

B S R & Associates LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone: + 91 80 3980 6000
Fax: + 91 80 3980 6999

Review Report to the Board of Directors of RMZ Infotech Private Limited

1. Introduction

We have reviewed the accompanying statement of unaudited financial results ("Statement") of RMZ Infotech Private Limited ("the Company") for the half year ended 30 September 2016. Attention is drawn to the fact that the figures for the corresponding six months ended 30 September 2015 and including reconciliation of profit under Indian Accounting Standards ("Ind AS") of the six months ended 30 September 2015 with profit reported under previous generally accepted accounting principles, as reported in the financial results have been approved by the Company's Board of Directors but have not been subjected to review or audit. This statement is the responsibility of the Company's management and has been approved by the Board of Directors on xx December 2016. Our responsibility is to issue a report on the Statement based on our review.

2. Scope of Review

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Basis of Qualified Opinion

As stated in Note 8 to the Statement, during the period ended 30 September 2016 the Company has incurred an excess corporate cost of Rs. 340 lakhs as per the corporate cost sharing contract (Contract) between the Company and one of its shareholder (service provider). As per the terms of the Contract, any such excess cost should be recovered from the service provider and accordingly the Company should have recorded an amount of Rs. 340 lakhs as a receivable in its financial statements. This has resulted in overstatement of expenses and corresponding understatement of net profit before tax expense for the period ended 30 September 2016 by Rs. 340 lakhs.



4. Conclusion

Based on our review conducted as above, except for the effects of matter described in the basis of qualified opinion paragraph above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results for the six months ended 30 September 2016, prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W /W-100024



Aravind Maiya
Partner

Membership number: 217433

Place: Bengaluru

Date: 14 December 2016

RMZ Infotech Private Limited

CIN: U01119KA2003PTC041807

Registered Office: 'The Millenia', Tower B, Level 12, 1&2, Murphy Road, Ulsoor, Bangalore - 560 008



Unaudited Financial Results for the six months ended September 30, 2016

Rs in lakhs

| Particulars | Six months ended September 30, 2016 | Six months ended September 30, 2015 |
|----------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| | Unaudited | Unaudited |
| 1. (a) Income from Operations | 18,137 | 17,146 |
| (b) Other Operating Income | - | - |
| 2. Expenditure | | |
| (a). Operating and maintenance expenses | 2,066 | 1,810 |
| (b). Employees cost (refer note 4) | 36 | (1,314) |
| (c). Depreciation and amortisation | 1,721 | 1,658 |
| (d). Other expenditure | 1,448 | 1,058 |
| (e). Property tax | 654 | 564 |
| (f). Total | 5,925 | 3,776 |
| 3. Profit from Operations before Other Income, Interest and Exceptional Items (1-2) | 12,212 | 13,370 |
| 4. Other Income | 3,758 | 3,511 |
| 5. Profit before interest and exceptional items (3+4) | 15,970 | 16,881 |
| 6. Interest (including other borrowing cost) | 10,955 | 12,392 |
| 7. Exceptional items | - | - |
| 8. Profit (+)/ Loss (-) from Ordinary Activities before tax (5) - (6+7) | 5,015 | 4,489 |
| 9. Tax expense (refer note 7) | 377 | 849 |
| 10. Net Profit (+)/ Loss (-) from Ordinary Activities after tax (8-9) | 4,638 | 3,640 |
| 11. Extraordinary Items (net of tax expense) | - | - |
| 12. Net Profit(+)/ Loss(-) for the period (10-11) | 4,638 | 3,640 |
| 13. Paid-up equity share capital (Paid up value - Rs. 10 each - fully paid up) | 41,907 | 41,907 |
| 14. Paid up debt capital | 177,978 | 190,960 |
| 15. Reserves excluding revaluation reserves as per balance sheet of previous accounting year | - | - |
| 16. Debenture redemption reserve (refer note 5) | 6,667 | 4,381 |
| 17. Earnings/(loss) per share (EPS) - basic and diluted | 1.11 | 0.87 |
| 18. Debt equity ratio [refer note 6] | 1.36 | 1.52 |
| 19. Debt service coverage ratio [refer note 6] | 1.22 | 1.14 |
| 20. Interest service coverage ratio [refer note 6] | 1.46 | 1.37 |

Note: All amounts in lakhs, except EPS and ratios

Notes to the financial results:

