note 3(c) (i) – impairment of financial assets.

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 3(a) – financial instruments;

3. Significant accounting policies

a. Financial instruments

Non-derivative financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets at amortized cost; non derivative financial liabilities at amortized cost.
The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Non- derivative financial assets

Financial assets are initially measured at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The company's financial assets include security deposits, cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current assets.

Ramky Multi Product Industrial Park Limited

Non-derivative financial liabilities

Financial liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

The company has the following financial liabilities: loans and borrowings, trade and other payables including deposits collected from various parties.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

b. Inventories

Inventories comprise of lands and related development costs. It is valued at direct development cost including related incidental expenditure attributable to the said property to bring it to the marketable stage.

Direct expenditure relating to construction activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the construction and real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realizable value.

c. Impairment

i. Impairment of financial instruments

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, and bank balance.
- Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax

Ramky Multi Product Industrial Park Limited

discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

d. Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

e. Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

f. Revenue recognition

The Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is measured at the fair value of the consideration received or receivable.

g. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset or to the amortized cost of the liability.

h. Income tax

Income tax comprises of current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Ramky Multi Product Industrial Park Limited

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

i. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

j. Earnings per share

The basic earnings per share for the year is computed by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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.

k. Segment reporting

The Board of Directors assess the financial performance of the Company and make strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Development of industrial park has been considered as the only reportable segment. Hence, no separate financial disclosure have been provided for the segment reporting.

Ramky Multi Product Industrial Park Limited

Ramky Multi Product Industrial Park Limited
Notes to the financial statements for the year ended 31 March 2018

l. Property, plant and equipment

i. *Recognition and measurement*

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. *Depreciation*

The estimated useful lives (in years) of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Furniture and fixtures	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of)

m. New standards and interpretations not yet adopted

Ind AS 115 Revenue from Contracts with Customers: Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015. The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions - and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends is the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard has been currently deferred. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

Ramky Multi Product Industrial Park Limited *

Ramky Multi Product Industrial Park Limited
Notes to the financial statements
For the Year ended 31 March 2018

4. Property, plant and equipment

Reconciliation of carrying amount

	Land	Furniture and fixtures	Total
Deemed cost (gross carrying amount)			
Balance at 1 April 2016	-	-	-
Additions*	1,471.988	-	1,471.988
Disposals	(1,401.269)	-	(1,401.269)
Balance at 31 March 2017	**70.719**	**-**	**70.719**
Balance at 1 April 2017	70.719	-	70.719
Additions	215.050	0.025	215.075
Disposals	-	-	-
Balance at 31 March 2018**	**285.769**	**0.025**	**285.794**
Accumulated depreciation and impairment losses			
Depreciation for the year	-	-	-
Impairment	-	-	-
Disposals	-	-	-
Balance at 31 March 2017	**-**	**-**	**-**
Balance at 1 April 2017	-	-	-
Depreciation for the year	-	0.002	0.002
Impairment	-	-	-
Disposals	-	-	-
Balance at 31 March 2018	**-**	**0.002**	**0.002**
Carrying amounts (net)			
At 1 April 2017	**70.719**	**-**	**70.719**
At 31 March 2018	**285.769**	**0.023**	**285.792**

*During the Previous financial year, vide the Board Resolution Dated 07th September 2016, the management has decided upon to convert the inventory of Rs. 1472 Millions/- into Fixed asset and capitalise it.

** Includes Lands to the extent of 37.28 acres given as collateral security for Loan availed by Ramky Infrastructure Limited (The holding Company)from IDBI Bank Limited to the extent of Rs. 2368 Millions.

Ramky Multi Product Industrial Park Limited

Ramky Multi Product Industrial Park Limited
Notes to the financial statements
As at 31 March 2018

5 Deferred tax assets, net

A. Movement in temporary differences

(Rs in Millions)

	31 March 2018	31 March 2017
Deferred tax assets		
Unabsorbed depreciation and business losses	0.257	0.257
Compound financial instruments	(82.829)	(84.700)
	(82.572)	**(84.443)**

B. Reconciliation of effective tax rate

	31 March 2018		31 March 2017	
Profit before tax		(10.209)		(37.401)
Tax using the Company's domestic tax rate	30.90%	(3.155)	30.90%	(11.557)
Effect of:				
Non-deductible expenses	-9.12%	0.931	-12.83%	4.800
Decrease in Tax rate	-3.45%	0.35	-	-
Effective tax rate	**18.33%**	**(1.871)**	**18.07%**	**(6.757)**

