INDEPENDENT AUDITOR'S REPORT

To the Members of ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED (*"the Company"*)** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 Indian Accounting Standards (Ind AS), of the state of affairs (financial position) of the Company as at March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANTS

Responsibility of Management and those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position),profit and loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

NIRAJ D. ADATIA & ASSOCIATES

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

I. As required by section 197(16) of the Act, we report that the Company has not paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V of the Act.

II. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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;

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANTS

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement 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 financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 has disclosed the impact, if any, of pending litigations as on 31st March, 2019 on its financial position in its financial statements.

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

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

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No.: 129486W
Chartered Accountants

NIRAJ D. ADATIA
Partner
Membership No.: 120844
UDIN: 19120844AAAAAY9974
Place : Mumbai
Date : [illegible]th September, 2019

ANNEXURE "A" REFERRED TO IN INDEPENDENT AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF AMRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019;

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

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

b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification;

c) As per the information and explanation given to us, lease deed and transfer formalities with respect to lease hold land included in immovable properties are yet to be executed.

(ii) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships, or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) The Company has not granted any loans or made any investments, or provided any guarantees or any security to the parties covered under section 185 and 186. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company and accordingly paragraph 3(vi) of the Order is not applicable.

(vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including income-tax, sales tax, value added tax, duty of customs, goods and service tax, service tax, cess and other material statutory dues, wherever applicable, with the appropriate authorities. There was an amount of GST of ` 32,474 outstanding as at the last day of the financial year for a period exceeding six months from the date they become payable.

b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Value added Tax, as at the Balance Sheet date which have not been deposited on account of a dispute, are as follows :

Name of the Statute	Nature of dues	Period to which the amount relates (F.Y.)	Amount (`)
Tripura Value Added Tax Act	Section 31(1)	2013 – 14	1,89,457
Tripura Value Added Tax Act	Section 31(1)	2014 – 15	5,14,663
Tripura Value Added Tax Act	Section 31(1)	2015 – 16	2,74,994
Tripura Value Added Tax Act	Section 31(1)	2016 – 17	1,99,409

(viii) The Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date. Accordingly, paragraph 3(viii) of the Order is not applicable.

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

(x) Based on the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company has not paid / provided for managerial remuneration during the year and hence, the provisions of Section 197 read with Schedule V to the Act are not applicable. Accordingly, paragraph 3(xi) of the Order 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 Order is not applicable.

(xiii) The Company has not entered into any related party transactions as covered by the section 188 of the Act. The details of related party transaction have been disclosed in the financial statements as required under IND AS - 24 Related Party Disclosers specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

NIRAJ D. ADATIA & ASSOCIATES

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable.

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No.: 129486W
Chartered Accountants

NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANTS

NIRAJ D. ADATIA
Partner
Membership No.: 120844
UDIN: 19120844AAAAAY9974
Place : Mumbai
Date : 27th September, 2019

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED ("the Company") as of 31st March, 2019 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 the 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, 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 ICAI. 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 risks. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 2019, 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 NIRAJ D. ADATIA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 129486W

NIRAJ D. ADATIA & ASSOCIATES

NIRAJ D. ADATIA
Partner
Membership No.: 120844
UDIN: 19120844AAAAAY9974
Place : Mumbai
Date : 27th September, 2019

ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

Balance Sheet as at 31st March, 2019

Particulars	Note No.	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	3	28,488,193	30,037,284
(b) Intangible assets	4	2,673,877	3,037,845
(c) Financial assets			
(i) Investments	5	-	10,000
(ii) Other financial assets	6	726,169	558,749
Total Non-Current assets		31,888,239	33,643,878
Current assets			
(a) Inventories	7	12,508,029	8,518,743
(b) Financial assets			
(i) Investments	5	6,812,921	6,260,086
(ii) Trade receivables	8	4,248	-
(iii) Cash and cash equivalents	9	7,391,014	6,305,737
(iv) Bank balances other than (ii) above	10	-	3,126,275
(v) Loans	11	1,400,000	1,400,000
(v) Other financial assets	6	5,982,553	2,689,141
(c) Current tax assets (Net)	12	718,618	718,102
(d) Other current assets	13	3,275,239	1,441,276
Total Current Assets		38,092,622	30,459,360
TOTAL ASSETS		69,980,861	64,103,238
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	2,676,000	2,676,000
(b) Other equity	15	(111,729,531)	(117,800,179)
Total Equity		(109,053,531)	(115,124,179)
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	16	1,562,723	1,300,319
(b) Deferred Tax Liabilities (Net)	17	-	-
Total Non-Current Liabilities		1,562,723	1,300,319
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	74,880	74,880
(ii) Trade payables	19	1,806,096	573,950
(iii) Other financial liabilities	16	174,244,268	176,478,709
(b) Other current liabilities	20	1,346,425	799,559
Total Current Liabilities		177,471,669	177,927,098
Total Liabilities		179,034,392	179,227,417
TOTAL EQUITY AND LIABILITIES		69,980,861	64,103,238

The accompanying notes are an integral part of the financial statements.

As per attached report of even date

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No. 129486W
CHARTERED ACCOUNTANTS

NIRAJ ADATIA
PARTNER
Membership No. 120844

Mumbai
Date: 27th September, 2019

For and on behalf of the Board of Directors

Ackruti Safeguard Systems Private Limited

KAMLESH SHAH
Director
DIN: 01317352

PRAPHUL SHINDE
Director
DIN : 03140671

ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Note No.	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
I Income			
Revenue from Operations	21	21,250,796	17,485,591
Other Income	22	1,192,530	967,000
Share of Profit / (Loss) of Joint Ventures		20,563	(1,948)
Total Income		**22,463,889**	**18,450,643**
II Expenses			
Cost Of Material Consumed	23	8,041,214	5,052,273
Changes in Inventory	24	(4,838,364)	(2,221,881)
Finance Costs	25	299,441	278,759
Depreciation and Amortisation Expenses	26	1,951,206	2,010,190
Other Expenses	27	10,939,744	10,163,494
Total Expenses		**16,393,241**	**15,282,835**
Profit/(Loss) before Tax		**6,070,648**	**3,167,808**
Tax Expense			
(1) Current Tax		-	-
(2) Deferred tax (charge) / credit		-	2,965,378
(3) Excess / (Short) provision for taxation in respect of earlier years		-	-
		-	2,965,378
Profit/(Loss) for the Year		**6,070,648**	**6,133,186**
Other Comprehensive Income			-
Total Comprehensive Income for the year		**6,070,648**	**6,133,186**
Earning per equity share of nominal value of ₹ 10/- each (in Rupees)	28		
Basic		121.41	122.66
Diluted		121.41	122.66

The accompanying notes are an integral part of the financial statements.

As per attached report of even date

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No. 129486W
CHARTERED ACCOUNTANTS

NIRAJ ADATIA
PARTNER
Membership No. 120844

Mumbai
Date: 27th September, 2019

For and on behalf of the Board of Directors

KAMLESH SHAH
Director
DIN: 01317352

PRAPHUL SHINDE
Director
DIN : 03140671

ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	31st March, 2019 ₹		31st March, 2018 ₹	
Cash flows arising from operating activities				
Net Profit / (Loss) before tax as per Statement of Profit and Loss		6,070,648		3,167,808
Add / (Less) :				
Interest and Finance Charges	299,441		278,759	
Depreciation and Amortisation	1,951,206		2,010,190	
Unwinding of other financial asset	(97,520)		(81,145)	
Advances and Other Debit Balance Written Off	33,059		-	
Gain on Fair Valuation of Investments in Mutual Funds	(345,064)		(322,129)	
Gain on foreign currency fluctuation (Net)	(30,052)		(660)	
Gain on redemption of Mutual Fund	(77,835)		(110,446)	
Liabilities written back to the extent no longer required	(226,181)		(248,769)	
Interest Income	(436,774)		(431,262)	
		1,070,280		1,094,538
Operating Profit Before Working Capital Changes		7,140,928		4,262,346
Add / (Less) :				
(Increase) / Decrease in Inventories	(3,989,286)		(3,180,342)	
(Increase) / Decrease in Current/Non current financial and other Assets	(4,779,500)		1,087,875	
(Increase) / Decrease in Current/Non current financial and other Liabilities	33,157	(8,735,628)	(1,033,273)	(3,125,741)
Direct Taxes Paid		-		-
I.Net Cash flow in the course of Operating Activities		(1,594,700)		1,136,605
Cash flows arising from Investing activities				
Inflow / (Outflow) on account of :				
Interest Income	356,290		432,300	
Dividend Income	-		-	
Gain on redemption of Mutual Fund	77,835		110,447	
(Increase)/ Decrease of Investments(net)	(542,835)		595,369	
Deposits with maturity of more than three months but less than twelve months	3,126,275		(1,626,275)	
(Increase)/Decrease of fixed assets	(38,147)		(99,795)	
II.Net Cash flow in the course of Investing Activities		2,979,418		(587,954)
Cash flows arising from Financing activities				
Inflow / (Outflow) on account of :				
Increase in Share Capital	-		-	
Increase / (Decrease) in Unsecured Loans	-		-	
Interest and Finance Charges Paid	(299,441)		(278,759)	
III.Net Cash flow in the course of Financing Activities		(299,441)		(278,759)
Net Increase in cash and cash Equivalents (I + II + III)		1,085,277		269,892
Add: Balance at the beginning of the year		6,305,737		6,035,845
Cash and Cash Equivalents at the end of the year		7,391,014		6,305,737
Reconciliation of Cash and Bank Balances given in Note - 9 is as follows :-				
Balances with banks:				
- in current accounts		3,000,676		2,419,221
- in deposit with maturity of less than three months		3,705,402		3,511,466
Cash on hand		684,936		375,050
Cash and Cash Equivalents at the end of the year		7,391,014		6,305,737

The accompanying notes are an integral part of the financial statements.

As per attached report of even date

For and on behalf of the Board of Directors

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No. 129486W
CHARTERED ACCOUNTANTS

NIRAJ ADATIA
PARTNER
Membership No. 120844

Mumbai
Date: 27th September, 2019

KAMLESH SHAH
Director
DIN: 01317352

PRAPHUL SHINDE
Director
DIN : 03140671

ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 March, 2019

Balance Sheet as at 31st March, 2019

A. EQUITY SHARE CAPITAL	Notes	Amount in ₹
As at 1st April, 2017	13	2,676,000
Changes in equity share capital		-
As at 31st March, 2018		2,676,000
Changes in equity share capital		-
As at 31 March, 2019		2,676,000

B. OTHER EQUITY

Particulars	Reserves and Surplus	Amount in ₹
	Retained Earnings	Total
Balance at 1st April, 2017	(123,933,365)	(123,933,365)
Profit / (Loss) for the year	6,133,186	6,133,186
Items of Other Comprehensive Income	-	-
Balance at 31st March, 2018	(117,800,179)	(117,800,179)
Balance at 1st April, 2018	(117,800,179)	(117,800,179)
Profit / (Loss) for the year	6,070,648	6,070,648
Items of Other Comprehensive Income	-	-
Balance at 31st March, 2019	(111,729,531)	(111,729,531)

The accompanying notes are an integral part of the financial statements.

As per attached report of even date

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No. 129486W
CHARTERED ACCOUNTANTS

NIRAJ ADATIA
PARTNER
MEMBERSHIP NO. 120844

Mumbai
Date: 27th September, 2019

For and on behalf of the Board of Directors

KAMLESH SHAH
Director
DIN: 01317352

PRAPHUL SHINDE
Director
DIN : 03140671

Note 1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.1 **Company Overview**

Ackruti Safeguard Systems Private Limited is an Private Limited Company domiciled in India, incorporated under the Companies Act, 1956. The Company is engaged into manufacturers, buyers, sellers, traders, importers, exporters, merchant exporters, brokers, distributors, factors, stockiest, dealers of all kinds of high security number plates and to act as consultants and agents for any Government, semi-Government, or any other organization for all kinds of high security number plates and matters related thereto.

1.2 The financial statements are approved for issue by the Company's Board of Directors on 27th September, 2019.

Note 2. **Significant Accounting Policies followed by the Company**

I. **Basis of preparation of financial statements**

(i) **Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

a) **Historical Cost Convention**

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

i. Certain financial assets and liabilities that have been measured at fair value
ii. Assets held for sale - measured at lower of carrying amount or fair value less cost to sell.

b) **Current versus non- current classification**

The Company presents assets and liabilities in the balance sheet based on current/non current classification. An asset is classified as current when it is:

* Expected to be realised or intended to sold or consumed in normal operating cycle
* Held primarily for the purpose of trading
* Expected to be realised within twelve months after the reporting period, or
* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

* It is expected to be settled in normal operating cycle
* It is held primarily for the purpose of trading
* It is due to be settled within twelve months after the reporting period, or
* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

All other liabilities are classified as non-current.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has identified twelve months as its operating cycle for the purpose of current/ non current classification of assets and liabilities.

c) **Functional and presentation currency**

The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Company.

II. **Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.1 REVENUE RECOGNITION

A. Revenue from contract with customer (Applied from 1 April 2018)

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

B. Interest and Dividend

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognized when the right to receive payment is established.

C. Others

Revenues / Income and Costs/ Expenditure are generally accounted on accrual, as they are earned or incurred.

D. Profit / loss from partnership firms:

Share of profit / loss from partnership firms is accounted in respect of the financial year of the firm, during the reporting period, on the basis of the audited/ management reviewed accounts, which is considered as a part of other operating activity.

2.2 PROPERTY PLANT AND EQUIPMENT AND DEPRECIATION / AMORTISATION

A. Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

B. Technical Knowhow are classified as intangible assets are stated at cost of acquisition less accumulated depreciation.

C. Depreciation is provided on the straight line method on the basis of estimated useful life of the asset in the manner specified in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

Asset Category	Estimated useful life (in Years)
Leasehold Land	60
Building	30
Plant and Machinery	15
Computer	3
Office Equipments	5
Furniture and Fixture	10
Technical Knowhow	20

2.3 FINANCIAL INSTRUMENTS

2.3.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivables which are initially measured at transaction price.Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss,are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

2.3.3 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the finacial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.3.4 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case thoseare measured at lifetime ECL.The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

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b. **Non-financial assets**

i. **Property, plant and equipment**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

ii. **Intangible assets**

If the carrying amount of the intangible asset is not recoverable and it exceeds its fair value, an entity would recognize an impairment loss. That recorded loss is based on the amount of the asset at the date it is tested for recoverability, whether in use or under development. The impairment loss is measured at the amount by which the carrying value of the intangible asset exceeds its fair value.

2.4 TAXATION

i. **Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

ii. **Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

iii. **Current and deferred tax for the year**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Deferred tax asset can be created only if there is a virtual certainty with convincing evidence (VCCE) that there will be sufficient future taxable income against which DTA could be realised, if this condition is not satisfied deferred tax for the year shall not be recognised.

2.5 INVENTORIES

All inventories are stated at Cost or Net Realizable Value, whichever is lower.

'Cost' comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to the present location and condition. The costs formulae used is 'First In First Out'.

2.6 BORROWING COSTS

Interests and other borrowing costs calculated as per effective interest rate attributable to qualifying assets are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. 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 charged to the Profit and Loss Account.

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2.7 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

2.8 FOREIGN CURRENCY TRANSACTIONS

i. All transactions in foreign currency are recorded in the reporting currency, based on closing rates of exchange
ii. Monetary assets and liabilities in foreign currency, outstanding as on the Balance Sheet date , are converted in reporting currency at the closing rates of exchange prevailing on the said date. Resultant gain or loss is recognized during the year in the statement of profit and loss.
iii. Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

2.9 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

* Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
* Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

2.10. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

a. Fair value measurements and valuation processes

Some of the company's assets are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

b. Property, plant and equipment / Intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed pelodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c. Recent accounting pronouncements

Ind AS 116

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian

Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition,measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND AS 116 is expected to be insignificent.

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Note 3. Property, plant and equipment

in ₹

	Leasehold land	Building	Plant & Machinery	Computers & Laptops	Furniture & Fixtures	Office Equipment	Total
Cost or deemed cost							
Balance at 31 March, 2017	10,304,642	18,635,052	14,144,024	1,666,840	220,779	505,990	45,477,327
Additions	-	-	55,327	-	-	44,468	99,795
Disposals	-	-	-	-	-	-	-
Balance at 31 March, 2018	**10,304,642**	**18,635,052**	**14,199,351**	**1,666,840**	**220,779**	**550,458**	**45,577,122**
Accumulated depreciation							
Balance at 31 March, 2017	2,441,625	3,353,227	5,978,257	1,664,412	133,201	322,893	13,893,616
Eliminated on disposal of assets	-	-	-	-	-	-	-
Depreciation expense	151,212	597,335	805,106		15,205	77,364	1,646,222
Balance at 31 March, 2018	**2,592,837**	**3,950,562**	**6,783,363**	**1,664,412**	**148,406**	**400,257**	**15,539,838**
Carrying amount as at 31 March, 2018	**7,711,805**	**14,684,490**	**7,415,988**	**2,428**	**72,373**	**150,201**	**30,037,284**

	Leasehold land	Building	Plant & Machinery	Computers & Laptops	Furniture & Fixtures	Office Equipment	Total
Cost or deemed cost							
Balance at 31 March, 2018	10,304,642	18,635,052	14,199,351	1,666,840	220,779	550,458	45,577,122
Additions	-	-		25,847	-	12,300	38,147
Disposals	-	-	-	-	-	-	-
Balance at 31 March, 2019	**10,304,642**	**18,635,052**	**14,199,351**	**1,692,687**	**220,779**	**562,758**	**45,615,269**
Accumulated depreciation							
Balance at 31 March, 2018	2,592,837	3,950,562	6,783,363	1,664,412	148,406	400,257	15,539,838
Eliminated on disposal of assets	-	-	-	-	-	-	-
Depreciation expense	151,212	597,335	806,408	2,792	15,205	14,286	1,587,238
Balance at 31 March, 2019	**2,744,049**	**4,547,897**	**7,589,771**	**1,667,204**	**163,611**	**414,543**	**17,127,076**
Carrying amount as at 31 March, 2019	**7,560,593**	**14,087,155**	**6,609,580**	**25,483**	**57,168**	**148,215**	**28,488,193**

Note 4. Intangible assets

	Technical Knowhow
Cost or Deemed cost	
Balance at 31 March, 2017	7,455,350
Additions	-
Disposals	-
Balance at 31 March, 2018	**7,455,350**
Accumulated depreciation	
Balance at 31 March, 2017	4,053,537
Eliminated on disposal of assets	-
Depreciation expense	363,968
Balance at 31 March, 2018	**4,417,505**
Net Carrying value as at 31 March, 2018	**3,037,845**
Cost or deemed cost	
Balance at 31 March, 2018	7,455,350
Additions	-
Disposals	-
Balance at 31 March, 2019	**7,455,350**
Accumulated depreciation	
Balance at 31 March, 2018	4,417,505
Eliminated on disposal of assets	-
Depreciation expense	363,968
Balance at 31 March, 2019	**4,781,473**
Net Carrying value as at 31 March, 2019	**2,673,877**

	As at 31st March, 2019 ₹	As at 31 March 2018 ₹
Note 5. Investments		
Non Current		
A) **Capital Investment in Partnership Firms and Joint Ventures** (Refer footnote)		
Rising Glory Developers	-	10,000
Less: Provision for Diminution in the value of investments	-	-
Total	-	**10,000**
B) Current		
(At NAV) (Quoted)		
(Trade, unless otherwise specified)		
Investments in Mutual Funds		
ICICI Prudential Equity Income Fund Growth	-	2,793,780
(NIL Units, as at 31 St March, 2018, 218093.70 units)		
IDFC Super Saver IF MT Plan	1,502,483	-
39,470.9840 Units (As at 31st March, 2018,NIL units ;)		
L&T Income Opportunities Fund	1,311,838	1,237,923
(62,228.4580 units,(As at 31st March ,2018,62,228.4580 units)		
L & T Short Term Income Fund Growth	816,470	2,228,383
(40,772.3400 units,(As at 31st March ,2018,1,19,372.3400 units)		
Templeton Short Term Income Plan -Growth	3,182,130	-
(796.076 units,(As at 31st March ,2018,NIL units)		
Total	**6,812,921**	**6,260,086**

Footnote:
Details of Investments made in capital of Partnership firm :

M/s Rising Glory Developers

Sr. No.	Name of Partners	31st March, 2019 Profit Sharing Ratio	31st March, 2018 Profit Sharing Ratio
1	Hubtown Limited	25.00%	20.00%
2	Ackruti Safeguard System Private Limited (Upto 31st July, 2018)	-	5.34%
3	Citygold Education Research Limited	25.00%	5.34%
4	Citygold Farming Private Limited (Upto 31st July, 2018)	-	5.34%
5	Diviniti Projects Private Limited	25.00%	5.34%
6	Halitious Developers Limited (Upto 31st July, 2018)	-	5.34%
7	Headland Farming Private Limited (Upto 31st July, 2018)	-	5.33%
8	Heddle Knowledge Private Limited (Upto 31st July, 2018)	-	5.33%
9	Heet Builders Private Limited	25.00%	5.33%
10	Subhsiddhi Builders Private Limited (Upto 31st July, 2018)	-	5.33%
11	Sunstream City Private Limited (Upto 31st July, 2018)	-	10.66%
12	Upvan lake Resort Private Limited (Upto 31st July, 2018)	-	5.33%
13	Vega Developers Private Limited (Upto 31st July, 2018)	-	5.33%
14	Whitebud Developers Limited (Upto 31st July, 2018)	-	5.33%
15	Yantti Buildcon Private Limited (Upto 31st July, 2018)	-	5.33%
	Total Capital of the firm in ₹	150,000	150,000

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Equity (Class 'A') :

Class 'A' equity shares are having par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Equity (Class 'B') :

Class 'B' shares does not have any right to vote or participate in the distribution of profits or capital.