- The above unaudited standalone half yearly financial results have been taken on record and approved by the Board of Directors on 14 December 2016 and has subjected to review by the statutory auditors.
- These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and in terms of Regulation 52 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in compliance of the Debt Listing Agreement entered with BSE Limited. Consequently, results for the period ended September 30, 2015 have been restated to comply with Ind AS to make them comparable. Further, the financial results for the period ended September 30, 2015 were neither subjected to limited review nor subjected to audit and are as prepared by the Management after exercising due diligence to ensure a true and fair view of the Company's affairs. The reconciliation of net profit for the half year ended September 30, 2015 under Ind AS and previous India GAAP is as follows:

| Particulars | Six months ended September 30, 2015 |
|------------------------------------------------------------------------------------|----------------------------------------|
| Net profit after tax as per previous generally accepted accounting practice (GAAP) | 3,131 |
| Interest income on unwinding of discount on financial assets | 313 |
| Interest expense on unwinding of discount on financial liabilities | (100) |
| Amortisation of finance cost under effective interest rate method | (13) |
| Net corporate guarantee fee income | 182 |
| Others | 127 |
| Net profit after tax as per Ind AS | 3,640 |

- The Company has single reportable segment i.e. construction of industrial parks on a build maintain and lease basis.
- During the year ended March 31, 2015 the Company had declared an amount of Rs 1,550 lakhs as incentive to two Directors of the Company. During the period ended September 30, 2015 pursuant to the Directors expressing their willingness to give up their incentive upto Rs 675 lakhs each, the Board has modified its resolution passed in the financial year ended March 31, 2015 to amend the total incentive to Rs 100 lakhs each to both Directors. Accordingly, the Company had reversed an amount of Rs 1,350 lakhs and recorded the same as a reversal in employee costs during the period ended September 30, 2015.
- In accordance with section 71 of the Companies Act read along with notification issued in the official Gazette on 3 April 2014, the Company is required to create a debenture redemption reserve (DRR) amounting to 25% of the value of redeemable debentures out of profits of the Company. During the half year ended September 30, 2016 the Company has created Rs 1,143 lakhs as DRR.
- Below is the formula used for the ratios mentioned in the results above.
 - Debt equity ratio = Total debt (including redeemable non-convertible debentures) / share holders' equity.
 - Debt service coverage ratio = Earnings before interest and tax / (interest [excluding other borrowing costs] + principal repayment*)
*Principal repayment considered for the ratio excludes principal repayments on account of pre-closure of loans
 - Interest service coverage ratio = Earnings before interest and tax / interest [excluding other borrowing costs]
- In the absence of notification of the order number F. No. 133 123 2015-TPL dated June 8, 2015, the Company has computed Minimum Alternate Tax (MAT) based on the existing guidelines under section 115JB of the Income-tax Act, 1961 ("the Act") excluding all adjustments relating to convergence to Ind AS.
- During the period ended 30 September 2016, the Company has incurred an excess corporate cost of Rs 340 lakhs as per the corporate cost sharing contract (Contract) between the Company and one of its shareholder (service provider). As per the terms of the Contract, any such excess cost should be recovered from the service provider and accordingly the Company should have recorded an amount of Rs 340 lakhs as a receivable in its financial statements.

For and on behalf of the Board of Directors of
RMZ Infotech Private Limited


Raj A. Menda
Chairman

Place: Bangalore
Date: December 14, 2016

GNR Complex, 1st Floor, 32 & 33, 8th Cross,
Wilson Garden, Bangalore - 560 027.
Tel: 22113924 Mobile : 98440 76259
m_chandrappa@hotmail.com

TO WHOM EVER IT MAY CONCERN

This is to certify that M/s.**RMZ Infotech Private Limited**, having its Registered Office at 'The Millenia', Tower – B, Level 12 – 14, No. 1 & 2, Murphy Road, Ulsoor, Bengaluru – 560 008, Karnataka has an asset coverage ratio of 2.23 on the basis of the following calculation:

| Asset Coverage Ratio | |
|------------------------|---------------------------|
| Particulars | Amount in Rupees Crore |
| Total Assets | *1430.90 |
| Outstanding debentures | 640.00 |
| Asset Coverage Ratio | *2.23 |

We further certify that M/s.**RMZ Infotech Private Limited** as on 30th September, 2016 has complied with all statutory requirements and other compliances as required under the Companies Act, 2013 and rules applicable there under.

*The value of total assets and asset coverage ratio is based on the valuation report as on 31st March 2016

For and on behalf of
M. Chandrappa & Associates
Company Secretaries



M. Chandrappa
Membership No. FCS 2109/ CP No. 3677

Date: 13th December, 2016