6. Non-current tax assets

(Rs in Millions)

	31 March 2018	31 March 2017
Advance tax and TDS receivable	14.000	14.000
	14.000	**14.000**

Ramky Multi Product Industrial Park Limited

7. Cash and cash equivalents

(Rs in Millions)

	31 March 2018	31 March 2017
Cash on hand	-	0.001
Balances with banks:		
- in current accounts	0.274	0.056
	0.274	**0.057**

8. Other current assets

(Rs in Millions)

	31 March 2018	31 March 2017
Advances for land	157.368	125.195
Other loans and advances	300.496	552.527
	457.864	**677.722**

9. Share capital

(Rs in Millions)

	31 March 2018	31 March 2017
Authorised		
Equity shares of Rs.10/- each	50.000	50.000
0.001% Cumulative, Convertible, Redeemable Preference Shares of Rs. 10/- each	15.000	15.000
0.001% Cumulative, Non Convertible, Redeemable Preference Shares of Rs.10/- each	45.000	45.000
	110.000	**110.000**
Issued, subscribed and paid-up		
Equity shares of Rs. 10/- each	50.000	50.000
	50.000	**50.000**

Cumulative, Convertible, Redeemable Preference Shares of `Rs.10/- each have been classified as financial liability (see Note 11).

0.001% Cumulative, Non Convertible, Redeemable Preference Shares of Rs.10/- each have been classified as financial liability (see Note 11).

A. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

(Rs in Millions)

Number	31 March 2018		31 March 2017	
	Number	Amount (INR)	Number	Amount (INR)
At the commencement of the year	5.000	50.000	5.000	50.000
Shares issued for cash	-	-	-	-
At the end of the year	**5.000**	**50.000**	**5.000**	**50.000**

B. Rights, preferences and restrictions attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

C. Shareholders holding more than 5% of equity share capital

(Rs in Millions)

	31 March 2018		31 March 2017	
	Number	% Holding	Number	% Holding
Ramky Infrastructure Limited	5.00	100%	5.00	100%
	5.00	**100%**	**5.00**	**100%**

D. Shares held by holding company

(Rs in Millions)

	31 March 2018		31 March 2017	
	Number	% Holding	Number	% Holding
Ramky Infrastructure Limited	5.00	100%	5.00	100%
	5.00	**100%**	**5.00**	**100%**

Ramky Multi Product Industrial Park Limited *

Ramky Multi Product Industrial Park Limited
Notes to the financial statements
As at 31 March 2018

10. Other equity

(Rs in Millions)

	31 March 2018	31 March 2017
Securities premium account		
Balance at the beginning of the year	135.000	135.000
Changes during the year	-	-
Balance at the end of the year	135.000	135.000
Surplus in the statement of profit and loss		
Balance at the beginning of the year	(60.537)	(29.893)
Add: (Loss)/ Profit for the year	(8.338)	(30.644)
Balance at the end of the year	(68.875)	(60.537)
Capital Contribution on account of Non-Convertible Preference shares(refer Note 11)		
Balance at the beginning of the year	233.741	233.741
Changes during the year	-	-
Balance at the end of the year	233.741	233.741
	299.866	**308.204**

11. Non-current borrowings

(Rs in Millions)

	31 March 2018	31 March 2017
Unsecured		
0.001% Cumulative, Non Convertible, Redeemable Preference Shares of Rs.10/- each	133.085	125.889
Cumulative, Convertible, Redeemable Preference Shares of Rs. 10/- each	15.000	15.000
	148.085	**140.889**

During March-2012, the Company issued 1.5 Million 0.001% Cumulative, Convertible, Redeemable Preference Shares of Rs.10/- each at premium of Rs.90/-. These shares are convertible into equity shares at the option of the holder/board without the further approval of shareholders on or before 15 years.

During March-2012, the Company issued 4 Million 0.001% Cumulative, Non Convertible, Redeemable Preference Shares of Rs.10/- each at premium of Rs.90/-. These shares are redeemable either at par or at premium at the option of the board without further approval of the share holders on or before 15 years.