9% Cumulative Convertible Preference shares :

The Preference Shares of the Company shall be converted into fully paid equity shares of the Company on or after 1st April, 2012 or on such other date as may be decided by Board of Directors of the Company by exercising a call option vested in the Company for conversion of the Preference Shares on such terms and conditions as the Board of Directors may deem fit. The company has not exercised the call option till the balancesheet date. Dividend shall be payable on face value of the share and not on the issue price.

Details of shares held by each shareholders holding more than 5% shares

	As at 31st March 2019		As at 31st March, 2018	
	No of shares held	% holding	No of shares held	% holding
Equity (Class 'A')				
Hubtown Limited	36,215	72.43%	36,215	72.43%
Kushal H. Shah	3,438	6.88%	3,438	6.88%
Khilen V. Shah	3,438	6.88%	3,438	6.88%
Rushank V. Shah	3,437	6.87%	3,437	6.87%

	As at 31st March 2019		As at 31st March, 2018	
	No of shares held	% holding	No of shares held	% holding
Equity (Class 'B')				
Samar't S.A.	17,600	100%	17,600	100%
Total	**17,600**	**100%**	**17,600**	**100%**

	As at 31st March 2019		As at 31st March, 2018	
	No of shares held	% holding	No of shares held	% holding
Preference Shares				
Hubtown Limited	20,000	100%	20,000	100%
Total	**20,000**	**100%**	**20,000**	**100%**

	As at 31st March 2019 ₹	As at 31st March, 2018 ₹
Note 15. Other Equity		
Retained Earnings		
Balance at the beginning of the year	(117,800,179)	(123,933,365)
Profit attributable to the owners of the company	6,070,648	6,133,186
Balance at the end of the year	**(111,729,531)**	**(117,800,179)**

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	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 16. Other financial liabilities		
Non-current		
Security deposits (Refundable)	1,562,723	1,300,319
Total	1,562,723	1,300,319
Current		
Business Advances from related party (Refer Note 29 and Footnote)	174,244,268	175,744,268
Other payables	-	721,801
Current Account Balance in Firm & Joint Ventures(Refer Note 29)	-	12,640
Total	174,244,268	176,478,709

Footnote:

The Company has received interest free advances from it's Parent Company, considering the nature of business in which the Company operate, the amounts so received are considered to be repayable on call / demand as the repayment period of such amounts so received is not measureable precisely.

Note 17. Deferred Tax balances

The following is the analysis of deferred tax asset / (liabilities) presented in the balance sheet

Deffered Tax Liability	-	-
Deferred Tax Asset	-	-
Total	-	-

2017-2018	Opening Balance	Recognised In Profit and loss account	Closing Balance
Deferred tax (liabilities) / assets in relation to:			
Property, Plant and eqiupment	(2,965,378)	2,965,378	-
Total	(2,965,378)	2,965,378	-

The Company has not recognised deferred tax assets, in view of absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Note 18. Current borrowings

Unsecured		
Loans repayable on demand:		
From Others	74,880	74,880
Total	74,880	74,880

Note 19. Trade payables

Dues to MSME (Refer Footnote)	-	-
Dues to others	1,806,096	573,950
Total	1,806,096	573,950

As per information available with the Company regarding dues to Micro, Small and Medium Enterprises as defined under the Micro Small Medium Enterprises Development, Act 2006 (MSMED Act), none of the suppliers of the Company are registered under MSMED Act, and the same has been relied upon by the auditors.

Note 20. Other current liabilities

Current		
Advance from customers	422,255	120,946
Other payables :		
Others	817,472	234,357
Statutory Dues	106,698	444,256
Total	1,346,425	799,559

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		Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
Note 21. Revenue from operations			
Sale from operations :			
Income from Security Plates		20,959,900	17,236,822
		20,959,900	17,236,822
Other operating revenue :			
Liabilities written back to the extent no longer required		226,181	248,769
Scrap Sales		64,715	-
		290,896	248,769
Total		21,250,796	17,485,591
Note 22. Other income			
Interest Income:			
-Interest Received on Bank Fixed Deposits		436,774	432,300
- Interest Received on Income Tax refund		3,793	-
-On Unwinding of other financial asset		97,520	81,145
- Others		21,608	14,993
		559,695	528,438
VAT Refund Received		179,884	-
Other gains and losses :			
- Gain on Investments classified at FVTPL		345,064	322,129
- Gain on foreign currency fluctuation (Net)		30,052	660
- Gain on redemption of Mutual Fund		77,835	110,446
		452,951	433,235
Miscellaneous income		-	5,327
Total		1,192,530	967,000
Note 23. Cost of Material Consumed			
Opening Stock	A	2,933,166	1,974,705
Raw Material Purchases	B	6,736,662	5,312,764
Other Expenses related to purchase of Materials :			
Carriage Inward		9,000	16,406
Custom Clearance Charges		79,617	97,870
Clearing and Forwarding charges		32,789	21,649
Custom Duty		334,068	562,045
	C	455,474	697,970
	TOTAL (A+B+C)	10,125,302	7,985,439
Closing Stock Of Raw Material	D	2,084,088	2,933,166
Raw Materials Consumed	TOTAL (A+B+C-D)	8,041,214	5,052,273

	Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2019 ₹
Note 24. Changes In Inventory		
Finished Stock:		
Opening Stock Of Number Plates	5,585,577	3,363,696
Less: Closing Stock Of Number Plates	10,423,941	5,585,577
Total	(4,838,364)	(2,221,881)

Note 25. Finance Costs

Interest costs:-		
Unwinding of Security Deposit	262,404	218,343
Interest paid	-	-
Delayed and Penal Interest	37,037	60,416
Total	299,441	278,759

Note 26 Depreciation and Amortisation Expenses

Depreciation of property, plant and equipment	1,587,238	1,646,222
Amortization of intangible assets	363,968	363,968
Total	1,951,206	2,010,190

Note 27. Other Expenses

Royalty Charges	2,095,675	1,723,740
Bank Charges	4,220	420,109
Travelling Expenses	28,098	16,914
Security Charges	241,500	316,575
Rates and Taxes	28,778	47,204
Carriage Outward	391,855	393,329
Repairs & Mainteance (Machinery)	57,507	13,620
Repairs & Mainteance (Others)	69,734	16,000
Professional Fees	1,979,694	964,950
Fitting Charges	3,764,965	3,435,353
Advances and Other Debit Balance Written Off	33,059	-
Other expenses (refer footnote)	2,244,660	2,815,700
Total	10,939,744	10,163,494

Footnote :

Auditor's Remuneration (Included in other expenses above)		
- Audit fees	75,000	60,000
Total	75,000	60,000

Note 28. Earnings per share (EPS)

Basic Earnings Per Share	121.41	122.66
Diluted Earnings Per Share *	121.41	122.66

Basic EPS

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows

Profit/(Loss) for the year attributable to the owners of the Company	6,070,648	6,133,186
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	50,000	50,000

Diluted EPS

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows

Profit/(Loss) for the year attributable to the owners of the Company	6,070,648	6,133,186
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	50,000	50,000

For the purpose of diluted EPS convertible instruments (9% cumulative convertible preference shares) are deemed to be converted on the first day of the previous year. The conversion ratio has been arrived at on face value basis.

* 9% cumulative convertible preference shares could potentially dilute basic earnings per share, hence are not included in the calculation of diluted earnings per share, because they are antidilutive for the period presented. Diluted EPS is restricted to the amount of Basic EPS to the extent the conversion of convertible instruments prove to be anti dilutive.

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANTS

Ackruti Safeguard Systems Private Limited

Note 29. Related Party Disclosures (As per IND AS - 24)

A. Name of the related parties and related parties relationship

I	**Holding Company**	: Hubtown Limited
II	**Fellow Subsidiary Companies**	: Heddle Knowledge Private Limited : Hubtown Bus Terminal - Mehsana
III	**Key Managerial Personnel**	: Kamlesh Shah
IV	**Firm In Which Company Is A Partner**	: M/s. Rising Glory Developers(Upto 31st July, 2018).

Footnote:
Related party relationship are identified by the Company and relied upon by the Auditors

B. Transaction with Related Parties -

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiary Companies	Key Management Personnel of the Entity	Firm in which Company is a partner
i	**Business Advance given/repaid/adjusted**				
	Hubtown Limited	1,500,000 (363,547)	- (-)	- (-)	- (-)
	Hubtown Bus Terminal - Mehsana	- (-)	3,195,005 (-)	- (-)	- (-)
ii	**On behalf payments made (including reimbursement of expenses)**				
	Kamlesh Shah	- (-)	- (-)	409,900 (331,331)	- (-)
iii	**On behalf payments received/adjusted**				
	Kamlesh Shah	- (-)	- (-)	376,772 (344,480)	- (-)
iv	**Share of loss of Joint Venture**				
	M/s Rising Glory Developers	- (-)	- (-)	- (-)	- (1583)
	Share of Profit of Joint Venture				
	M/s Rising Glory Developers	- (-)	- (-)	- (-)	20,563 (-)
v	**Sale of Investement of Joint Venture**				
	M/s Rising Glory Developers	- (-)	- (-)	- (-)	10,000 (-)

Footnote:
Previous Year figures are given in brackets

Balances outstanding

		As at 31st March, 2019	As at 31st March, 2018
i	**Balance Payables**		
	Hubtown Limited	174,244,268	175,744,268
	Rising Glory Developers	-	12,640
	Kamlesh Shah	53,315	20,187
	Balance Receivables		
	Heddle Knowledge Private Limited	1,400,000	1,400,000
	Hubtown Bus Terminal - Mehsana	3,195,005	-
	Rising Glory Developers	17,923	-

Note 30. Contingent Liability

The Company does not have any contingent liability as at the balance sheet date as certified by the management and relied upon by the auditors, as otherwise mentioned below:

Sr. No.	Particulars	As at 31st March 2019 ₹	As at 31st March, 2018 ₹
1	MVAT matters pending u/s 23 (Refer Note 2)	-	3,622
2	CST matters pending - u/s 23(2) r/w 9(2)	-	1,205,103
3	Tripura Value Added Tax matters pending u/s 31(1) (Refer Footnote)	1,178,323	-

Footnote:

The company has received above Tripura VAT orders dated 30th July, 2018 under section 31(1) of Tripura Value Added Tax Act, 2004. The Company has filed appeal with higher authorities against the demand raised in the respective orders. The assessment year Breakup is as follows :

Assessment Year	Tax Liability
2013-14	189,457
2014-15	514,663
2015-16	274,994
2016-17	199,409
TOTAL	1,178,523

Further interest / penalty that may accrue on original demands are not ascertainable, at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice, are not sustainable.
The Company does not have any contingent liability as at balance sheet date, other than stated above, as certified by management & relied upon by the auditors.

Note 31. Disclosure Of Derivatives

FOREIGN CURRENCY ON HAND	As at 31st March 2019	As at 31st March, 2018
USD	2,750	2,750
Equivalent INR	190,636	178,970

Note 32. Capital Management

The entity manages its capital to ensure that the entity will be able to continue as a going concern while maximising the return to stakeholders through optimisation of debt equity ratio.
The capital structure of the entity consists of net debt (Borrowings offset by cash and bank balances) and total equity of the company.

Note 33. Financial Risk Management Objectives

The company is exposed to market risk, credit risk and liquidity risk. The company's management oversees the management of these risks. The company's board of directors review and agrees policies for managing each of these risks summarized below:

i) **Market Risk**

Interest rate risk

Company has received intrest free advances and it receives interest free funds for its operating cash flow from its holding company as and when required (Refer note 16), hence the Company is not exposed to interest risk.

ii) **Credit Risk**

The company is not exposed to credit risk from its operating activities. Credit risk from balances with banks and inter corporate loans is managed by the company's treasury department in accordance with the company's policy.

iii) **Liquidity risk**

The companies cashflow requirement are met by funds received from its holding company.

Note 34. Loans and advances,other receivables,Trade receivables ,Trade payables and other current liability are subject to confirmations and are considered payable as the case may be.

Note 35. The accumulated losses of the company have resulted in complete erosion of the net worth of the company. The Company's management is however of the view that the same erosion is temporary in nature as the company has made certain investments in certain assets / projects, the proceeds of which would, when fructified, result in recovery of the eroded worth of the company. The company to that extend does not see the stated erosion of the net worth as an impediment to its status as a going concern.

Note 36. In the opinion of the Board of Directors of the Company, all items of Current Assets, Inventories and Loans and Advances continues to have a realizable value of at least the amounts at which they are stated in the Balance Sheet.

ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2019

Balance Sheet as at 31st March, 2019

Note 37. Categories of Financial Instruments

Fair Value measurement

(₹)

Particulars	31st March 2019		31st March 2018	
	FVPTL	Amortised Cost	FVPTL	Amortised Cost
Financial Assets				
Investment	6,812,921	-	6,260,086	10,000
Loans	-	1,400,000	-	1,400,000
Trade Receivables	-	4,248	-	-
Other financial assets	-	6,708,722	-	3,247,890
Cash and cash equivalent	-	7,391,014	-	6,305,737
Total of Financial Assets	**6,812,921**	**15,503,984**	**6,260,086**	**10,963,627**
Financial Liabilities				
Borrowings	-	74,880	-	74,880
Trade payables	-	1,806,096	-	573,950
Other Financial liabilities	-	175,806,991	-	177,779,028
Total of Financial Liabilities	**-**	**177,687,967**	**-**	**178,427,858**

Note: There are no instruments that have been clasified as FVTOCI.

Fair Value hierarchy

This section explains the judgements and estimates in determining the fair value of the financial instruments that are recognised and measured at fair value.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31st March ,2019				
Financial Assets				
Financial Investments at FVPL				
Investments in Mutual Fund	6,812,921	-	-	6,812,921
Total Financial Assets	**6,812,921**	**-**	**-**	**6,812,921**
At 31st March, 2018				
Financial Assets				
Financial Investments at FVPL	6,260,086	-	-	6,260,086
Investments in Mutual Fund				
Total Financial Assets	**6,260,086**	**-**	**-**	**6,260,086**

Level 1

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

The accompanying notes are an integral part of the financial statements.

As per attached report of even date

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No. 129486W
CHARTERED ACCOUNTANTS

NIRAJ ADATIA
PARTNER
Membership No. 120844

Mumbai
Date: 27th September, 2019

For and on behalf of the Board of Directors

KAMLESH SHAH
Director
DIN: 01317352

PRAPHUL SHINDE
Director
DIN : 03140671

L. J. KOTHARI
B.COM, F.C.A.
9920424040

L. J. KOTHARI & CO.

CHARTERED ACCOUNTANTS
GANDHI MANSION, 3RD FLOOR, NEW SILK BAZAR, OPP KALBADEVI HEAD P. O.,
MUMBAI – 400 002 * Tel.: 2205 5916 * E-mail: ca_lalitkothari@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITYGOLD EDUCATION RESEARCH LIMITED

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **M/s. CITYGOLD EDUCATION RESEARCH LIMITED (*"the Company"*)** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

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 March 31, 2019, and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Ind AS 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,

L. J. KOTHARI & CO.
MEMBERSHIP No. 30917
CHARTERED ACCOUNTANTS

financial performance(including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

L. J. KOTHARI & CO. CHARTERED ACCOUNTANTS MEMBERSHIP No. 30917

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. 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 Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 has disclosed the impact of pending litigations on its financial position in its financial statements.

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

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

FOR L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No.: 30917

Place: Mumbai
Date :26th May,2019

ANNEXURE"A"REFERRED TO IN OUR REPORT TO THE MEMBERS OF CITYGOLD EDUCATION RESEARCH LIMITEDON THEIND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019;

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

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

(b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification;

(c) The Company does not own any immovable property therefore provision of clause 3(I)(c) of the said order are not applicable;

(ii) The physical verification of inventory has been conducted at the reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts;

(iii) According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to companies; firms or other parties covered under section 189 of the Companies Act, 2013 ('the Act'). Therefore, provision of clause 3(iii), 3(iii)(a), 3(iii)(b), 3(iii)(c) of the said order are not applicable to the company;

(iv) The Company has not granted any loans or made any investments, or provided any guarantees or any security to the parties covered under section 185 and 186. Therefore, the provisions of clause 3(iv) of the said Order are not applicable to the Company;

(v) The Company has not accepted any deposits from the public during the year, Therefore the provisions of clause 3 (v) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company;

(vi) In our opinion, and according to the information and explanation given to us, the Company has not crossed the threshold limit as prescribed by the Central Government under sub-section (1) of section 148 of the Act for maintenance of cost records and hence the provision for maintenance of records are 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, in our opinion, except for dues in respect of Tax deduced at Source and Interest on tax payable, the Company is generally regular in depositing undisputed statutory dues, including Service tax, duty of customs, Value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There was an amount of Service tax of ₹ 94,779 and Interest on tax payable ₹ 14,82,390/- outstanding as at the last day of the financial year for a period exceeding six months from the date they became payable.

L. J. KOTHARI & CO. MEMBERSHIP No. 39017 CHARTERED ACCOUNTANTS

(b) On the basis of our examination of documents and records of the Company, and explanation provided to us, there are no disputed dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Goods & Service Tax or Cess other than mentioned below:

Name of the statute	Nature of dues	Period to which the amount relates (F.Y.)	Amount (₹)	Amount Paid (₹)	Balance Amount (₹)	Forum where the dispute is pending
Income Tax Act, 1961	143 (3)	2009-10	10,17,08,240	Nil	10,17,08,240	Income Tax Appellate tribunal (Preferred by Dept.)

(viii) As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date. Therefor, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) Based on the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;

(xi) The Company has not paid or provided managerial remuneration during the year and hence, the provisions of section 197 read with Schedule V to the Act are not applicable. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company;

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under section 133 to the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

(xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year, the provision of clause 3(xiv) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company;

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company;

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(xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

L.J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No.: 30917

Place: Mumbai
Date :26th May,2019

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND ASFINANCIAL STATEMENTS OF CITYGOLD EDUCATION RESEARCH LIMITED

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

We have audited the internal financial controls over financial reporting of CITYGOLD EDUCATION RESEARCH LIMITED ("the Company") as of 31st March, 2019 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 the 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, 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 ICAI. 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 risks. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of theInd AS financial statements, whether due to fraud or error.

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation offinancial 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) providereasonable 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, 2019, 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 L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No.: 30917

Place: Mumbai
Date : 26th May,2019

CITYGOLD EDUCATION RESEARCH LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
I ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	3	-	-
(b) Financial assets			
(i) Investments	4	37,500	10,000
(ii) Other financial assets	5	25,000	10,000
(c) Current tax assets (Net)	6	10,69,833	10,69,833
Total Non-Current assets		**11,32,333**	**10,89,833**
2. Current assets			
(a) Inventories	7	28,89,36,428	28,89,36,428
(b) Financial assets			
(i) Trade Receivables	8	8,24,77,866	29,95,79,353
(ii) Cash and cash equivalents	9	2,81,756	7,59,083
(iii) Other financial assets	5	1,95,45,948	2,09,57,066
(c) Other current assets	10	8,75,992	6,77,237
Total Current Assets		**39,21,17,990**	**61,09,09,167**
TOTAL ASSETS		**39,32,50,323**	**61,19,99,000**
II EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	11	2,30,50,000	2,30,50,000
(b) Other equity	12	(1,70,34,602)	(86,91,266)
Total Equity		**60,15,398**	**1,43,58,734**
2. Liabilities			
(i) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	29,62,476	26,93,160
Total Non-Current Liabilities		**29,62,476**	**26,93,160**
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	14	56,93,214	1,52,22,488
(ii) Other financial liabilities	15	37,16,80,683	57,29,84,909
(b) Other current liabilities	16	68,98,552	67,39,709
Total Current Liabilities		**38,42,72,449**	**59,49,47,106**
Total Liabilities		**38,72,34,925**	**59,76,40,266**
TOTAL EQUITY AND LIABILITIES		**39,32,50,323**	**61,19,99,000**

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th May, 2019

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

CITYGOLD EDUCATION RESEARCH LTD.

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 26th May, 2019

CITYGOLD EDUCATION RESEARCH LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Particulars	Note No.	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
I	**Income**			
	Revenue from Operations	17	-	49,58,82,570
	Share of Profit / (Loss) of Joint Venture and Firm		55,483	(1,583)
	Total Income		**55,483**	**49,58,80,987**
II	**Expenses**			
	Costs of Development	18	-	5,34,99,242
	Changes in Inventories of Land and ancilliary costs	19	-	27,64,96,795
	Finance Costs	20	2,69,316	2,76,784
	Other Expenses	21	81,29,503	49,15,73,294
	Total Expenses		**83,98,819**	**82,18,46,115**
III	**Profit / (Loss) before Tax**		**(83,43,336)**	**(32,59,65,128)**
	Tax Expense			
	Excess / (Short) provision for taxation in respect of earlier years		-	-
IV	**Profit / (Loss) for the Year**		**(83,43,336)**	**(32,59,65,128)**
V	**Other Comprehensive Income**		-	-
VI	**Total comprehensive income for the Year**		**(83,43,336)**	**(32,59,65,128)**
VII	**Earning per equity share of nominal value of ₹ 10/- each (in ₹)**			
	Basic	22	(167)	(6,519)
	Diluted		(167)	(6,519)

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th May, 2019

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 26th May, 2019

CITYGOLD EDUCATION RESEARCH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	31st March, 2018 ₹	31st March, 2018 ₹
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation as per Statement of Profit and Loss	**(83,43,336)**	**(32,59,65,128)**
Add / (Less) :		
Depreciation	-	-
Share of Profit/ loss of firm and joint venture	55,483	(1,583)
Finance cost	2,69,316	2,76,784
Investment written off	-	27,00,00,000
	3,24,799	27,02,75,201
Operating profit before working capital changes	**(80,18,537)**	**(5,56,89,927)**
Add / (Less) :		
(Increase)/ Decrease in inventories	-	27,64,96,795
(Increase) / Decrease in trade and other receivebles	21,82,58,367	(24,53,93,120)
Increase / (Decrease) in trade and other payables	(21,06,89,657)	2,53,88,529
Direct taxes refund/ (paid)	-	-
	75,68,710	5,64,92,204
Net cash flow from operating activities	**(4,49,827)**	**8,02,277**
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
(Increase)/ Decrease in investments	(27,500)	-
Net cash flow from investing activities	**(27,500)**	-
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Proceeds from borrowings	-	(1,07,998)
Finance costs paid	-	(31,951)
Net cash flow from financing activities	-	**(1,39,949)**
Net increase in cash and cash equivalents (I + II + III)	**(4,77,326)**	**6,62,327**
Add: Balance at the beginning of the year	**7,59,083**	**96,756**
Cash and cash equivalents at the end of the year	**2,81,756**	**7,59,083**
Components of cash and cash equivalents (Refer Note 9)		
Cash on hand	66,995	61,063
Balances with Banks		
- in Current accounts	2,14,761	6,98,020
Total	**2,81,756**	**7,59,083**

The accompanying notes are an integral part of the financial statements
prepared under indirect method as set out in

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th May, 2019

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 26th May, 2019

CITYGOLD EDUCATION RESEARCH LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2019 (in ₹)

	Note	Amount
A. EQUITY SHARE CAPITAL	**11**	
As at 1st April, 2017		2,30,50,000
Changes in equity share capital		-
As at 31st March, 2018		**2,30,50,000**
Changes in equity share capital		-
As at 31st March, 2019		**2,30,50,000**

B. OTHER EQUITY AND CONVERTIBLE INSTRUMENTS

	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance at 1st April, 2017	**37,18,00,000**	**(5,45,26,138)**	**31,72,73,862**
Profit / (Loss) for the year	-	(32,59,65,128)	**(32,59,65,128)**
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	(32,59,65,128)	**(32,59,65,128)**
Balance at 31st March, 2018	**37,18,00,000**	**(38,04,91,266)**	**(86,91,266)**
Balance at 1st April, 2018	**37,18,00,000**	**(38,04,91,266)**	**(86,91,266)**
Profit / (Loss) for the year	-	(83,43,336)	**(83,43,336)**
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	(83,43,336)	**(83,43,336)**
Balance at 31st March, 2019	**37,18,00,000**	**(38,88,34,602)**	**(1,70,34,602)**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L.J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th May, 2019

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

CITYGOLD EDUCATION RESEARCH LTD.

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 26th May, 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 1. Statement of Significant Accounting Policies.

1.1 **Company Overview**

Citygold Education Research Limited is a public limited Company domiciled in India, incorporated under the Companies Act, 1956. The main object of the company is to acquire by purchase, lease or otherwise, agricultural land for farming, to establish and run farms and to Construct, erect, acquire, equip, lease, furnish, convert, adapt, improve, develop, operate & manage all sorts of Agricultural Parks, Industrial Parks, Special Economic Zone & related infrastructure facilities, commercial & social infrastructure facilities & amenities.

1.2 The financial statements are approved for issue by the Company's Board of Directors on 26th May, 2019.

Note 2. Significant Accounting Policies followed by the Company

I. Basis of preparation of financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

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

1) certain financial assets and liabilities that are measured at fair value;
2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
3) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies, if any) within the credit period normally applicable to the respective project.

II. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

Classification of property

The company determines whether a property is classified as investment property or inventory property. Investment property comprises land and buildings that are not occupied substantially for use by, or in the operations of, the company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Inventory comprises property that is held for sale in the ordinary course of business. Principally, these are properties that the company develops and intends to sell before or on completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

III. Revenue recognition

Revenue Recognition Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

A. Revenue from Sale of Land

Revenue from sale of land's recognized when the company satisfied performance obligation at a point in time i.e. when company is transferred to the customer which is usually possession of land to customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, rebates, price concessions, returns and financing component if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 "Revenue" and Guidance Note on "Accounting for Real Estate transactions" for entities to whom Ind AS is applicable.

B. Interest and dividend:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

C. Others:

Other revenues / incomes and costs / expenditure are accounted on accrual, as they are earned or incurred.

D. Profit / loss from partnership firms / association of persons:

Share of profit / loss from partnership firms / association of persons (AOP) is accounted n respect of the financial year of the firm / AOP, during the reporting period, on the basis of their audited/ management reviewed accounts, which is considered as a part of other operating activity.

MEMBERSHIP No. 39917 CHARTERED ACCOUNTANTS

CITYGOLD EDUCATION RESEARCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

IV. Property plant and equipment and depreciation / ammortisation

A. On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2015 of its Property, Plant and Equipment and use that carrying value as the deemed cost on the date of transition i.e. 1st April, 2015.

B. Tangible fixed assets are stated at cost of acquisition or construction including attributable interest and finance cost, if any till the date of acquisition/installation of the assets, less accumulated depreciation/amortisation and accumulated impairment losses, if any.

C. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

D. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

Asset Category	Estimated useful life (in Years)
Computers & Laptops	3
Furnitures & Fixtures	10
Office Equipments	5

The residual values, useful lives and methods of depreciation of property plant equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

V. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Investment and Financial Assets

i. Initial recognition

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

iii. De-recognition of Financial Assets:

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

B. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii. Financial Liabilities

1. Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

CITYGOLD EDUCATION RESEARCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

2. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3. De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

VI Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the finacial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

VII. Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case thoseare measured at lifetime ECL.The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

b. Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

i. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability wheneer events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

ii. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

L. J. KOTHARI & CO. MEMBERSHIP No. 80917 CHARTERED ACCOUNTANTS

CITYGOLD EDUCATION RESEARCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

VIII. Taxation

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss becauseof items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

ii. Deferred Tax

Deferred tax is recognized on temporary diferences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

IX. Inventories

All inventories are stated at lower of 'Cost or Net Realizable Value'.

A. 'Incomplete Projects' include cost of land for which the Company has not entered into sale agreements and in other cases where the revenue recognition is postponed. 'Incomplete Projects' also include initial project costs that relate to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure for the year in which they are incurred unless they are separately identifiable and it is probable that the respective project will be obtained.

B. Cost included in inventory include costs incurred upto the completion of the project viz. cost of land, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost.

X. Borrowings and Borrowing costs

Borrowing are initally recognised at Net off transation cost incurred and measured at amortised cost. Any difference between the proceeds (net of transation costs) and the redemption amount is recognised in statetment of profit and loss over ther period of the borrowings using the effective interest method.

Interests and other borrowing costs included under finance costs calculated as per effective interest rate attributable to qualifying assets, which takes substantial period of time to get ready for its intended use are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. 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 charged to the Profit and Loss Account.

XI. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

XII. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XIII. Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

CITYGOLD EDUCATION RESEARCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

XIV. Recent accounting pronouncements

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition,measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.
The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND AS 116 is expected to be insignificent.

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Note 3. Property, plant and equipment

(in ₹)

	Computers and Laptops	Furniture and Fixtures	Office Equipment	Total
Cost or deemed cost				
Balance at 1st April, 2017	25,80,602	1,53,96,585	7,27,762	**1,87,04,949**
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31st March, 2018	25,80,602	1,53,96,585	7,27,762	**1,87,04,949**
Accumulated depreciation				
Balance at 1st April, 2017	25,80,602	1,53,96,585	7,27,762	**1,87,04,949**
Eliminated on disposal of assets	-	-	-	-
Depreciation expense	-	-	-	-
Balance at 31st March, 2018	25,80,602	1,53,96,585	7,27,762	**1,87,04,949**
Carrying amount as on 31st March, 2018	-	-	-	-

	Computers and Laptops	Furniture and Fixtures	Office Equipment	Total
Cost or deemed cost				
Balance at 1st April, 2018	25,80,602	1,53,96,585	7,27,762	**1,87,04,949**
Additions	-	-	-	-
Disposals/Discardment	25,80,602	1,53,96,585	7,27,762	**1,87,04,949**
Balance at 31st March, 2019	-	-	-	-
Accumulated depreciation				
Balance at 1st April, 2018	25,80,602	1,53,96,585	7,27,762	**1,87,04,949**
Eliminated on disposal/discarment of assets	25,80,602	1,53,96,585	7,27,762	**1,87,04,949**
Depreciation expense	-	-	-	-
Balance at 31st March, 2019	-	-	-	-
Carrying amount as on 31st March, 2019	-	-	-	-

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 4. Investments		
Non Current		
Capital Investment in Partnership Firms and Joint Ventures (At cost)		
M/s Rising Glory Developers (Refer footnote & Note 23)	37,500	10,000
Total	**37,500**	**10,000**

Footnotes:

Details of Investments made in capital of Rising Glory Developers (partnership firm):

Name of Partners	31st March, 2019 Profit Sharing Ratio	31st March, 2018 Profit Sharing Ratio
Hubtown Limited	25.00%	20.00%
Ackruti Safeguard System Private Limited (up to 31st July 2018)	-	5.34%
Citygold Education Research Limited	25.00%	5.34%
Citygold Farming Private Limited (up to 31st July 2018)	-	5.34%
Diviniti Projects Private Limited	25.00%	5.34%
Halitious Developers Limited (up to 31st July 2018)	-	5.34%
Headland Farming Private Limited (up to 31st July 2018)	-	5.33%
Heddle Knowledge Private Limited (up to 31st July 2018)	-	5.33%
Heet Builders Private Limited	25.00%	5.33%
Subhsiddhi Developers Pvt Ltd. (up to 31st July 2018)	-	5.33%
Sunstream City Private Limited (up to 31st July 2018)	-	10.66%
Upvan lake Resort Private Limited (up to 31st July 2018)	-	5.33%
Vega Developers Private Limited (up to 31st July 2018)	-	5.33%
Whitebud Developers Limited (up to 31st July 2018)	-	5.33%
Yantti Buildcon Private Limited (up to 31st July 2018)	-	5.33%
Total	**100%**	**100%**
Total Capital of the firm in ₹	**1,50,000**	**1,50,000**

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	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 5. Other financial assets		
Non-current		
Petrol deposits	10,000	10,000
Deposit General	15,000	-
Total	**25,000**	**10,000**
Current		
Other Advances and Receivables		
Advances recoverable from related party (Refer Note 23)	76,014	-
Advances recoverable from others	1,94,69,934	2,01,57,066
Other Receivables	-	8,00,000
Total	**1,95,45,948**	**2,09,57,066**
Note 6. Current tax assets (Net)		
Advance Tax paid	10,69,833	10,69,833
Less: Provision for tax	-	-
Total	**10,69,833**	**10,69,833**

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Since the taxable income is negative, there is no current tax payable; hence reconciliation has not been provided.

Note 7. Inventories		
Land and ancilliary costs	28,89,36,428	28,89,36,428
Total	**28,89,36,428**	**28,89,36,428**
Note 8. Trade Receivables		
Current		
Unsecured, considered good		
Related Party (Refer Note 23)	8,24,77,866	29,95,79,353
Total	**8,24,77,866**	**29,95,79,353**
Note 9. Cash and casb equivalents		
Balances with banks:		
- in current accounts	2,14,761	6,98,020
Cash on hand	66,995	61,063
Total	**2,81,756**	**7,59,083**
Note 10. Other assets		
Current		
Other Advances		
- Others	8,75,992	6,77,237
Total	**8,75,992**	**6,77,237**

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	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 11. Equity share capital		
Authorised Share Capital:		
50,000 (P.Y. 31st March, 2018 : 50,000) Equity Shares of ₹ 10/- each	5,00,000	5,00,000
2,25,500 (P.Y. 31st March, 2018 : 2,25,000) 8% Non Cumulative Convertible Preference Shares of ₹ 100/- each	2,25,50,000	2,25,50,000
1,12,500 (P.Y. 31st March, 2018 : 1,12,500) 10% Non Cumulative Non -Convertible Redeemable Preference Shares of ₹ 100/- each (Refer note. 12)	1,12,50,000	1,12,50,000
3,28,700 (P.Y. 31st March, 2018 : 3,28,700) Preference Shares of ₹ 100/- each	3,28,70,000	3,28,70,000
Total	6,71,70,000	6,71,70,000
Issued and subscribed capital comprises:		
50,000 (P.Y. 31st March, 2018 : 50,000) Equity Shares of ₹ 10/- each	5,00,000	5,00,000
2,25,500 (P.Y. 31st March, 2018 : 2,25,000) 8% Non Cumulative Convertible Preference Shares of ₹ 100/- each, fully paid	2,25,50,000	2,25,50,000
Total	2,30,50,000	2,30,50,000

Footnotes:

	Number of shares (in ₹)	Share Capital (in ₹)
(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year.		
Balance at 1st April, 2017	50,000	5,00,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	50,000	5,00,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2019	50,000	5,00,000
(ii) Reconciliation of the number of Preference shares outstanding at the beginning and the end of the year		
Balance at 1st April, 2017	2,25,500	2,25,50,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	2,25,500	2,25,50,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2019	2,25,500	2,25,50,000

(iii) Details of shares held by each shareholders holding more than 5% shares

	As at 31st March, 2019		As at 31st March, 2018	
	No of shares held	% holding of this class of shares	No of shares held	% holding of this class of shares
Fully paid equity shares				
Holding Company of Reporting Company (HCRC):				
Hubtown Limited with Beneficiary Owners	50,000	100%	50,000	100%
Convertible Preference Shares				
Alken Management and Financial Services Pvt Ltd	20,900	9.27%	20,900	9.27%
Harekrishna Securities Pvt Ltd	20,900	9.27%	20,900	9.27%
Empower India Limited	41,700	18.49%	41,700	18.49%
Signora Finance Pvt Ltd	16,700	7.41%	16,700	7.41%
Lilac Medicines Private Limited	20,900	9.27%	20,900	9.27%
Sonal Cosmetic (Exports) Ltd	20,900	9.27%	20,900	9.27%
Prabhav Industries Ltd	41,700	18.49%	41,700	18.49%
Sonal Sil Chem Limited	12,500	5.54%	12,500	5.54%
Sonal International Ltd	16,700	7.41%	16,700	7.41%

(iv) Terms / rights attached to each class of shares :

Equity Share

The company has a single class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference Shares

8% Non cumulative convertible Preference Shares of ₹ 100 each. The Preference Shares of the Company shall be converted into fully paid equity shares of the Company on or after 1st April, 2012 or on such other date as may be decided by Board of Directors of the Company by exercising a call option vested in the Company for conversion of the Preference Shares on such terms and conditions as the Board of Directors may deem fit. The call option has however not been exercised by the Company till date.

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	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 12. Other Equity		
Securities premium reserve		
Balance at the beginning of the year	37,18,00,000	37,18,00,000
Add / (Less) :		-
Premium on account of shares allotted during the year		-
Balance at the end of the year	**37,18,00,000**	**37,18,00,000**
Retained Earnings		
Balance at the beginning of the year	(38,04,91,266)	(5,45,26,138)
Profit /(Loss) attributable to the owners of the company	(83,43,336)	(32,59,65,128)
Balance at the end of the year	**(38,88,34,602)**	**(38,04,91,266)**
Total	**(1,70,34,602)**	**(86,91,266)**
Note 13. Borrowings		
Non-current		
Liability component of preference shares (At amortised cost) 1,12,500 (P.Y.31st March, 2018 : 1,12,500,) 10% Non Cumulative Non -Convertible Redeemable Preference Shares of ₹ 100/- each fully paid up	29,62,476	26,93,160
Total	**29,62,476**	**26,93,160**

(i) Reconciliation of the number of fully paid non convertible preference shares outstanding at the beginning and the end of reporting year

	Number of shares	Share Capital (in ₹)
Balance at 1st April, 2017	1,12,500	1,12,50,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	1,12,500	1,12,50,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2019	**1,12,500**	**1,12,50,000**

(ii) Shareholders holding more than five percent of holdings :

Celestial Spaces Private Limited	100%	100%

Note:

The preference shares have been classified as a financial liability as per Ind AS 32 and 109 if the issuer does not have the unconditional right to avoid cash outflow at the end of the term of preference shares, the instrument is classified as a financial liabiity. Hence they have been grouped under non-current borrowings.