During the year, the Company has not provided dividend of INR 150 on 0.001% Cumulative, Convertible, Redeemable Preference Shares and INR 400 on 0.001% Cumulative, Non Convertible, Redeemable Preference Shares due to inadequate profits.

The preference shares issued are analysed as a compound financial instrument and are separated into a liability and an equity component. The fair value of the liability component is initially measured at amortised cost determined using a market rate for an equivalent non-convertible instrument. The residual amount is recognised in equity. The finance cost arising on the liability component is included in finance cost in the Statement of Profit and Loss. The carrying amount of the conversion option as reflected in the equity is not re-measured in subsequent periods.

Ramky Multi Product Industrial Park Limited

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Notes to the financial statements
As at 31 March 2018

12. Trade payables (Rs in Millions)

	31 March 2018	31 March 2017
Payable towards expenses	129.511	133.096
	129.511	**133.096**

Refer note 23 for disclosure of transactions with related parties.

13. Short-term provisions (Rs in Millions)

	31 March 2018	31 March 2017
Provisions for		
- Proposed dividend	0.001	0.001
- Dividend tax	0.000	0.000
	0.001	**0.001**

14. Other current liabilities (Rs in Millions)

	31 March 2018	31 March 2017
Statutory liabilities	47.895	45.865
	47.895	**45.865**

15. Employee benefits expense (Rs in Millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	0.168	0.164
	0.168	**0.164**

16. Finance costs (Rs in Millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Bank charges	0.001	0.000
Interest on unsecured loan	-	9.454
Interest on TDS	1.623	4.214
Interest on preference shares	7.196	21.867
	8.820	**35.535**

17. Other expenses (Rs in Millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Audit fee	0.118	0.115
Travelling and conveyance	0.177	0.019
Rates and taxes	-	0.115
Electricity charges	0.052	0.021
Loss on sale of fixed assets	-	1.269
Professional charges	0.354	0.126
Miscellaneous expenses	0.518	0.037
	1.219	**1.702**

(i) Payments to auditors (Rs in Millions)

	For the year ended 31 March 2018	For the period ended 31 March 2017
As Auditor		
- Statutory audit	0.118	0.115
	0.118	**0.115**

Ramky Multi Product Industrial Park Limited

18. Capital management

The Company's policy is to maintain a strong capital base so as to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and for the future development of the Company. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return on capital to shareholders or issue of new shares.

The Company's adjusted net debt to equity ratio at 31 March 2018 was as follows:

(Rs in Millions)

	31 March 2018	31 March 2017
Total liabilities	408.064	404.294
Less: cash and cash equivalents	(0.274)	(0.057)
Adjusted net debt	**407.790**	**404.237**
Total equity	349.866	358.204
Adjusted equity	349.866	358.204
Adjusted net debt to adjusted equity ratio	**1.17**	**1.13**

19. Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company

- 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

ii) Diluted earnings per share

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
The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

(Rs in Millions)

	31 March 2018	31 March 2017
i. Profit (loss) attributable to equity shareholders(basic)	(8.338)	(30.644)
ii. Weighted average number of equity shares (basic)	5.000	5.000
Basic EPS	**(1.668)**	**(6.129)**
i. Profit (loss) attributable to equity shareholders(diluted)	(8.338)	(30.644)
ii. Weighted average number of equity shares (diluted)*	6.500	6.500
Diluted EPS	**(1.283)**	**(4.714)**
Anti- Dilutive impact*	(0.385)	(1.415)
Diluted EPS	**(1.668)**	**(6.129)**

*1.5 Million 0.001% Cumulative, Convertible, Redeemable Preference Shares of Rs.10/- each, can potentially dilute the basic earnings per share in future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period presented.