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	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 14. Trade payables		
Due to others	56,93,214	1,52,22,488
Total	**56,93,214**	**1,52,22,488**

Footnote:
As per information available with the company regarding dues to Micro, Small and Medium Enterprises as defined under the Micro Small Medium Enterprises Development, Act 2006 (MSMED Act), none of the suppliers of the company are registered under MSMED Act, and the same has been relied upon by the auditors.

Note 15. Other financial liabilities

Current		
Business Advance from related party (Refer footnote & Refer Note 23)	27,23,82,843	26,64,18,805
Current account balance in firms and joint ventures	71,84,246	12,228
Payable to related party (Refer note 23)	9,18,87,055	30,18,87,055
Other payables	2,26,539	46,66,821
Total	**37,16,80,683**	**57,29,84,909**

Footnote:
The Company has received interest free advances from it's Parent Company, considering the nature of business in which the Company operate, the amounts so received are considered to be repayable on call / demand as the repayment period of such amounts so received is not measureable precisely.

Note 16. Other liabilities

Current		
Advance from customers (Related Party)	53,07,769	53,07,769
Other payables :		
- Statutory dues	15,90,783	14,31,940
Total	**68,98,552**	**67,39,709**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
Note 17. Revenue from operations		
Sale from operations :		
Sale of plot (Refer Footnote 23)	-	49,42,42,348
	-	49,42,42,348
Other operating revenue:		
Liabilities written back to the extent no longer required	-	16,40,222
	-	16,40,222
Total	-	49,58,82,570
Note 18. Costs of Development		
Land cost	-	5,34,99,242
Total	-	5,34,99,242
Note 19. Changes In Inventories Of Land and Ancilliary costs		
Opening Inventory :	28,89,36,428	56,54,33,223
Closing Inventory :	28,89,36,428	28,89,36,428
Total	-	27,64,96,795
Note 20. Finance Costs		
Interest on preference shares	2,69,316	2,44,833
Delayed/penal interest on loans and statutory dues	-	31,951
Total	2,69,316	2,76,784
Note 21. Other Expenses		
Land non utilization charges	47,26,590	41,77,290
Investment written off	-	27,00,00,000
Professional fees	8,76,000	35,68,412
Filling Fees	47,527	84,041
Security Charges	3,52,100	1,46,501
Compensation towards	-	21,00,00,000
Advances and other debit balance written off	8,00,000	29,01,865
Other Expenses (Refer footnote)	13,27,286	6,95,185
Total	81,29,503	49,15,73,294
Footnote A :		
Auditors Remuneration (included in the other expenses)		
Audit fees	35,000	35,000
Total	35,000	35,000

Note 22. EARNINGS PER SHARE (EPS)

Basic earnings per share	(166.87)	(6,519.30)
Diluted earnings per share*	(166.87)	(6,519.30)

Basic EPS

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Profit/(Loss) for the year attributable to the owners of the Company	(83,43,336)	(32,59,65,128)
Weighted average number of equity shares for the purposes of basic earnings per share	50,000	50,000

Diluted EPS

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows

Profit/(Loss) for the year attributable to the owners of the Company	(83,43,336)	(32,59,65,128)
Weighted average number of equity shares for the purposes of diluted earnings per share*	50,000	50,000

Footnote:

For the purpose of diluted EPS convertible instruments (8% non cumulative convertible preference shares) deem to have been converted into equity shares at the beginning of the period. The conversion ratio has been arrived at on face value basis.

8% non cumulative convertible preference shares could potentially dilute basic earnings per share hence are not included in the calculation of diluted earnings per share for 2017 because they are antidilutive for the period presented. Diluted EPS is restricted to the amount of Basic EPS to the extent the conversion of convertible instruments prove to be anti dilutive.

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Note 23. RELATED PARTY DISCLOSURES (As per IND AS - 24)

A. Name of the related parties and related parties relationship

I	**Holding Company**	:	Hubtown Limited
II	**Fellow Subsidiary**	:	Citygold Farming Private Limited Heddle Knowledge Private Limited Vishal Techno Commerce Private Limited
III	**Other Significant Influence**	:	M/s Rubix trading Private Limited
IV	**Firm in which Company is a partner**	:	M/s Rising Glory Developers
V	**Key Management personnel, their relatives and enterprises**	:	Mr. Hemant M. Shah Mrs. Falguni Vyomesh Shah Mr. Kushal H. Shah Mrs. Lata M Shah Mr. Rushank V Shah Mr. Khilen V Shah Mrs. Kunjal Hemant Shah

Footnote:
Related party relationships are identified by the Company and relied upon by the Auditors

B. Transaction with Related Parties -

(in ₹)

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiary	Firm in which Company is a partner	Key Management personnel, their relatives and enterprises
i	**Business advances taken/ recovered / adjusted**				
	Hubtown Limited	75,30,000	-	-	-
		(3,44,38,220)	(-)	(-)	(-)
ii	**Business Advance given/repaid/adjusted**				
	Hubtown Limited	52,89,038	-	-	-
		(21,98,40,100)	(-)	(-)	(-)
	Citygold Farming Private Limited	-	11,03,36,014	-	-
		(-)	(-)	(-)	(-)
	Heddle Knowledge Private Limited	-	10,89,82,685	-	-
		(-)	(-)	(-)	(-)
iii	**Reimbursement of expenses**				
	Heddle Knowledge Private Limited	-	5,17,685	-	-
		(-)	(5,17,685)	(-)	(-)
iv	**Compensation towards**				
	Heddle Knowledge Private Limited	-	-	-	-
		(-)	(10,00,00,000)	(-)	(-)
	Citygold Farming Private Limited	-	-	-	-
		(-)	(11,00,00,000)	(-)	(-)
v	**Share of Profit (Loss) from partnership firm**				
	Rising Glory Developers	-	-	55,483	-
		(-)	(-)	(-1583)	(-)
vi	**Sale of plot**				
	Mr. Hemant M. Shah	-		-	-
		(-)	(-)	(-)	15,53,20,128
	Mrs. Falguni Vyomesh Shah	-	-	-	-
		(-)	(-)	(-)	8,00,000
	Mr. Khilen V Shah	-		-	-
		(-)	(-)	(-)	3,10,34,664
	Mrs. Kunjal Hemant Shah	-		-	-
		(-)	(-)	(-)	82,06,231
	Mr. Kushal H. Shah	-		-	-
		(-)	(-)	(-)	5,34,48,814
	Mrs. Lata M Shah	-		-	-
		(-)	(-)	(-)	14,48,77,866
	Mr. Rushank V Shah	-		-	-
		(-)	(-)	(-)	3,97,75,536
v	**Corporate guarantee given**				
	Vishal Techno Commerce Limited	-	1,01,97,20,000	-	-
		(-)	(35,80,00,000)	(-)	(-)

Note: Previous year figures are given in the brackets

C.	Balance outstanding	As at 31st March, 2019	As at 31st March, 2018
i	**Balance Payables**		
	Hubtown Limited (Holding Company)	26,34,00,158	26,56,41,120
	Rising Glory Developers(Firm in which company is a partner)	71,84,246	12,228
	Citygold Farming Private Limited (Fellow Subsidiary)	-	11,02,60,000
	Heddle Knowledge Private Limited (Fellow Subsidiary)	89,82,685	10,05,17,685
	Rubix trading Private Limited	9,18,87,055	9,18,87,055
	Mrs. Kunjal Hemant Shah	53,07,769	53,07,769
ii	**Balance Receivable**		
	Mrs. Falguni Vyomesh Shah	-	6,15,79,109
	Mr. Hemant M. Shah	-	9,08,34,029
	Mr. Kushal H. Shah	-	5,21,98,813
	Mrs. Lata M Shah	8,24,77,866	8,24,77,866
	Mr. Rushank V Shah	-	1,24,89,536
	Citygold Farming Private Limited (Fellow Subsidiary)	76,014	-
iii	**Corporate Guarantees given for loans availed by others**		
	Vishal Techno Commerce Private Limited (Refer Footnote)	1,52,95,80,000	2,54,93,00,000

Footnote:
The loan of ₹152.95 lakhs taken by Vishal Techno Commerce Pvt. Ltd. has been jointly and severally guaranteed by Citygold Education Pvt. Ltd., Heet Builders Pvt. Ltd., Hubtown Ltd. and Sunstream City Pvt. Ltd. There is no contract determining the ratio of individual guarantees by each party. Since there is a joint guarantee, the entire amount of guarantee has been disclosed.

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Note 24. Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument which fluctuate because of changes in market prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to company's debt obligations with floating interest rates.

- The Company has received interest free advances from its holding company and hence it is not exposed to interest rate risk

2) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The company is not exposed to credit risk from its operating activities or trade receivables since the agreement of sale of land is executed only on receipt of full consideration.

Credit risk from balances with banks and inter corporate loans is managed by the company's treasury department in accordance with the company's policy.

3) Liquidity risk

The operating cash flow requirements are met by interest free funding from shareholders.

Note 25. Capital Management

The primary objective of company's capital management is to ensure that it maintains strong capital ratios in order to support its business and maximise shareholders value. The company's board of directors reviews the capital structure on an annual basis.

Gearing Ratio

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

The gearing ratio at the reporting period was as follows

	As at 31st March, 2019	As at 31st March, 2018
Unsecured Borrowings	29,62,476	26,93,160
Interest accrued	-	-
Total Debt	**29,62,476**	**26,93,160**
Less: Cash and cash equivalents	2,81,756	7,59,083
Net Debt (A)	**26,80,720**	**19,34,077**
Equity Share Capital	5,00,000	5,00,000
Other Equity	(1,70,34,602)	(86,91,266)
Total Equity (B)	**(1,65,34,602)**	**(81,91,266)**
Debt Equity Ratio A/B	**(0.162)**	**(0.236)**

Note 26. Fair Value Measurements (₹)

	31st March, 2019		31st March, 2018	
	FVPL	**Amortised Cost**	**FVPL**	**Amortised Cost**
Financial Assets				
Investment	-	37,500	-	10,000
Other financial assets	-	1,95,70,948	-	2,09,67,066
Cash and cash equivalent	-	2,81,756	-	7,59,083
Total of Financial Assets	-	**1,98,90,204**	-	**2,17,36,149**
Financial Liabilities				
Borrowings	-	29,62,476	-	26,93,160
Trade payables	-	56,93,214	-	1,52,22,488
Other Financial liabilities	-	37,16,80,683	-	57,29,84,909
Total of Financial Liabilities	-	**38,03,36,373**	-	**59,09,00,557**

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Note 27.

a. The company has obtained permission for purchase of Agricultural lands admeasuring 442.15 hectors in the District Raigad as per villages referred in the order dated 12th March 2008 and the details of land shown in the annexure to said order from Directorate of Industries, Maharashtra State, for setting up Industrial Estate, Flatted Building, readymade build space, plots custom Built Campuses for IT & ITES services sector.

b. Further same is subject to permission from town planning department and Agricultural Land Ceiling Act and the provisions of section 36 and 36 A of Maharashtra Land Revenue Code 1966 and of the Maharashtra Restoration of Lands to scheduled Tribe Act 1974 and permission and approval from other Government bodies.

Note 28. Contingent Liability

Particulars	As at 31st March, 2019	As at 31st March, 2018
Claims against the Company, not acknowledged as debts on account of:-		
On account of properties purchased pending registration and other formalities under different statutes, for which confirmations are pending, with regards to consideration paid for the purchase of land through aggregator.	Amount not ascertainable at present	Amount not ascertainable at present
Income Tax Matter under Appeal with CIT for the F.Y. 2009-2010 (A.Y. 2010-11)	10,17,08,240	10,17,08,240
On account of Corporate Guarantee issued by the Company to ECL Finance Limited on behalf of Vishal Techno Commerce Limited, a fellow subsidary. (Refer footnote a)	1,52,95,80,000	2,54,93,00,000

Footnotes.

a. The loan of ₹152.95 lakhs taken by Vishal Techno Commerce Pvt. Ltd. has been jointly and severally guaranteed by Citygold Education Pvt. Ltd., Heet Builders Pvt. Ltd., Hubtown Ltd. and Sunstream City Pvt. Ltd. There is no contract determining the ratio of individual guarantees by each party. Since there is a joint guarantee, the entire amount of guarantee has been disclosed.

b. Interest / Penalty that may accure on original demands are not ascertainable, at present. The company has taken the necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice, are not sustainable.

Note 29.

In the opinion of the board of Directors of the Company, all the items of current assets, current liabilities & loans and advances continue to have a realisable value of atleast the amount at which they are stated in the balance sheet.

Note 30.

The Company has vide meeting of Board of Directors dated 09/02/2019 accorded consent to Amalgamation of seven transferor company (Fellow Subsidiary) Heddel Knowledge Private Limited, Citygold Farming Private Limited, Headland Farming Private Limited, Urvi Build Tech Limited, Devkrupa Build Tech Limited, Halitious Developer Limited and Upvan Lake Resorts Private Limited into the Company. Further Draft Scheme of Amalgamation was placed before the Board and approved in the said meeting. The Directors / signatories of the company are authorized to take all necessary steps to initiate the amalgamation.

Note 31.

The Company has initated the legal proceedings against land aggregators/farmers which has been written off in earlier years.

Note 32.

Previous year's figures have been regrouped / recast wherever necessary.

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th May, 2019

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 26th May, 2019

L. J. KOTHARI
B.COM, F.C.A.
9920424040

L. J. KOTHARI & CO.
CHARTERED ACCOUNTANTS
GANDHI MANSION, 3RD FLOOR, NEW SILK BAZAR, OPP KALBADEVI HEAD P. O.,
MUMBAI – 400 002 * Tel.: 2205 5916 * E-mail: ca_lalitkothari@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITYGOLD FARMING PRIVATE LIMITED

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **M/s. CITYGOLD FARMING PRIVATE LIMITED ("*the Company*")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

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 March 31, 2019, and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Ind AS 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), changes in equity and

L. J. KOTHARI & CO. MEMBERSHIP No. 30317 CHARTERED ACCOUNTANTS

cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. 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 Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

L. J. KOTHARI & CO. CHARTERED ACCOUNTANTS MEMBERSHIP No. 30917

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 has disclosed the impact of pending litigations on its financial position in its financial statements.

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

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

FOR L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

L.J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No.: 30917
UDIN : 19030917AAAABC6795
Place: Mumbai
Date :26th July 2019

ANNEXURE"A"REFERRED TO IN OUR REPORT TO THE MEMBERS OF CITYGOLD FARMING PRIVATE LIMITEDON THEIND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31stMARCH, 2019;

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

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

(b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification;

(c) The Company does not own any immovable property therefore provision of clause3(I)(c) of the said order are not applicable;

(ii) The physical verification of inventory has been conducted at the reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts;

(iii) According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to companies; firms or other parties covered under section 189 of the Companies Act, 2013 ('the Act'). Therefore, provision of clause 3(iii), 3(iii)(a), 3(iii)(b), 3(iii)(c) of the said order are not applicable to the company;

(iv) The Company has not granted any loans or made any investments, or provided any guarantees or any security to the parties covered under section 185 and 186. Therefore, the provisions of clause 3(iv) of the said Order are not applicable to the Company;

(v) The Company has not accepted any deposits from the public during the year, Therefore the provisions of clause 3 (v) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company;

(vi) In our opinion, and according to the information and explanation given to us, the Company has not crossed the threshold limit as prescribed by the Central Government under sub-section (1) of section 148 of the Act for maintenance of cost records and hence the provision for maintenance of records are 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, in our opinion, except for dues in respect of Income Tax payable, Tax deduced at Source and Interest on tax payable, the Company is generally regular in depositing undisputed statutory dues, including Sales Tax, Service tax, duty of customs, Value added tax, Goods and Service Tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There was an amount of Service Tax payable ₹ 6,56,751 and Interest on tax payable ₹ 11,39,216 is outstanding as at the last day of the financial year for a period exceeding six months from the date they became payable.

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues in respect of Income Tax, Service Tax, Custom Duty, Sales tax, Value added tax, Excise Duty or Cess other than mention below.

Name of the statute	Nature of dues	Period to which the amount relates (F.Y.)	Amount (₹)	Amount Paid (₹)	Balance Amount (₹)	Forum where the dispute is pending
Income Tax Act, 1961	143 (3)	2009-10	14,40,09,320	-	14,40,09,320	Income Tax Appellate Tribunal (Preferred by Department)

(viii) As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date. Therefor, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) Based on the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;

(xi) The Company has not paid or provided managerial remuneration during the year and hence, the provisions of section 197 read with Schedule V to the Act are not applicable. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company;

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under section 133 to the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

(xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year, the provision of clause 3(xiv) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company;

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company;

MEMBERSHIP No. 30917

(xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

LALIT KOTHARI
Proprietor
Membership No.: 30917
UDIN : 19030917AAAABC6795
Place: Mumbai
Date :26th July 2019

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND ASFINANCIAL STATEMENTS OF HEADLAND FARMING PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of CITYGOLD FARMING PRIVATE LIMITED ("the Company") as of 31st March, 2019 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 the 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, 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 ICAI. 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 risks. 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.
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.

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

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, 2019, 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 L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

L.J. & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No.: 30917
UDIN : 19030917AAAABC6795
Place: Mumbai
Date : 26th July,2019

CITYGOLD FARMING PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	3	-	-
(b) Financial assets			
(i) Investments	4	-	10,000
(c) Current tax assets (Net)	5	25,15,712	2,45,18,894
Total Non-Current assets		**25,15,712**	**2,45,28,894**
Current assets			
(a) Inventories	6	-	11,18,00,007
(b) Financial assets			
(i) Trade receivables	7	18,37,38,181	69,42,48,705
(ii) Cash and cash equivalents	8	7,10,591	1,15,01,765
(iii) Loans	9	-	1,58,00,000
(iv) Other financial assets	10	80,00,25,574	15,69,59,237
Total Current Assets		**98,44,74,346**	**99,03,09,714**
TOTAL ASSETS		**98,69,90,058**	**1,01,48,38,608**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	2,59,75,000	2,59,75,000
(b) Other equity	12	(5,39,40,175)	(3,29,57,724)
Total Equity		**(2,79,65,175)**	**(69,82,724)**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	13	-	20,83,486
Total Non-Current Liabilities		**-**	**20,83,486**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	14	40,54,448	56,73,894
(ii) Other financial liabilities	15	94,90,75,379	95,03,40,977
(b) Other current liabilities	16	6,18,25,406	6,37,22,975
Total Current Liabilities		**1,01,49,55,233**	**1,01,97,37,846**
Total Liabilities		**1,01,49,55,233**	**1,02,18,21,332**
TOTAL EQUITY AND LIABILITIES		**98,69,90,058**	**1,01,48,38,608**

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. CHARTERED ACCOUNTANTS MEMBERSHIP No. 30917

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th July, 2019

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

CITYGOLD FARMING PVT. LTD.

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 26th July, 2019

CITYGOLD FARMING PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note No.	Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
I INCOME			
Revenue from Operations	17	9,37,24,739	1,03,70,39,865
Other Income	18	-	25,16,501
Share of Profit / (Loss) of Joint Ventures		20,563	(1,583)
TOTAL INCOME		**9,37,45,302**	**1,03,95,54,783**
II Expenses			
Costs of Construction / Development	19	-	14,14,29,005
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	10,75,50,698	75,74,95,572
Finance Costs	21	14,20,683	12,79,610
Depreciation and Amortisation Expenses	22	-	41,131
Other Expenses	23	57,56,372	35,64,11,839
TOTAL EXPENSES		**11,47,27,753**	**1,25,66,57,157**
Profit / (Loss) before Tax		**(2,09,82,451)**	**(21,71,02,374)**
Tax Expense			
Excess / (Short) provision for taxation in respect of earlier years		-	-
		-	-
Profit / (Loss) for the year		**(2,09,82,451)**	**(21,71,02,374)**
Other Comprebensive Income		-	-
Total Comprehensive Income for the year		**(2,09,82,451)**	**(21,71,02,374)**
Earning per equity share of nominal value of ₹ 10/- each (in Rupees)	24		
Basic		(2,098.25)	(21,710.24)
Diuted		(2,098.25)	(21,710.24)

Tbe accompanying notes are an integral part of the financial statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

LALIT KOTHARI
Proprietor
Membership No. 30917

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

D V PRABHU
Director
DIN: 03142640

CITYGOLD FARMING PVT. LTD.

Mumbai
Date: 26th July, 2019

Mumbai
Date: 26th July, 2019

CITYGOLD FARMING PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation as per Statement of Profit and Loss	(2,09,82,451)	(21,71,02,374)
Add / (Less) :		
Depreciation and amortisation	-	41,131
Liabilities written back	-	(11,77,830)
Share of (Profit) / Loss from Partnership Firm	(20,563)	1,583
Investment written off	-	15,00,00,000
Operating profit before working capital changes	**(2,10,03,014)**	**(6,82,37,490)**
Add / (Less) :		
(Increase)/ Decrease in inventories	11,18,00,007	91,87,82,234
(Increase) / Decrease in trade and other receivebles	(13,25,55,812)	(58,86,03,941)
Increase / (Decrease) in trade and other payables	(68,66,100)	(23,50,89,694)
Current taxes paid	2,20,03,182	(25,16,501)
	(56,18,723)	**9,25,72,098**
Net cash flow from operating activities	**(2,66,21,737)**	**2,43,34,608**
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Decrease/ (increase) in loans given	1,58,00,000	(1,58,00,000)
Share of (Profit) / Loss from Partnership Firm	20,563	(1,583)
Increase / (Decrease) in Long term Investments	10,000	-
Net cash flow from investing activities	**1,58,30,563**	**(1,58,01,583)**
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Net cash flow from financing activities	-	-
Net increase in cash and cash equivalents (I + II + III)	**(1,07,91,173)**	**85,33,025**
Add: Balance at the beginning of the year	**1,15,01,765**	**29,68,740**
Cash and cash equivalents at the end of the year	**7,10,591**	**1,15,01,765**
Components of cash and cash equivalents (Refer Note 8)		
Cash on hand	-	67,717
Balances with Banks		
- in Current accounts	7,10,591	1,14,34,048
TOTAL	**7,10,591**	**1,15,01,765**

Note: The Cash Flow Statement has been prepared under indirect method as set out in Indian Accounting Standard (Ind AS- 7) statement of cash flows.

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L.J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th July, 2019

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

CITYGOLD FARMING PVT. LTD.

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 26th July, 2019

CITYGOLD FARMING PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019 (in ₹)

	Note	Amount
A. EQUITY SHARE CAPITAL	**11**	
As at 1st April, 2017		2,59,75,000
Changes in equity share capital		-
As at 31st March, 2018		**2,59,75,000**
Changes in equity share capital		-
As at 31st March, 2019		**2,59,75,000**

B. OTHER EQUITY AND CONVERTIBLE INSTRUMENTS

₹

	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance at 1st April, 2017	**28,46,25,000**	**(10,04,80,350)**	**18,41,44,650**
Profit / (Loss) for the year	-	(21,71,02,374)	**(21,71,02,374)**
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	(21,71,02,374)	(21,71,02,374)
Balance at 31st March, 2018	**28,46,25,000**	**(31,75,82,724)**	**(3,29,57,724)**
Profit / (Loss) for the year	-	(2,09,82,451)	**(2,09,82,451)**
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	(2,09,82,451)	**(2,09,82,451)**
Balance at 31st March, 2019	**28,46,25,000**	**(33,85,65,174)**	**(5,39,40,174)**

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L.J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
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CITYGOLD FARMING PVT. LTD.

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Director
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Mumbai
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Mumbai
Date: 26th July, 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 1. Statement of Significant Accounting Policies.

1.1 **Company Overview**

Citygold Farming private Limited is a private limited Company domiciled in India, incorporated under the Companies Act, 1956. The main object of the company is to acquire by purchase, lease or otherwise, agricultural land for farming, to establish and run farms and to Construct, erect, acquire, equip, lease, furnish, convert, adapt, improve, develop, operate & manage all sorts of Agricultural Parks, Industrial Parks, Special Economic Zone & related infrastructure facilities, commercial & social infrastructure facilities & amenities.

1.2 The financial statements are approved for issue by the Company's Board of Directors on 26th July, 2019.

Note 2. Significant Accounting Policies followed by the Company

I. Basis of preparation of financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

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

1) certain financial assets and liabilities that are measured at fair value;
2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
3) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies, if any) within the credit period normally applicable to the respective project.

II. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

Classification of property

The company determines whether a property is classified as investment property or inventory property. Investment property comprises land and buildings that are not occupied substantially for use by, or in the operations of, the company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Inventory comprises property that is held for sale in the ordinary course of business. Principally, these are properties that the company develops and intends to sell before or on completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

III. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will accrue to the Company and the revenue can be reliably measured and also when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment.

A. **Revenue from Sale of Land**

Revenue from sale of land's recognized when the company satisfied performance obligation at a point in time i.e. when company is transferred to the customer which is usually possession of land to customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, rebates, price concessions, returns and financing component if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 "Revenue" and Guidance Note on "Accounting for Real Estate transactions" for entities to whom Ind AS is applicable.

B. **Interest and dividend:**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

C. **Others:**

Other revenues / incomes and costs / expenditure are accounted on accrual, as they are earned or incurred.

D. **Profit / loss from partnership firms / association of persons:**

Share of profit / loss from partnership firms / association of persons (AOP) is accounted n respect of the financial year of the firm / AOP, during the reporting period, on the basis of their audited/ management reviewed accounts, which is considered as a part of other operating activity.

MEMBERSHIP No. 30917

CITYGOLD FARMING PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

IV. Property plant and equipment and depreciation / ammortisation

A. On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2015 of its Property, Plant and Equipment and use that carrying value as the deemed cost on the date of transition i.e. 1st April, 2015.

B. Tangible fixed assets are stated at cost of acquisition or construction including attributable interest and finance cost, if any till the date of acquisition/installation of the assets, less accumulated depreciation/amortisation and accumulated impairment losses, if any.

C. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

D. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

Asset Category	**Estimated useful life (in Years)**
Furnitures & Fixtures	10
Office Equipments	5

The residual values, useful lives and methods of depreciation of property plant equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

V. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. **Investment and Financial Assets**

i. **Initial recognition**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

ii. **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

a) **Financial Assets at Amortised Cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) **Financial Assets Measured at Fair Value**

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

iii. **De-recognition of Financial Assets:**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

B. **Equity Instruments and Financial Liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i. **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii. **Financial Liabilities**

1. Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

2. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3. De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

VI Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the finacial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

VII. Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case thoseare measured at lifetime ECL.The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

b. Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

i. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability wheneer events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

ii. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

VIII. Taxation

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss becauseof items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

ii. Deferred Tax

Deferred tax is recognized on temporary diferences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

IX. Inventories

All inventories are stated at lower of 'Cost or Net Realizable Value'.

A. 'Incomplete Projects' include cost of land for which the Company has not entered into sale agreements and in other cases where the revenue recognition is postponed. 'Incomplete Projects' also include initial project costs that relate to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure for the year in which they are incurred unless they are separately identifiable and it is probable that the respective project will be obtained.

B. Cost included in inventory include costs incurred upto the completion of the project viz. cost of land, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost.

X. Borrowings and Borrowing costs

Borrowing are initally recognised at Net off transation cost incurred and measured at amortised cost. Any difference between the proceeds (net of transation costs) and the redemption amount is recognised in statetment of profit and loss over ther period of the borrowings using the effective interest method.

Interests and other borrowing costs included under finance costs calculated as per effective interest rate attributable to qualifying assets, which takes substantial period of time to get ready for its intended use are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. 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 charged to the Profit and Loss Account.

XI. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

XII. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XIII. Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

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CITYGOLD FARMING PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

XIV. Recent accounting pronouncements

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition,measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND AS 116 is expected to be insignificant.

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CITYGOLD FARMING PVT. LTD.

CITYGOLD FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 3. Property, plant and equipment

	Furniture and Fixtures	Office Equipment	Total
Cost or deemed cost			
Balance at 1st April, 2017	5,17,500	6,30,000	11,47,500
Additions	-	-	-
Disposals	-	-	-
Balance at 31st March, 2018	5,17,500	6,30,000	11,47,500
Accumulated depreciation			
Balance at 1st April, 2017	5,17,500	6,30,000	11,47,500
Eliminated on disposal of assets			-
Depreciation expense	-	-	-
Balance at 31st March, 2018	5,17,500	6,30,000	11,47,500
Carrying amount as on 31st March, 2018	-	-	-

	Furniture and Fixtures	Office Equipment	Total
Cost or deemed cost			
Balance at 1st April, 2018	5,17,500	6,30,000	11,47,500
Additions	-	-	-
Disposals/Discardment	5,17,500	6,30,000	11,47,500
Balance at 31st March, 2019	-	-	-
Accumulated depreciation			
Balance at 31st March, 2018	5,17,500	6,30,000	11,47,500
Eliminated on disposal/discarment of assets	5,17,500	6,30,000	11,47,500
Depreciation expense	-	-	-
Balance at 31st March, 2019	-	-	-
Carrying amount as on 31st March, 2019	-	-	-

MEMBERSHIP No. 30917

CITYGOLD FARMING PVT. LTD.

CITYGOLD FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 4. Investments		
a) Capital Investment in Partnership Firm		
M/s Rising Glory Developers	-	10,000
TOTAL	-	**10,000**

Details of Investments made in capital of Partnership firm:

a) Partnership Firm
M/s Rising Glory Developers

	Particulars	31st March, 2019 Profit Sharing Ratio	31st March, 2018 Profit Sharing Ratio
1	Hubtown Limited	25.00%	20.00%
2	Ackruti Safeguard System Private Limited (up to 31st July 2018)	-	5.34%
3	Citygold Education Research Limited	25.00%	5.34%
4	Citygold Farming Private Limited (up to 31st July 2018)	-	5.34%
5	Diviniti Projects Private Limited	25.00%	5.34%
6	Halitious Developers Limited (up to 31st July 2018)	-	5.34%
7	Headland Farming Private Limited (up to 31st July 2018)	-	5.33%
8	Heddle Knowledge Private Limited (up to 31st July 2018)	-	5.33%
9	Heet Builders Private Limited	25.00%	5.33%
10	Subhsiddhi Builders Private Limited (up to 31st July 2018)	-	5.33%
11	Sunstream City Private Limited (up to 31st July 2018)	-	10.66%
12	Upvan lake Resort Private Limited (up to 31st July 2018)	-	5.33%
13	Vega Developers Private Limited (up to 31st July 2018)	-	5.33%
14	Whitebud Developers Limited (up to 31st July 2018)	-	5.33%
15	Yantti Buildcon Private Limited (up to 31st July 2018)	-	5.33%
	Total	**100.00%**	**100.00%**
	Total Capital of the firm in ₹	**1,50,000**	**1,50,000**

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CITYGOLD FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 5. Current Tax assets and liabilities		
Advance Tax paid	25,15,712	2,59,50,927
Less: Provision for Tax	-	(14,32,033)
TOTAL	**25,15,712**	**2,45,18,894**
Note 6. Inventories		
Inventories (lower of cost or net realisable value)		
- Incomplete projects	-	11,18,00,007
TOTAL	**-**	**11,18,00,007**
Note 7. Trade Receivables		
Current		
Unsecured, considered good		
- Other trade receivables	14,97,381	1,09,63,405
- Related Party (Refer Note 28)	18,22,40,800	68,32,85,300
TOTAL	**18,37,38,181**	**69,42,48,705**
Note 8. Cash and cash equivalents		
Balances with banks:		
- in current accounts	7,10,591	1,14,34,048
Cash on hand	-	67,717
TOTAL	**7,10,591**	**1,15,01,765**
Note 9. Loans		
Current		
Loan to others (Unsecured, considered good)	-	1,58,00,000
TOTAL	**-**	**1,58,00,000**
Note 10. Other financial assets		
Current		
Project Advances to related parties (Refer Note 28)	79,98,43,800	15,43,34,384
Current Account Balances in Partnership Firms	-	19,87,092
Other Advances and Receivables:		
- Other receivables (Other than Trade receivables)	1,61,211	6,37,761
- Related Party (Refer Note 28)	20,563	-
TOTAL	**80,00,25,574**	**15,69,59,237**

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CITYGOLD FARMING PVT. LTD.

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 11. Equity share capital		
Authorised Share Capital:		
10,000 (As at P.Y.31st March, 2018 : 10,000) Equity Shares of ₹ 10/- each)	1,00,000	1,00,000
9,99,000 (As at P.Y.31st March, 2018 : 9,99,000) 8% Non Cumulative Convertible Preference Shares of ₹ 100/- each	9,99,00,000	9,99,00,000
TOTAL	**10,00,00,000**	**10,00,00,000**
Issued and subscribed capital comprises:		
10,000 (As at P.Y.31st March, 2018 : 10,000) Equity Shares of ₹ 10/- each	1,00,000	1,00,000
2,58,750 (As at P.Y.31st March, 2018 : 2,58,750) 8% Non Cumulative Convertible Preference Shares of ₹ 100/- each	2,58,75,000	2,58,75,000
TOTAL	**2,59,75,000**	**2,59,75,000**

Footnotes:

	Number of shares Nos.	Share Capital ₹
(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year		
Balance at 1st April, 2017	10,000	1,00,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	10,000	1,00,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2019	**10,000**	**1,00,000**

	Number of shares Nos.	Share Capital ₹
(ii) Reconciliation of the number of Preference shares outstanding at the beginning and the end of the year		
Balance at 1st April, 2017	2,58,750	2,58,75,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	2,58,750	2,58,75,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2019	**2,58,750**	**2,58,75,000**

(iii) Details of shares held by each shareholders holding more than 5% shares

	As at 31st March, 2019		As at 31st March, 2018	
	No of shares held	% holding	No of shares held	% holding
Fully paid equity shares				
Hubtown Limited with Beneficiary Owners	10,000	100%	10,000	100%
TOTAL	**10,000**	**100%**	**10,000**	**100%**

	As at 31st March, 2019		As at 31st March, 2018	
	No of shares held	% holding	No of shares held	% holding
Fully paid preference shares				
Hormony Energy Pvt. Ltd.	20,900	8.08%	20,900	8.08%
Alken Management and Financial Services Pvt. Ltd.	20,900	8.08%	20,900	8.08%
Priority Traders Pvt.Ltd.	20,900	8.08%	20,900	8.08%
Shree Ganesh Spinners Ltd.	29,200	11.29%	29,200	11.29%
Tac Technosoft Private Limited	16,700	6.45%	16,700	6.45%
Azure Exim ServicesLtd. (Hindustan Continental Limited)	37,500	14.49%	37,500	14.49%
Epson Trading Pvt. Ltd.	33,400	12.91%	33,400	12.91%
Lilac Medicines Private Ltd.	16,700	6.45%	16,700	6.45%
Harekrishna Securities Pvt. Ltd.	41,700	16.12%	41,700	16.12%

(iv) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

Equity Share

The company has a single class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference Shares

8% Non cumulative convertible Preference Shares of ₹100 each. The Preference Shares of the Company shall be converted into fully paid equity shares of the Company on or after 1st April, 2012 or on such other date as may be decided by Board of Directors of the Company by exercising a call option vested in the Company for conversion of the Preference Shares on such terms and conditions as the Board of Directors may deem fit. However the Board of Directors has not

L. J. KOTHARI & CO. CHARTERED ACCOUNTANTS MEMBERSHIP No. 40917

CITYGOLD FARMING PVT. LTD.

CITYGOLD FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 12. Other Equity		
Securities premium reserve		
Balance at the beginning of the year	28,46,25,000	28,46,25,000
Add / (Less) :	-	-
Premium on account of shares alloted during the year	-	-
Balance at the end of the year	**28,46,25,000**	**28,46,25,000**
Retained Earnings		
	Year ended 31st March, 2019	**Year ended 31st March, 2018**
Balance at the beginning of the year	(31,75,82,724)	(10,04,80,350)
Profit /(Loss) attributable to the owners of the company	(2,09,82,451)	(21,71,02,374)
Balance at the end of the year	**(33,85,65,175)**	**(31,75,82,724)**
TOTAL	**(5,39,40,175)**	**(3,29,57,724)**

Note 13: Other non current liabilities		
Non-current		
Security Deposits	-	15,24,507
Advance rentals-Non Current	-	5,58,979
TOTAL	-	**20,83,486**

Note 14. Trade payables		
Dues to Others	40,54,448	56,73,894
TOTAL	**40,54,448**	**56,73,894**

Footnote:

As per information available with the company regarding dues to Micro, Small and Medium Enterprises as defined under the Micro Small Medium Enterprises Development, Act 2008 (MSMED Act), none of the suppliers of the company are registered under MSMED Act, and the same has been relied upon by the auditors.

Note 15: Other Financial Liabilities		
Current		
Advance received from others	60,00,00,000	60,00,00,000
Business advances from related party (Refer Note 28)	34,75,77,014	34,75,01,000
Security deposits (Refundable)	-	10,00,000
Other payables :		
- Related Party (Refer Note 28)	5,84,278	8,06,231
- Others	9,14,087	10,33,746
TOTAL	**94,90,75,379**	**95,03,40,977**

Note 16. Other Liabilities		
Current		
Advance from customers	-	14,80,000
Other payables :		
- Statutory dues	18,25,406	22,42,975
- Others	6,00,00,000	6,00,00,000
TOTAL	**6,18,25,406**	**6,37,22,975**

L.J. KOTHARI & CO. CHARTERED ACCOUNTANTS MEMBERSHIP No. 30917

CITYGOLD FARMING PVT. LTD.

CITYGOLD FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
Note 17. Revenue from operations		
Sale from operations :		
Sale of Properties	9,10,44,998	91,87,79,800
	9,10,44,998	**91,87,79,800**
Other operating revenue :		
Lease rentals	21,20,762	66,82,676
Amortisation of Advance Lease rentals	5,58,979	3,99,559
Liabilities written back to the extent no longer required	-	11,77,830
Compensation / surrender of Rights	-	11,00,00,000
	26,79,741	**11,82,60,065**
TOTAL	**9,37,24,739**	**1,03,70,39,865**
Note 18. Other income		
Miscellaneous income	-	25,16,501
TOTAL	**-**	**25,16,501**
Note 19. Costs of Construction / Development		
Land cost	-	14,14,29,005
TOTAL	**-**	**14,14,29,005**
Note 20. Changes In Inventories Of Incomplete Project		
Opening Inventory incomplete projects	11,18,00,007	1,03,05,82,241
Less:		
Purchase Return (Land)	14,80,000	23,50,000
Plot cost and Expenses incurred on procurement written off (Refer note 23)	27,69,309	15,89,36,662
	10,75,50,698	86,92,95,579
Closing Inventory incomplete projects	-	11,18,00,007
TOTAL	**10,75,50,698**	**75,74,95,572**
Note 21. Finance Costs		
Interest costs:		
Unwinding of security deposit	5,75,493	5,66,178
Delayed/penal interest on loans and statutory dues	8,45,190	7,13,432
TOTAL	**14,20,683**	**12,79,610**
Note 22. Depreciation and Amortisation Expenses		
Depreciation of property plant and equipment	-	41,131
TOTAL	**-**	**41,131**
Note 23. Other Expenses		
Brokerage	17,60,900	24,45,975
Municipal Taxes & Land non utilization charges	4,00,000	9,54,225
Investment Written off	-	15,00,00,000
Legal and professional fees	1,69,750	27,61,513
Advances and other debit balances written off	5,04,391	4,04,75,000
Work in progess written off (Land expenses)((Refer note 20)	27,69,309	15,89,36,662
Other expenses (Refer footnote)	1,52,022	8,38,464
TOTAL	**57,56,372**	**35,64,11,839**
Foot Note:		
Auditor Remuneration (Included in the other expenses)		
Audit Fees	35,000	35,000
	35,000	**35,000**

L. J. ... & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

CITYGOLD FARMING PVT. LTD.

	Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
Note 24. Earnings per share (EPS)		
Basic earning per share	(2,098.25)	(21,710.24)
Diluted earnings per share*	(2,098.25)	(21,710.24)
Basic EPS		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit / (Loss) for the year attributable to the owners of the Company	(2,09,82,451)	(21,71,02,374)
Weighted average number of equity shares for the purposes of basic earnings per share	10,000	10,000
Diluted EPS		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit/(Loss) for the year attributable to the owners of the Company	(2,09,82,451)	(21,71,02,374)
Weighted average number of equity shares for the purposes of diluted earnings per share*	10,000	10,000

Footnote:

For the purpose of diluted EPS convertible instruments (8% non cumulative convertible preference shares) deem to have been converted into equity shares at the beginning of the period. The conversion ratio has been arrived at on face value basis.

8% non cumulative convertible preference shares could potentially dilute basic earnings per share, hence are not included in the calculation of diluted earnings per share because they are antidilutive for the period presented. Diluted EPS is restricted to the amount of Basic EPS to the extent the conversion of convertible instruments prove to be anti dilutive.

Note 25. Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument which fluctuate because of changes in market prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to company's debt obligations with floating interest rates.

- The Company has received interest free advances from its holding company and hence it is not exposed to interest rate risk

2) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The company is not exposed to credit risk from its operating activities or trade receivables since the agreement of sale of land is executed only on receipt of full consideration.

Credit risk from balances with banks and inter corporate loans is managed by the company's treasury department in accordance with the company's policy.

3) Liquidity risk

The operating cash flow requirements are met by interest free funding from shareholders.

Note 26. Capital Management

The primary objective of company's capital management is to ensure that it maintains strong capital ratios in order to support its business and maximise shareholders value. The company's board of directors reviews the capital structure on an annual basis.

Note 27. Categories of Financial Instruments

Fair Value measurement (₹)

	31st March, 2019		31st March, 2018	
	FVPL & FVOCI	**Amortised Cost**	**FVPL & FVOCI**	**Amortised Cost**
Financial Assets				
Investment	-	-	-	10,000
Loans	-	-	-	1,58,00,000
Trade receivables	-	18,37,38,181	-	69,42,48,705
Cash and cash equivalent	-	7,10,591	-	1,15,01,765
Other financial assets	-	80,00,25,574	-	15,69,59,237
Total of Financial Assets	-	**98,44,74,346**	-	**87,85,19,707**
Financial Liabilities				
Trade payables	-	40,54,449	-	56,73,894
Other Financial liabilities	-	94,90,75,379	-	95,03,40,977
Total of Financial Liabilities	-	**95,31,29,828**	-	**95,60,14,871**

L. J. KOTHARI & CO. MEMBERSHIP No. 30317 CHARTERED ACCOUNTANTS

CITYGOLD FARMING PVT. LTD.

CITYGOLD FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 28. Related party disclosure

A) Names of Related Parties and description of Relationships

I	**Holding Company**	: Hubtown Limited
II	**Fellow Subsidiary Companies**	: Joynest Premises Private Limited Heddle Knowledge Private Limited Citygold Education Research Limited
III	**Firm in which Company is a partner (up to 31st July,2018)**	: M/S Rising Glory Developers
IV	**Entities With Joint Control Of, Or Significant Influence Over, the Entity**	: Rubix Trading Private Limited (Subsidiary Of Vinca)
V	**Key Management personnel and their relatives**	: Mr. Vyomesh M. Shah Mr. Khilen V Shah Mr. Kushal H. Shah Mr. Rushank V Shah

Footnote:
Related party relationship are identified by the Company and relied upon by the Auditors

B) Transactions with Related party

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiary	Firm in which Company is a partner	Key Management Personnel of the Entity
1	**Business Advances Received/ Recovered/ Adjusted**				
	Hubtown Limited	42,52,33,050	-	-	-
		(3,20,000)	(-)	(-)	(-)
	Rubix Trading Private Limited	-	-	-	-
		(-)	(-)	(-)	(-)
	Joynest Premises Private Limited	-	22,00,000	-	-
		(-)	(15,22,00,000)	(-)	(-)
2	**Business Advances given/ Repaid/ Adjusted**				
	Hubtown Limited	1,07,36,54,100	-	-	-
		(16,69,36,931)	(-)	(-)	(-)
	Citygold Education Research Limited	-	3,20,000	-	-
		(-)	(-)	(-)	(-)
	Heddle Knowledge Private Limited	-	2,50,000	-	-
		(-)	(-)	(-)	(-)
	Joynest Premises Private Limited	-	-	-	-
		(-)	(15,22,00,000)	(-)	(-)
3	**On behalf payments made (including reimbursment of expenses)**				
	Hubtown Limited	4,51,634	-	-	-
		(7,35,252)	(-)	(-)	(-)
	Heddle Knowledge Private Limited	-	28,047	-	-
		(-)	(18,46,731)	(-)	(-)
	Citygold Education Research Limited	-	16,014	-	-
		(-)	(-)	(-)	(-)
4	**Compensation / surrender of Rights**				
	Citygold Education Research Limited	-		-	-
		(-)	(11,00,00,000)	(-)	(-)
5	**Share of Profit (Loss) from partnership firm**				
	Rising Glory Developers (up to 31st July,2018)	-	-	20,563	-
		(-)	(-)	(-1583)	(-)
6	**Contribution to Current Account**				
	Rising Glory Developers (up to 31st July,2018)	-	-	-	-
		(-)	(-)	(-)	(-)
7	**Sale of Properties**				
	Mr. Vyomesh M. Shah	-	-	-	60,45,000
		(-)	(-)	(-)	(17,17,89,750)
	Mr. Khilen V Shah	-	-	-	-
		(-)	(-)	(-)	(14,20,26,000)
	Mr. Kushal H. Shah	-	-	-	-
		(-)	(-)	(-)	(15,12,73,500)
	Mr. Rushank V Shah	-	-	-	-
		(-)	(-)	(-)	(28,64,42,050)

i.	**Balances Outstanding**	**As at 31st March, 2019**	**As at 31st March, 2018**
	Rubix Trading Private Limited	34,75,01,000	34,75,01,000
	Heddle Knowledge Private Limited	5,84,278	8,06,231
	Citygold Education Research Limited	76,014	-
	Mr. Khilen V Shah	5,57,000	-

ii.	**Balances Receivable**	**As at 31st March, 2019**	**As at 31st March, 2018**
	Citygold Education Research Limited	-	11,02,60,000
	Rising Glory Developers	20,563	19,87,092
	Hubtown Limited	79,98,43,800	15,18,74,384
	Joynest Premises Private Limited	-	22,00,000
	Mr. Vyomesh M. Shah	7,99,27,250	14,68,72,250
	Mr. Khilen V Shah	-	8,95,26,000
	Mr. Kushal H. Shah	6,28,10,500	13,69,07,500
	Mr. Rushank V Shah	3,95,03,050	19,99,79,550

Footnotes:
Previous year figures are given in brackets.

CITYGOLD FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 29. The permission under Bombay Tenancy and Agricultural Land Act (BTAL) from Revenue Department for acquiring Agricultural Land in excess of ceiling limit are subject to conditions imposed by Government which state that the approvals/ permissions under MLR Code, Restoration of Land to ST Act, BTAL Act, Forests Acts, CRZ, NDZ and other similar laws wherever applicable are necessary.

Note 30. Contingent Liability (not acknowledged as debt)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Claims against the Company, not acknowledged as debts on account of:		
Income Tax Matter under u/s 143(3) with ITAT for the F.Y. 2009-2010 (A.Y. 2010-11)	14,40,09,320	-
Income Tax Matter under u/s 154 with CIT for the F.Y. 2012-2013 (A.Y. 2013-14)	NIL	97,070

Note: Interest / Penalty that may accure on original demands are not ascertainable, at present. The company has taken the necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice, are not sustainable.

Note 31. In the opinion of the board of Directors of the Company, all the items of current assets, current liabilities & loans and advances continue to have a realisable value of atleast the amount at which they are stated in the balance sheet.

Note 32. The Company is in the process of acquisition of land / properties. Some of the Land purchased standing in the name of nominees of Company pending for necessary permissions from the Revenue Department.

Note 33. Debtors, Creditors and Loans and advances include confirmations, reconciliation and adjustments and are considered payable/ realizable, as the case may be.

Note 33. The Company has vide meeting of Board of Directors dated 09/02/2019 accorded consent to Amalgamation along with other six transferor company (Fellow Subsidiary) into Citygold Education Research Limited the transferee company. Further Draft Scheme of Amalgamation was placed before the Board and approved in the said meeting. The Directors / signatories of the company are authorized to take all necessary steps to initiate the amalgamation.

Note 34. The Company has initated the legal proceedings against land aggregators/farmers which has been written off in earlier years. However during the year the Company has received /recoverd certain part of land.

Note 35. Previous year's figures have been regrouped / recast wherever necessary.

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L.J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th July, 2019

For and on behalf of the Board of Directors

CITYGOLD FARMING PVT. LTD.

SHRENIK MEHTA
Director
DIN: 03137231

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 26th July, 2019

Independent Auditor's Report
To the Members of Citywood Builders Private Limited

1) **Opinion:**
We have audited the accompanying standalone financial statements of **Citywood Builders Private Limited** ('the Company'), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019 and its financial performance including other comprehensive income and the statement of changes in equity for the year ended on that date.

2) **Basis of Opinion:**
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) **Emphasis of Matter:**
1. Attention is invited to Note No. 3.1(A) of the financial statements with regarding recognition of expense for ongoing projects which is based upon estimated project costs, as per the judgement of the management, which have been relied upon by us, these being technical matters.
2. Attention is invited to Note No. 14(iv) of the financial statements with regard to interest not charged on Redeemable Non-convertible Debentures.
3. Attention is invited to Note No. 31 of the financial statements with regard to reliance placed by the auditors on certification received from the management with regard to the disclosure of contingent liabilities given by the Company.
4. Attention is invited to Note No. 32 and 33 of the financial statements with regards to balances that are subject to confirmations, reconciliation and adjustments if any.
5. Attention is invited to facts the Company has not charged interest on loans and advances given to various entities in which the Company has a business interest.

Our opinion is not qualified in respect of the matters.

SANKET R SHAH & ASSOCIATES M. No. 152369 Chartered Accountants

4) **Responsibility of Management's for the Ind AS 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), changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015 as amended, and other accounting principles generally accepted in India.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

5) **Auditor's Responsibility for the Audit of the Ind AS Financial Statements**:

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

SANKET R SHAH & ASSOCIATES
M. No. 152369
Chartered Accountants

b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e. Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6) 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 Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:
   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

SANKET R SHAH & ASSOCIATES
M. No. 152369
Chartered Accountants

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, 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

e) on the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 has no pending litigations on its financial position in its standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Sanket R Shah & Associates
Chartered Accountants
FRN: 135703W

Sanket Shah
Proprietor
M. No.: 152369

Place: Mumbai
Date: 18th September, 2019

UDIN: 19152369AAAAEY5826

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Citywood Builders Private Limited of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that:

(i) a. The Company has maintained a register of fixed assets, giving description and location of its assets; and

b. As explained to us, the Company has physically verified its fixed assets during the year;

(ii) a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of the verification is reasonable.

b. In our opinion, the procedures of physical verification of Inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business;

c. On the basis of our examination of the records of the company, we are of the opinion that, the company is not maintaining proper project-wise records. The value of inventory has shown of both projects. The discrepancies noticed on physical verification of inventory as compared to its book records were not maintained.

(iii) The Company has granted unsecured loan to one company covered under the register maintained under Section 189 of the Act;

a. The terms and condition of the loan are prima facie not prejudicial to the interest of the Company, and
b. the schedule of repayment of principal on demand and the loan is interest free loan;
c. As per the terms and conditions of the arrangement, the amount of the loan is not overdue;

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Income Tax, Tax Deducted at Source (TDS), and Goods and Service Tax (GST) the Company is generally regular in depositing, undisputed statutory dues, including income-tax and other material statutory dues, wherever applicable, with the appropriate authorities.

SANKET R SHAH & ASSOCIATES Chartered Accountants M. No. 152369

The extent of arrears of statutory dues outstanding including interest at the balance sheet date, for a period exceeding six months from the date they become payable and the details of outstanding as follows:

Sr. No.	Particulars	Amount in INR
1.	Tax Deducted at Source (TDS) Liability	8,169/-
2.	Goods and Service Tax (GST) Liability	7,29572/-
3.	Interest on above Statutory Liability	9,027/-
	Total Statutory Liability	**7,46,768/-**

b. On the basis of our examination of documents and records of the Company, and explanation provided to us, there were no disputed dues in respect of Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty or Cess, particulars to disputed dues relating to Income Tax are as follows:

Sr. No.	Statute and nature of dues	Section	Financial Year	Disputed Dues (Amount in INR)
1.	Income Tax, High Court (Preferred by Department)	143(3)	2009-10	1,53,13,250/-
2.	Income Tax, Commissioner of Income tax (Appeals)	271B	2010-11	1,00,000/-
3.	Income Tax, Commissioner of Income tax (Appeals)	143(3)	2012-13	1,82,16,090/-

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

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

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(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 Order 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 standalone financial statements as required by the applicable accounting standards.

SANKET R SHAH & ASSOCIATES
M. No. 152369
Chartered Accountants

(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 and hence reporting under Clause 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

For Sanket R Shah & Associates
Chartered Accountants
FRN: *135703W*

SANKET R SHAH & ASSOCIATES
M. No.
152369
Chartered Accountants

Sanket Shah
Proprietor
M. No.: 152369

Place: Mumbai
Date: 18th September, 2019

UDIN: 19152369AAAAEY5826

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Citywood Builders Private Limited of even date)

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 Citywood Builders Private Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

1) **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.

2) **Auditor's 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 standalone 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.

SANKET [illegible] ASSOCIATES
M. No.
152369
Chartered Accountants

3) Meaning of Internal Financial Controls over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

4) 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.

5) 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 2019, 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 Sanket R Shah & Associates
Chartered Accountants
FRN: 135703W

Sanket Shah
Proprietor
M. No.: 152369

Place: Mumbai
Date: 18th September, 2019

UDIN: 19152369AAAAEY5826

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	4	124,167	232,837
(b) Current tax assets (Net)	5	5,047,244	2,508,461
(c) Other non-current assets	6	26,990,194	26,990,194
Total Non-Current assets		**32,161,605**	**29,731,492**
Current assets			
(a) Inventories	7	998,226,698	1,068,519,047
(b) Financial assets			
(i) Trade receivables	8	143,378,584	110,279,865
(ii) Cash and cash equivalents	9	106,359,040	12,097,401
(iii) Bank balances other than (iii) above	10	846,469	640,000
(iv) Other financial assets	11	16,912,473	17,355,479
(c) Other current assets	6	94,401,143	103,869,027
Total Current Assets		**1,360,124,407**	**1,312,760,819**
Total assets		**1,392,286,012**	**1,342,492,311**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	100,000	100,000
(b) Other equity	13	(216,594,164)	(143,805,816)
Total Equity		**(216,494,164)**	**(143,705,816)**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	150,428,966	312,408,138
(ii) Other Financial Liabilities	15	12,004,233	6,599,966
Total Non-Current Liabilities		**162,433,199**	**319,008,104**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	6,993,319	6,993,319
(ii) Trade payables	17	187,723,391	215,162,766
(iii) Other financial liabilities	15	1,046,892,308	876,482,615
(b) Other current liabilities	18	204,737,959	68,551,323
Total Current Liabilities		**1,446,346,977**	**1,167,190,023**
Total Liabilities		**1,608,780,176**	**1,486,198,127**
Total Equity and Liabilities		**1,392,286,012**	**1,342,492,311**

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

FOR SANKET R. SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 135703W

SANKET SHAH
PROPRIETOR
Membership No. 152369

SANKET R SHAH & ASSOCIATES Chartered Accountants M. No. 152369

FOR AND ON BEHALF OF THE BOARD

JASMIN RATHOD
DIRECTOR
DIN: 03147669

CITYWOOD BUILDERS PVT. LTD.

PRAPHUL SHINDE
DIRECTOR
DIN: 03140671

Place: Mumbai
Date: 18th September, 2019

CITYWOOD BUILDERS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2019

Particulars	Note No.	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
INCOME			
Revenue from Operations	19	289,914,388	105,970,146
Other Income	20	6,345,248	3,931,042
Total Income		**296,259,636**	**109,901,188**
EXPENSES			
Costs Of Construction / Development	21	132,127,880	275,860,149
Purchase of Stock-in-Trade		4,646,744	2,047,110
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	22	260,460,788	(204,655,257)
Employee Benefits Expense	23	11,226,249	10,906,539
Finance Costs	24	312,822	7,647,024
Depreciation and Amortisation Expenses	25	108,670	119,531
Other Expenses	26	22,747,898	23,129,311
Total Expenses		**431,631,051**	**115,054,407**
Profit / (Loss) before exceptional items and tax		**(135,371,414)**	**(5,153,219)**
Exceptional Items		-	-
Profit / (Loss) before tax		**(135,371,414)**	**(5,153,219)**
Tax Expense			
Current Tax		-	-
Deferred tax		-	-
Profit / (Loss) After Tax		**(135,371,414)**	**(5,153,219)**
Earning per equity share of nominal value of ₹ 10/- each	27		
Basic and Diluted		(13,537)	(515)

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

FOR SANKET R. SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 135703W

SANKET R. SHAH & ASSOCIATES Chartered Accountants M. No. 152369

SANKET SHAH
PROPRIETOR
Membership No. 152369

Place: Mumbai
Date: 18th September, 2019

FOR AND ON BEHALF OF THE BOARD

JASMIN RATHOD
DIRECTOR
DIN: 03147669

CITYWOOD BUILDERS PVT. LTD.

PRAPHUL SHINDE
DIRECTOR
DIN: 03140671

CITYWOOD BUILDERS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
1. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit/(loss) before taxation as per Statement of Profit and Loss	(135,371,414)	(5,153,219)
Add / (Less) :		
On account of adoption of Ind AS 115	62,583,066	-
Finance costs	312,822	7,647,024
Depreciation and amortisation	108,670	119,531
Other gains and losses	-	(3,339,709)
	(72,366,856)	**(726,373)**
Operating profit before working capital changes		
Add / (Less) :		
(Increase)/Decrease in inventories	70,292,348	(206,436,288)
(Increase)/Decrease in Trade Receivables and Other Receivables (Including Current Investment)	(25,933,080)	91,155,554
Increase /(Decrease)in trade and other payables	279,156,954	123,292,051
Increase/(Decrease) in Other Financial Liabilities (Current)	5,404,267	21,641,548
Direct taxes paid	(2,538,783)	(744,749)
	326,381,706	**28,908,116**
Net cash flow from operating activities	**254,014,850**	**28,181,743**
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Other gains and losses(miscellaneous income)	-	3,339,709
(Increase)/Decrease in Loans and advances	2,538,783	2,926,863
Net cash flow from investing activities	**2,538,783**	**6,266,572**
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Proceeds from Long Term Borrowing	(161,979,172)	(39,195,420)
Finance costs paid	(312,822)	(7,647,024)
Net cash flow from financing activities	**(162,291,994)**	**(46,842,444)**
Net increase in cash and cash equivalents (I + II + III)	94,261,639	(12,394,130)
Add: Balance at the beginning of the year	12,097,401	24,491,531
Cash and cash equivalents at the end of the year	**106,359,040**	**12,097,401**
Components of cash and cash equivalents (Refer Note 9)		
Cash on hand	653,425	673,045
Balances with banks		
- in Current accounts	102,895,909	8,914,650
- in Deposits with maturity of less than six months	2,809,706	2,509,706
	106,359,040	**12,097,401**

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

FOR SANKET R. SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 135703W

SANKET SHAH
PROPRIETOR
Membership No. 152369
Place: Mumbai
Date: 18th September, 2019

SANKET R SHAH & ASSOCIATES Chartered Accountants M. No. 152369

FOR AND ON BEHALF OF THE BOARD

CITYWOOD BUILDERS PVT. LTD.