Ramky Multi Product Industrial Park Limited

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Notes to the financial statements
As at 31 March 2018

20. Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The carrying amounts of financial assets and liabilities recognized in the financial statements approximate their fair values and hence no further details about the fair value measurements including their levels in the fair value hierarchy is not given. No assets and liabilities are measured at fair value.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

31 March 2018 (Rs in Millions)

	Carrying amount		
	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount
Financial assets measured at fair value	-	-	-
	-	-	-
Financial assets not measured at fair value			
Cash and cash equivalents	0.274	-	0.274
	0.274	**-**	**0.274**
Financial liabilities not measured at fair value			
Preference shares issued	-	148.085	148.085
Trade payables	-	129.511	129.511
Other current liabilities	-	47.895	47.895
	-	**325.491**	**325.491**

31 March 2017 (Rs in Millions)

	Carrying amount		
	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount
Financial assets measured at fair value	-	-	-
	-	-	-
Financial assets not measured at fair value			
Cash and cash equivalents	0.057	-	0.057
	0.057	**-**	**0.057**
Financial liabilities not measured at fair value			
Preference shares issued	-	140.889	140.889
Trade payables	-	133.096	133.096
Other current liabilities	-	45.865	45.865
	-	**319.850**	**319.850**

Ramky Multi Product Industrial Park Limited

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

a) credit risk

b) liquidity risk

c) market risk

i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Cash and cash equivalents

The Company holds cash and cash equivalents of INR 0.274 Millions at 31 March 2018 (31 March 2017: INR 0.057 Millions). The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Ramky Multi Product Industrial Park Limited

20. Financial instruments - Fair values and risk management (continued)

B. Financial risk management

iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements

31 March 2018

(Rs in Millions)

		Contractual Cashflows					
	Carrying Amount	Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
Non-derivative financial liabilities							
Preference shares	148.085	148.085	-	-	-	-	148.085
Trade payables	129.511	129.511	129.511	-	-	-	-
Other current liabilities	47.895	47.895	47.895	-	-	-	-
	325.491	**325.491**	**177.406**	-	-	-	**148.085**

31 March 2017

(Rs in Millions)

		Contractual Cashflows					
	Carrying Amount	Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
Non-derivative financial liabilities							
Preference shares	140.889	140.889	-	-	-	-	140.889
Trade payables	133.096	133.096	133.096	-	-	-	-
Other current liabilities	45.865	45.865	45.865	-	-	-	-
	319.850	**319.850**	**178.961**	-	-	-	**140.889**

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company adopts a policy of ensuring that between 80 and 90% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate instruments.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

(Rs in Millions)

	31 March 2018	31 March 2017
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	148.085	140.889
	148.085	**140.889**

Ramky Multi Product Industrial Park Limited

21. Related parties

A. List of related parties and nature of relationship

S. No.	Name of the related party	Nature of relationship
1	Ramky Infrastructure Limited	Holding Company

B. Transactions with related parties during the year ended

(Rs in Millions)

S. No.	Name of the related party	Nature of transactions	31 March 2018	31 March 2017
1	Ramky Infrastructure Limited	Unsecured loan taken	-	13.428
		Unsecured loan repaid	-	213.839
		Interest payable	-	16.886
		Amount received	253.594	-
		Sale of Fixed Assets	-	1,400.000

C. Balances outstanding

(Rs in Millions)

S. No.	Name of the related party	Nature of transactions	31 March 2018	31 March 2017
1	Ramky Infrastructure Limited	Equity share capital	50.000	50.000
		0.001% Cumulative, Convertible, Redeemable Preference Shares	15.000	15.000
		0.001% Cumulative, Non Convertible, Redeemable Preference Shares	40.000	40.000
		Amount receivable on sale of Fixed assets	298.523	552.117

22. As the Company is not in the possession of information regarding dues to the Micro, Small and Medium Enterprises, the same has not been furnished herewith.

23. Balances in respect of Creditors and various Advances are subject to confirmation from the respective parties.

24. Contingent Liabilities

Corporate guarantee to holding company " Ramky Infrastructure Limited " to the extent of Rs.2368 Millions/- (P.Year Rs.2368 Millions/-).

The notes 1 to 24 are an integral part of the financial statements.

In terms of our report attached.

For Visweswara Rao & Associates
Chartered Accountants
Firm Registration No. 005774S

VISWESWARA RAO & ASSOCIATES * CHARTERED ACCOUNTANTS * HYDERABAD

Mahidhar S.G
Partner
Membership Number: 216463

Place : Hyderabad
Date : 17-May-2018

For and on behalf of the Board
Ramky Multi Product Industrial Park Limited

P. Ravi Prasad
Director
DIN:07872103

Divakar Marri
Director
DIN:06865376

Surabhinda Venkateswarlu
Chief Financial Officer

Ramky Multi Product Industrial Park Limited *