JASMIN RATHOD
DIRECTOR
DIN: 03147669

PRAPHUL SHINDE
DIRECTOR
DIN: 03140671

CITYWOOD BUILDERS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

in ₹

Particulars	Equity Share Capital	Retained Earnings	Total
Balance at 1st March, 2017	100,000	(138,652,597)	**(138,552,597)**
Total Comprehensive Income for the year	-	(5,153,219)	**(5,153,219)**
Balance at 31st March, 2018	100,000	(143,805,816)	**(143,705,816)**
Balance at 1st April, 2018	100,000	(143,805,816)	**(143,705,816)**
Total Comprehensive Income for the year	-	(135,371,414)	**(135,371,414)**
Balance at 31st March, 2019	100,000	(216,594,164)	**(216,494,164)**

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

FOR SANKET R. SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 135703W

SANKET R SHAH & ASSOCIATES Chartered Accountants M. No. 152369

SANKET SHAH
PROPRIETOR
Membership No. 152369

Place: Mumbai
Date: 18th September, 2019

FOR AND ON BEHALF OF THE BOARD

CITYWOOD BUILDERS PVT. LTD.

JASMIN RATHOD
DIRECTOR
DIN: 03140669

PRAPHUL SHINDE
DIRECTOR
DIN: 03140671

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

Company Overview

Citywood Builders Private Limited is a private limited Company domiciled in India, incorporated under The Companies Act, 1956. The Company is engaged in real estate business of construction and development of residential and commercial projects and other real estate project etc.

The financial statements are approved for issue by the Company's Board of Directors on 18th Sept, 2019

2. STANDARDS, NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY BY THE COMPANY

Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115)

There is one new standard issued by MCA (not yet effective) for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i) Identification of the contracts with the customer
ii) Identification of the performance obligations in the contract
iii) Determination of the transaction price
iv) Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
v) Recognition of revenue when performance obligation is satisfied.

The effective date of the new standard has not yet been notified by the MCA. The management is yet to assess the impact of this new standard on the Company's financial statements.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the IndAS standards and the adoption was carried out in accordance with IndAS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 40.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy thereto in use.

a) Historical Cost Convention

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

i. certain financial assets and liabilities that have been measured at fair value
ii. assets held for sale - measured at lower of carrying amount or fair value less cost to sell.
iii. defined benefit plans - plan assets measured at fair value.

SANKET R SHAH & ASSOCIATES M. No. 152369 Chartered Accountants

CITYWOOD BUILDERS PVT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non current classification. An asset is classified as current when it is:

* Expected to be realised or intended to sold or consumed in normal operating cycle
* Held primarily for the purpose of trading
* Expected to be realised within twelve months after the reporting period, or
* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

* It is expected to be settled in normal operating cycle
* It is held primarily for the purpose of trading
* It is due to be settled within twelve months after the reporting period, or
* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Foreign currency translation

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Company.

3.1 REVENUE RECOGNITION

Revenue Recognition Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

A. Revenue from sale of properties/ development rights

Revenue from the sale of properties / flats / commercial premises / units in a project are recognised when the company satisfies performance obligations at a point in time i.e when control is transferred to the customer which is usually on giving soft possession for fit outs or actual possession to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, rebates, price concessions, returns and financing component if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Amount received as Advance from customers on Invoicing / raising demand letters are classified as Contract Liabilities. The company's right to consideration in exchange for goods or services that the company has transferred to the customer are classified as receivables.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 "Revenue" and Guidance Note on "Accounting for Real Estate transactions" for entities to whom Ind AS is applicable. The Company has adopted Ind AS 115 using the modified retrospective approach to contracts that were not completed as at April 01, 2018 and has given impact of Ind AS 115 application by debit to Retained Earnings as at the said date by Rs. 10,37,71,371/- pertaining to recognition of revenue based on satisfaction of performance obligations at a point in time.

Accordingly, the comparative amounts of revenue and corresponding contract assets/ liabilities have not been retrospectively adjusted.

B. Revenue from Trading Materials:

Revenue from sale of trading material is recognised when control of promised goods are transferred to the customer.

C. Revenue from project management services:

Revenue from 'project management services' is recognized only on satisfaction of performance obligation of promised services based on the agreements between the Company and the customer to whom such services are rendered.

SANKET R SHAH & ASSOCIATES ★ Chartered Accountants ★ M. No. 152369

CITYWOOD BUILDERS PVT. LTD.

D. Interest

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

E. Others

Revenues / Income and Costs/ Expenditure are generally accounted on accrual, as they are earned or incurred.

F. Share of profit / loss from partnership firms / association of persons (AOP) is accounted in respect of the financial year of the Firm / AOP, during the reporting period, on the basis of their audited/ management reviewed accounts, which is considered as a part of other operating activity.

3.2 PROPERTY PLANT AND EQUIPMENT AND DEPRECIATION / AMORTISATION

A. Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

B. Depreciation is provided on the straight line method on the basis of estimated useful life of the asset in the manner specified in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

Asset Category	Estimated useful life (in Years)
Computer	3
Office Equipments	5
Furniture and Fixture	10

3.3 FINANCIAL INSTRUMENTS

3.3.1 INITIAL RECOGNITION

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivables which are initially measured at transaction price.Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss,are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

3.3.2 SUBSEQUENT MEASUREMENT

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

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(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

3.3.3 Derecognition Of Financial Instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the finacial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

3.3.4 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case thoseare measured at lifetime ECL.The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability wheneer events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

3.4 TAXATION

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated financial statement of profit and loss becauseof items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

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ii. Deferred Tax

Deferred tax is recognized on temporary diferences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

3.5 INVENTORIES

i. All inventories are stated at Cost or Net Realizable Value, whichever is lower.

ii. 'Incomplete Projects' include cost of incomplete properties for which the Company has not entered into sale agreements and in other cases where the revenue recognition is postponed. 'Incomplete Projects' also include initial project costs that relate to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure for the year in which they are incurred unless they are separately identifiable and it is probable that the respective project will be obtained.

iii. Cost included in inventory include costs incurred upto the completion of the project viz. cost of land / rights, value of FSI, materials, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost.

3.6 EMPLOYEE BENEFITS

Post-Employment Benefits

3.6.1 Defined contribution plans: Company's contribution to State governed Provident Fund Scheme is recognised during the year in which the related service is rendered;

3.7 BORROWING COSTS

Borrowings are initially recognised at the net transaction costs incurred and measured at ammortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Interests and other borrowing costs calculated as per effective interest rate attributable to qualifying assets are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. 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 charged to the Profit and Loss Account.

3.8 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

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3.9 FOREIGN CURRENCY TRANSACTIONS

i. All transactions in foreign currency are recorded in the reporting currency, based on closing rates of exchange prevalent on the dates of the relevant transactions.

ii. Monetary assets and liabilities in foreign currency, outstanding as on the Balance Sheet date , are converted in reporting currency at the closing rates of exchange prevailing on the said date. Resultant gain or loss is recognized during the year in the statement of profit and loss.

iii. Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

3.10 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

3.11 USE OF ESTIMATES

The preparation of the financial statements in conformity with IndAS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 3.11.1. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3.11.1 Critical accounting judgements and estimates

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its revenue. Costs of the project are based on the management's estimate of the cost to be incurred upto the completion of the projects and include cost of land, Floor Space Index (FSI), materials, services and other expenses attributable to the projects. Estimates of project income, as well as project costs, are reviewed periodically. Costs expended have been used to measure progress towards completion of work. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed peiodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c. Fair value measurements and valuation processes

Some of the company's assets are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
4. Property, plant and equipment		
Carrying amounts of:		
Leasehold land	-	-
Commercial Premises	-	-
Mivan System	-	-
Computers and Laptops	-	-
Furniture and Fixtures	124,169	232,837
Vehicles		-
Office Equipment	-	-
Total	**124,169**	**232,837**

	Computers and Laptops	Furniture and Fixtures	Office Equipment	Total
4. Property, Plant and Equipment				
Cost or deemed cost				
Balance at 1st April, 2017	-	1,299,827	1,159,710	2,459,537
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
Balance at 31st March, 2018	-	**1,299,827**	**1,159,710**	**2,459,537**
Accumulated depreciation and impairment				
Balance at 1st April, 2017	-	957,459	1,149,710	2,107,169
Eliminated on disposal of assets	-	-	-	-
Depreciation expense	-	109,529	10,000	119,529
Balance at 31st March, 2018	-	**1,066,988**	**1,159,710**	**2,226,698**
Carrying amount as on 31st March 2018	-	**232,839**	-	**232,837**

	Computers and Laptops	Furniture and Fixtures	Office Equipment	Total
Cost or deemed cost				
Balance at 31st March, 2018	-	1,299,827	1,159,710	2,459,537
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31st March, 2019	-	**1,299,827**	**1,159,710**	**2,459,537**
Accumulated depreciation and impairment				
Balance at 31st March, 2018	-	1,066,988	1,159,710	2,226,698
Eliminated on disposal of assets		-	-	-
Depreciation expense	-	108,670	-	108,670
Balance at 31st March, 2019	-	1,175,658	1,159,710	2,335,368
Carrying amount as at 31st March 2019	-	**124,169**	-	**124,167**

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		As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
5. Current tax assets (Net)			
Advance Tax paid		5,047,244	2,508,461
Less : Provision for Tax		-	-
Curent Tax Asset / (Liability)		**5,047,244**	**2,508,461**
6. Other assets			
Non-current			
Advances to land owners		26,990,194	26,990,194
	Total	**26,990,194**	**26,990,194**
Current			
Project Advances		24,282,846	10,227,855
Advances to Suppliers, Contractors and Professionals		2,938,210	3,170,739
Balance with statutory authorities		4,365,186	3,666,501
Unbilled revenue		-	23,711,199
Other Advances			
- Others.		62,777,035	62,891,722
- Prepaid Expense		37,866	201,010
	Total	**94,401,143**	**103,869,027**
7. Inventories			
Inventories (lower of cost or net realisable value)			
- Stock of material at site		817,495	4,310,145
- Incomplete projects (Refer footnote)		997,409,203	1,064,208,902
	Total	**998,226,698**	**1,068,519,047**

Footnote: During the financial year incomplete projects including of INR 18,31,43,717/- Work In Progress (WIP) relating to six projects i.e. (1. Kamaraj Nagar CHS Limited., 2. Jai Mata Di CHS Limited., 3. Shiv Kripa / Anand Aman CHS Limited., 4. Ambedkar Nagar CHS Limited, 5. Nirmal Nagar CHS Limited, 6. Om Shivaji SRA CHS.)

8. Trade Receivables			
Current			
Trade Receivables -Others		143,378,584	110,279,865
	Total	**143,378,584**	**110,279,865**
9. Cash and cash equivalents			
Balances with banks:			
- in current accounts		102,895,909	8,914,650
- in escrow accounts		2,809,706	2,509,706
Cash on hand		653,425	673,045
	Total	**106,359,040**	**12,097,401**
10. Other bank balances			
Deposits with maturity of more than three months but less than 12 months(Refer footnote)		846,469	640,000
	Total	**846,469**	**640,000**

Footnotes:

1) Balances with bank in margin money and fixed deposits are kept as security for guarantees / other facilities.

2) Balances with Bank in Fixed Deposit are kept as security for gurantees.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
11. Other financial assets		
Current		
Security deposits	185,500	185,500
Advances recoverable from others	16,191,118	16,478,030
Reimbursement		
Related parties	499,530	499,530
Interest accrued on fixed deposits	36,325	192,420
Total	**16,912,473**	**17,355,479**
12. Equity Share Capital		
Authorised Share Capital:		
5,00,000 (As at 31st March, 2018: 5,00,000;) Equity Shares of ₹ 10/- each fully paid up	5,000,000	5,000,000
Issued and subscribed capital comprises:		
10,000 (As at 31st March, 2018: 10,000) Equity Shares of ₹ 10/- each fully paid up	100,000	100,000

Footnotes:

(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year.	**Number of shares**	**Share Capital ₹**
Balance at 1st April , 2017	10,000	100,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	10,000	100,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2019	**10,000**	**100,000**

(ii) Details of shares held by each shareholders holding more than 5% shares

	31st March, 2019		31st March, 2018	
	No of shares held	**% holding**	**No of shares held**	**% holding**
Fully paid equity shares				
Hubtown Limited	9,994	99.94%	9,994	99.94%
Maya Vaidya / Hubtown Limited	1	0.01%	1	0.01%
D.V Prabhu / Hubtown Limited	1	0.01%	1	0.01%
Kamal Matalia / Hubtown Limited	1	0.01%	1	0.01%
Nancy Pereira / Hubtown Limited	1	0.01%	1	0.01%
Anil Ahluwalia / Hubtown Limited	1	0.01%	1	0.01%
Chetan Mody / Hubtown Limited	1	0.01%	1	0.01%
Total	**10,000**	**100.00%**	**10,000**	**100.00%**

(iii) Terms / rights attached to Equity Shares :

The company has a single class of equity shares having a face value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
13. Other Equity		
Retained Earnings		
Balance at the beginning of the year	(143,805,816)	(138,652,597)
On account of adoption of Ind AS 115	62,583,066	-
Profit attributable to the owners of the company	(135,371,414)	(5,153,219)
Balance at the end of the year	**(216,594,164)**	**(143,805,816)**
14. Non-current borrowings		
Secured Debentures		
300 (As at 31st March , 2017: 300) 0% Redeemable non-convertible debentures of the face value of ₹ 10,00,000 each	150,428,966	312,408,138
Total	**150,428,966**	**312,408,138**

Footnote:

i. The Debentures shall be redeemed at a premimum such that the Debenture Holders earn an IRR of 22% on Subscription Amount.

ii. If Issuer commits a default in payment of Redemption Amount or Amounts Due or in redemption of Debenture (including Target Return thereupon) for two consecutive months, then the Debenture Holder shall have the right to exchange/convert (the "Conversion Option"), as its option, the whole or part of the defaulted amount of the outstanding Debentures into 100% of the equity shares of the Issuer.

iii. The debentures are secured by:

a) Personal gurantee of the promoters of Hubtown Limited.

b) Unconditional and irrevocable Corporate Guarantee of Hubtown Limited.

c) Pledge of unencumbered equity shares valued at ₹ 50 Million of Hubtown Limited.

iv. No Interest charged on debenture during the Financial Year and Previous Year.

15. Other financial liabilities		
Non-current		
Retention money payable	12,004,233	6,599,966
Total	**12,004,233**	**6,599,966**
Current		
- From related parties (Refer Footnote)	803,893,061	719,655,057
- From others	157,242,208	69,289,071
Other payables	85,757,039	87,538,487
Total	**1,046,892,308**	**876,482,615**

Footnote :

The Company has received interest free Advances from it's Parent Company, considering the nature of business in which the Company operate, the amounts so received are considered to be repayable on call / demand as the repayment period of such amounts so received is not measureable precisely.

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		As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
16. Current borrowings			
- From Companies		6,993,319	6,993,319
	Total	**6,993,319**	**6,993,319**

Footnotes:

1) Unsecured loans from Companies no interest rates charged.

2) Borrowing relating to repayable on demand.

17. Trade payables			
Trade Payables (Refer Footnote)			
- Others		187,723,391	215,162,766
	Total	**187,723,391**	**215,162,766**

Footnote:

As per information available with the Company regarding dues to Micro, Small and Medium Enterprises as defined under the Micro Small Medium Enterprises Development, Act 2006 (MSMED Act), none of the suppliers of the Company are registered under MSMED Act, and the same has been relied upon by the auditors.

18. Other current liabilities			
Current			
Advance from customers		199,436,394	66,826,257
Statutory dues		5,301,565	1,725,066
	Total	**204,737,959**	**68,551,323**
19. Revenue from operations			
Sale from operations :			
Revenue from Sale of Properties/rights		284,682,158	91,412,181
Revenue from sale of Trading Materials		5,232,158	1,852,726
Other operating revenue :			
Liabilities written back to the extent no longer required.		72	12,705,238
	Total	**289,914,388**	**105,970,146**
20. Other income			
Interest Income:			
Bank fixed deposits		55,971	57,489
Income Tax Refund		4,750	-
Others		2,026,460	474,398
Dividend received		-	59,446
Gain on sale of current investments		-	163,723
Gain on foreign currency fluctuation (Net)		(25)	-
Miscellaneous income		4,258,092	3,175,986
	Total	**6,345,248**	**3,931,042**
21. Costs Of Construction / Development			
Construction costs incurred during the year:			
Land / rights acquired		-	205,110,617
Material and labour costs		94,663,258	23,419,383
Approval and consultation expenses		16,122,430	24,385,331
Other direct development expenses		21,342,192	22,944,818
	Total	**132,127,880**	**275,860,149**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

		Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
22.	**Changes In Inventories Of Incomplete Projects, Finished Properties And FSI**		
	Opening Inventory :		
	Incomplete projects	1,064,208,902	859,553,645
		1,064,208,902	**859,553,645**
	Add / (Less):		
	WIP relating to other 6 Projects	(183,143,717)	-
	On account of adoption of Ind AS 115	193,661,090	-
		1,074,726,275	**859,553,645**
	Closing Inventory :		
	Incomplete projects	814,265,486	1,064,208,902
		814,265,486	1,064,208,902
	Total	**260,460,788**	**(204,655,257)**
23.	**Employee Benefits Expense**		
	Salaries, bonus, etc.	10,950,415	10,500,486
	Contribution to provident and other funds	226,945	378,565
	Staff welfare expenses	29,124	6,562
	Other fund expenses	19,765	20,926
	Total	**11,226,249**	**10,906,539**
24.	**Finance Costs**		
	Interest costs:-		
	Other interest expense	-	4,235,549
	Delayed/penal interest on loans and statutory dues	312,822	3,411,475
	Total	**312,822**	**7,647,024**
25.	**Depreciation and Amortisation Expenses**		
	Depreciation of property, plant and equipment	108,670	119,531
	Total depreciation and ammortisation expense	**108,670**	**119,531**
26.	**Other Expenses**		
	Insurance	214,801	370,634
	Rent	-	900,000
	Advertisement expenses	-	6,828,412
	Advances and other debit balances written off	367,785	-
	Bad Debts	544,500	-
	Brokerage	13,827,243	1,425,068
	Repairs and society maintenance charges	453,358	642,855
	Legal and professional fees	1,128,310	2,022,386
	Compensation on cancellation of flats	-	4,794,408
	Other expenses (Refer Footnote)	6,211,901	6,145,548
	Total	**22,747,898**	**23,129,311**
	Footnote:		
	Auditors, Remuneration:		
	Audit fees	50,000	60,000

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
27. EARNINGS PER SHARE (EPS)		
Basic Earning Per Share and Diluted	(13,537)	(515)

(i) Basic and Diluted EPS

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Profit for the year attributable to the owners of the Company	(135,371,414)	(5,153,219)
Earnings used in the calculation of basic earnings per share	**(135,371,414)**	**(5,153,219)**
(ii) Weighted average number of equity shares for the purposes of basic and diluted earnings per share	10,000	10,000

28. Financial Risk Management Objectives

The company is exposed to market risk, credit risk and liquidity risk. The company's management oversees the management of these risks. The company's board of directors review and agrees policies for managing each of these risks summarized below:

1) Market Risk

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to company's long term debt obligations with floating interest rates.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate on account of changes in foreign exchange rates. The company does not have any exposure to the risk of changes in foreign exchange rates from its operating activities

There is no purchase of materials of imported materials hence foreign currency risk does not arise.

c) Commodity price risk

- The Company is not affected by the price volatility of commodities
- The Company has awarded building construction contracts to its contractors on turnkey basis.

2) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The company is not exposed to credit risk from its operating activities or trade receivables since the sale / lease buildings are yet to be constructed and there is no sale or leasing in relation to the same.

Credit risk from balances with banks and inter corporate loans is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved companies and within credit limits assigned to each company. The credit limits of parties to whom loans are granted are reviewed by board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make repayments.

3) Liquidity risk

The company is in stage of construction of buildings. All allowable expenses are inventorised by as per the policy of the company. Liquidy risk is dependent on the market demand for completed flats.

SANKET R SHAH & ASSOCIATES ★ Chartered Accountants ★ M. No. 152369

CITYWOOD BUILDERS PVT. LTD. ★

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

29. RELATED PARTY TRANSACTIONS

a. LIST OF RELATED PARTIES:

A. Names of related parties and description of relationship

I. HOLDING COMPANY
Hubtown Limited

II. FELLOW SUBSIDIARY COMPANIES
Hubtown Bus Terminal (Mehasana) Private Limited

III. Entities With Joint Control Of, Or Significant Influence Over, the Entity
Rubix Trading Private Limited

V. JOINT VENTURES OF HOLDING COMPANY
Shreenath Realtors

Note:(i) Related party relationships are as identified by the Company and relied upon by the Auditors.
(ii) Previous year's figures are given in brackets

b. Transactions with Related Parties:

Sr. No.	Particulars	Key Managerial Personnel	Holding Company	Fellow Subsidiary Companies	Joint Ventures of Holding Company
1	**Loans and advances received /recovered/adjusted**				
	Hubtown Limited	-	145,311,232	-	
		(-)	(517,300,000)	(-)	(74,033,746)
2	**Loans and Advances given/ repaid/adjusted**				
	Hubtown Limited	-	87,503,098	-	-
		(-)	(242,490,152)	(-)	(-)
3	**On behalf payments made/ adjusted (Including reimbursement**				
	Shreenath Realtors	-	251,125	-	
		(-)	(-)	(-)	(112,500)
	Hubtown Bus Terminal (Mehasana) Private Limited	-	-	-	-
		(-)	(-)	(499,530)	(-)
	Heet Builders Private Limited	-	-	72,795	
		-	-	(-)	
4	**On behalf payments received/Adjusted**				
	Heet Builders Private Limited	-	-		-
		(-)	(-)		(-)
	Hubtown Limited	-	-	-	-
		(-)	(-)	(-)	(-)
5	**Project Purchased**				
	Shreenath Realtors	-	-	-	-
		(-)	(116,830,194)	(-)	(-)
6	**Contractor Payment**				
	Hubtown Limited		94,427,825	-	-

Sr. No.	Balance outstanding receivables:	As at 31st March, 2019	As at 31st March, 2018
1	**Joint Ventures of Holding Company**		
	Shreenath Realtors	-	-
	Hubtown Bus Terminal (Mehasana) Private Limited	499,530	499,530
2	**Balance outstanding payables:**		
	Associates of Holding Company		
	Rubix Trading Private Limited	69,289,071	69,289,071
	Holding Company		
	Hubtown Limited	871,891,016	719,655,057
	Joint Ventures of Holding Company		
	Shreenath Realtors	116,579,744	116,830,194

30. The accumulated losses of the Company have resulted in complete erosion of the net worth of the Company. The Company's management is, however, of the view that the said erosion is temporary in nature as the Company has made strategic investments in certain assets / projects , the proceeds of which would when fructified, would result in turnaround of the Company. The Company to that extent does not consider the erosion of the net worth as an impediment to its status as a going concern.

SANKET R SHAH & ASSOCIATES ★ Chartered Accountants ★ M. No. 152369

CITYWOOD BUILDERS PVT. LTD.

	As at 31st March, 2019	As at 31st March, 2018

31. Income Tax Matters for, Tax Contingent Liability

Statute and nature of dues	Section	Financial Year	Disputed Dues	Amount Paid	Balance disputed dues payable	Balance disputed dues payable
Income Tax, High Court (Preferred by Department)	143(3)	2009-10	15,313,250	-	15,313,250	15,313,250
Income Tax, Commissioner of Income tax (Appeals)	271B	2010-11	100,000	-	100,000	100,000
Income Tax, Commissioner of Income Tax (Appeals)	143(3)	2012-13	18,216,090	750,860	-	17,465,230
Total			**33,629,340**	**750,860**	**15,413,250**	**32,878,480**

Notes:

There is no contingent liability towards Service Tax, MVAT/Sales Tax as on 31st March, 2019.

32. In the opinion of the Board of Directors of the Company, all items of Current Assets, Current Liabilities and Loans and Advances continues to have a realizable value of at least the amounts at which they are stated in the Balance Sheet.

33. Trade payable & other current liability are subject to confirmation, reconciliation and adjustment if any.

34. Capital Management

The primary objective of company's capital management is to ensure that it maintains strong capital ratios in order to support its business and maximise shareholders value. The company's board of directors reviews the capital structure on an annual basis.

The capital structure of the company consists of net debt (borrowings and offset by cash and bank balances) and total equity of the company. The borrowings consist of debentures issued, term loans from financial institutions and loans from companies.

The gearing ratio at the reporting period was as follows:

	31st March, 2019 ₹	31st March, 2018 ₹
Unsecured Loan	6,993,319	6,993,319
Interest accured	-	-
Total Debt	**6,993,319**	**6,993,319**
Cash and Cash Equivalents	106,359,040	12,097,401
Net Debt (A)	**(99,365,721)**	**(5,104,082)**
Equity Share Capital	100,000	100,000
Other Equity	(216,594,164)	(143,805,816)
Total Equity (B)	**(216,494,164)**	**(143,705,816)**
Debt Equity Ratio A/B	46%	4%

35. Fair Value measurement of Financial Instruments

	31st March 2019			31st March 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments	-	-		-	-	-
Trade receivables			143,378,584			110,279,865
Cash and cash equivalents	-	-	106,359,040	-	-	12,097,401
Bank balances other than (iii) above			846,469			640,000
Loans			-			-
Other financial assets	-	-	16,912,473	-	-	17,355,479
Total of Financial Assets	-	-	**267,496,565**	-	-	**140,372,746**
Financial Liabilities						
Borrowings	-	-	157,422,285	-	-	319,401,457
Trade payables	-	-	187,723,391	-	-	213,778,782
Other Financial liabilities	-	-	1,058,896,541	-	-	856,266,928
Total of Financial Liabilities	-	-	**1,404,042,216**	-	-	**1,389,447,168**

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

FOR SANKET R. SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 135703W

SANKET SHAH
PROPRIETOR
Membership No. 152369

SANKET R SHAH & ASSOCIATES M. No. 152369 Chartered Accountants

Place: Mumbai
Date: 18th September, 2019

FOR AND ON BEHALF OF THE BOARD

CITYWOOD BUILDERS PVT. LTD.

JASMIN RATHOD
DIRECTOR
DIN: 03147669

PRAFULL SHINDE
DIRECTOR
DIN: 03140671

INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF,
DEVKRUPA BUILD TECH LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial Statements of **DEVUKRUPA BUILD TECH LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "Ind AS financial statements").

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 state of affairs of the Company as at 31st March, 2019, and its loss (financial performance including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Ind AS 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 (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

M. K. GOHEL & ASSOCIATES MUMBAI M. No. Chartered Accountants preparation and presentation of the Ind As financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the INDAS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

K. GOHEL & ASSOCIATES
MKG
MUMBAI
Chartered Accountants

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in

(i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

I. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order.

II. As required by Section143 (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, the Cash Flow Statement and 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.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

M. K. GOHEL & ASSOCIATES
MKG
MUMBAI
M. No
038823
Chartered Accountants

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(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 material 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 M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No.: 103256W

M K Gohel

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

MUKESH K. GOHEL
PROPRIETOR
Membership No. 038823
Place : Mumbai
Date : 26/05/2019

"ANNEXURE-A" REFERRED TO IN PARAGRAPH I OF OUR REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OUR AUDITORS' REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 OF DEVKRUPA BUILD TECH LIMITED

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

(i) a) The company has maintained proper records showing full particulars of its quantitative details and situation of fixed assets;

b) The company has physically verified its fixed assets at reasonable interval and 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 company does not have any immovable property.

(ii) The company does not have any Inventories during the year and as at the balance sheet date.

(iii) In our opinion, and according to the information and explanations given to us, the Company has not granted any secured or unsecured loans to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013;

(iv) As per the information received there are no loan, investment, guarantees and security to director by the company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) In our opinion, and according to the information and explanation given to us, the Company has not crossed the threshold limit as prescribed by the Central government under sub-section (1) of section 148 of the Act for maintenance of cost records and hence such the provision for maintenance of records are not applicable to the company;

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks. The Company did not have any loans or borrowing from any Government or dues to debenture holder.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of the material fraud on or by the Company, has been noticed or reported by the Company during the year, nor have we been informed any such case by the Company;

(xi) In our opinion and according to the information and explanations given to us, no managerial remuneration has been paid or provided by the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly,

M.K. GOHEL & ASSOCIATES
MUMBAI
M. No. 038823
Chartered Accountants

paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act where applicable and the details of such related party transactions have been disclosed in the Ind AS financial statements as required by Accounting Standard (AS) 18, Related Party Disclosures prescribed under Section 133 of the Act, read with the relevant rules.

(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. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him/ her. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

FOR M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No.: 103256W

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

MUKESH K. GOHEL
PROPRIETOR
Membership No. 038823

Place : Mumbai
Date : 26/05/2019

"ANNEXURE-B" REFERRED TO IN PARAGRAPH II OF OUR REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT") OUR AUDITORS' REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 OF DEVKRUPA BUILD TECH LIMITED

We have audited the internal financial controls over financial reporting of DEVKRUPA BUILD TECH LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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

M.K. GOHEL & ASSOCIATES
MKG
MUMBAI
M. No.
038823
Chartered Accountants

detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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 March 31, 2019, 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 ICAI.

FOR M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No.: 103256W

MUKESH K. GOHEL
PROPRIETOR
Membership No. 038823

Place : Mumbai
Date : 26/05/2019

DEVKRUPA BUILD TECH LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	4	39,546	45,936
(b) Current tax assets (Net)	5	1,501,718	1,501,718
Total Non-Current assets		**1,541,264**	**1,547,654**
Current assets			
(a) Financial assets			
(i) Trade receivables	6	-	1,296,845
(ii) Cash and cash equivalents	7	325,573	325,750
(iii) Other financial assets	8	2,043,768	2,068,769
(b) Other current assets	9	-	5,593
Total Current Assets		**2,369,341**	**3,696,957**
Total assets		**3,910,605**	**5,244,611**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	500,000	500,000
(b) Other equity	11	(89,596,175)	(87,715,177)
Total Equity		**(89,096,175)**	**(87,215,177)**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	61,262,806	61,319,140
(ii) Trade payables	13	28,030,246	28,030,246
(iii) Other financial liabilities	14	2,174,203	1,578,600
(b) Other current liabilities	15	1,539,525	1,531,802
Total Current Liabilities		**93,006,780**	**92,459,788**
Total Equity and Liabilities		**3,910,605**	**5,244,611**

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.:103256W

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

MKGohel

MUKESH K GOHEL
PROPRIETOR
Membership No. 038823

Mumbai
Date: 26th May, 2019

KUSHAL SHAH
DIRECTOR
DIN : 06843982

DEVKRUPA BUILD TECH LTD.

R. F. Joshi

RAJESH DOSHI
DIRECTOR
DIN : 03626861

Mumbai
Date: 26th May, 2019

DEVKRUPA BUILD TECH LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Particulars	Note No.	Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
I	**INCOME**			
	Other Income		-	-
	Total Income		-	-
II	**EXPENSES**			
	Finance Costs	16	673,421	52,972
	Depreciation	17	6,390	7,422
	Other Expenses	18	1,201,187	520,975
	Total Expenses		**1,880,998**	**581,369**
	Profit before exceptional items and Tax (I - II)		**(1,880,998)**	**(581,369)**
	Exceptional Items		-	-
	Profit / (Loss) before Tax		**(1,880,998)**	**(581,369)**
	Profit for the Period from Continuing Operations		**(1,880,998)**	**(581,369)**
	Profit from Discontinued Operations before Tax		-	-
	Tax Expense of Discontinued Operations		-	-
	Profit from Discontinued Operations (after tax)			
	Profit / (Loss) for the Period		**(1,880,998)**	**(581,369)**
	Earning per equity share of nominal value of ₹ 10/- each (in Rupees)	19		
	Basic and Diluted		(37.62)	(11.63)

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.:103256W

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

MKGohel

MUKESH K GOHEL
PROPRIETOR
Membership No. 038823
Mumbai
Date: 26th May, 2019

KUSHAL SHAH
DIRECTOR
DIN : 06843982

DEVKRUPA BUILD TECH LTD.

R. P. Joshi

RAJESH DOSHI
DIRECTOR
DIN : 03626861
Mumbai
Date: 26th May, 2019

DEVKRUPA BUILD TECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	31st March, 2019	31st March, 2018
	₹	₹
Cash flows arising from operating activities		
Net profit before taxation as per statement of profit and loss	(1,880,998)	(581,369)
Add / (Less) :		
Depreciation	6,390	7,422
Finance Cost	673,421	52,972
Total	**679,811**	**60,394**
Operating profit before working capital changes	**(1,201,187)**	**(520,975)**
Add / (Less) :		
(Increase) / Decrease in trade receivables	1,296,845	2,896,514
(Increase) / Decrease in trade and other receivables	30,594	(1,878,769)
Increase / (Decrease) in other Current liabilities	603,326	(1,494,509)
Total	**1,930,765**	**(476,764)**
Net cash flow from operating activities	**729,578**	**(997,739)**
Cash flows arising from investing activities		
Inflow / (Outflow) on account of :		
Interest income received	-	-
Net cash flow from investing activities	-	-
Cash flows arising from financing activities		
Inflow / (Outflow) on account of :		
Proceeds from short-term borrowings	(56,334)	1,050,711
Finance costs paid	(673,421)	(52,972)
Net cash flow from financing activities	**(729,755)**	**997,739**
Net increase in cash and cash equivalents	**(177)**	-
Add: Balance at the beginning of the year	**325,750**	**325,750**
Cash and cash equivalents at the end of the year	**325,573**	**325,750**
Components of cash and cash equivalents (Refer note 7)		
Cash and cash equivalents:		
Cash on hand	-	-
Balances with banks		
- On Current accounts	325,573	325,750
	325,573	**325,750**

The Cash Flow Statement has been prepared under indirect method as set out in Indian Accounting Standard (Ind AS- 7) statement of cash flows.

As per our report of even date

For and on behalf of the Board of Directors

For M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.:103256W

M. K. GOHEL & ASSOCIATES
MUMBAI
M. No. 038823
Chartered Accountants

MUKESH K GOHEL
PROPRIETOR
Membership No. 038823

Mumbai
Date: 26th May, 2019

KUSHAL SHAH
DIRECTOR
DIN : 06843982

DEVKRUPA BUILD TECH LTD.

R. P. Joshi

RAJESH DOSHI
DIRECTOR
DIN : 03626861

Mumbai
Date: 26th May, 2019

DEVKRUPA BUILD TECH LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019 (₹)

		Reserves and Surplus		
	Equity	General reserve	Retained Earnings	Total
Balance at April 1, 2017	**500,000**	**52,500,000**	**(139,633,808)**	**(86,633,808)**
Total Comprehensive Income for the year	-	-	(581,369)	(581,369)
Balance as at 31st March 2018	**500,000**	**52,500,000**	**(140,215,177)**	**(87,215,177)**
Total Comprehensive Income for the year	-	-	(1,880,998)	(1,880,998)
Balance as at 31st March 2019	**500,000**	**52,500,000**	**(142,096,175)**	**(89,096,175)**

As per our report of even date

For M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.:103256W

MKGohel

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

MUKESH K GOHEL
PROPRIETOR
Membership No. 038823

Mumbai
Date: 26th May, 2019

For and on behalf of the Board of Directors

KUSHAL SHAH
DIRECTOR
DIN : 06843982

DEVKRUPA BUILD TECH LTD.

R. F. Joshi

RAJESH DOSHI
DIRECTOR
DIN : 03626861

Mumbai
Date: 26th May, 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST, MARCH 2019

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1 COMPANY OVERVIEW

Devkrupa Build Tech Public Limited is a Limited Company domiciled in India, incorporated under the Companies Act, 1956. The company is engaged in real estate business of construction and development of Residential and Commercial Premises and Other Real Estate Projects including consultancy and sole selling of real estate.

The financial statements are approved for issue by the Company's Board of Directors on 26th May 2019.

SIGNIFICANT ACCOUNTING POLICY

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the IndAS standards and the adoption was carried out in accordance with IndAS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 28.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non current classification. An asset is classified as current when it is:

* Expected to be realised or intended to sold or consumed in normal operating cycle
* Held primarily for the purpose of trading
* Expected to be realised within twelve months after the reporting period, or
* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

* It is expected to be settled in normal operating cycle
* It is held primarily for the purpose of trading
* It is due to be settled within twelve months after the reporting period, or
* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.1 REVENUE RECOGNITION

A. Revenue from Construction Activity

a. The company has adopted the principles of revenue recognition on the basis of " Guidance note on Accounting for Real Estate Transactions " issued by the Institute of Chartered Accountants of India, for the entities to whom IndAS is applicable.

b. Revenue from sale of 'finished properties / buildings / rights' is recognised on transfer of all significant risks and rewards of ownership of such properties / building / rights, as per the terms of the contracts entered into with buyer/(s), which generally coincides with the firming of the sales contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.

c. Losses expected to be incurred on projects under construction, are charged in the statement of profit and loss in the period in which the losses are known.

GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

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DEVKRUPA BUILD TECH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST, MARCH 2019

B. **Interest and Dividend Income**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

C. **Others**

Revenues / Income and Costs/ Expenditure are generally accounted on accrual, as they are earned or incurred.

3.2 PROPERTY PLANT AND EQUIPMENT AND DEPRECIATION / AMORTISATION

A. Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

B. Depreciation is provided on the straight line method on the basis of estimated useful life of the asset in the manner specified in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or up to the month of such sale/disposal, as the case may be.

Asset Category	Estimated useful life (in Years)
Plant and Machinery	15
Office Equipment	5

3.3 FINANCIAL INSTRUMENTS

3.3.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

3.3.2 Subsequent measurement

a. **Non-derivative financial instruments**

(i) **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) **Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

3.3.3 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

R. F. Joshi

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST, MARCH 2019

3.3.4 **Impairment**

a. **Financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

b. **Non-financial assets**

Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

3.4 **TAXATION**

i. **Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

ii. **Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

iii. **Current and deferred tax for the year**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

3.5 **BORROWING COSTS**

Interests and other borrowing costs calculated as per effective interest rate attributable to qualifying assets are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. 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 charged to the Profit and Loss Account.

MUMBAI
M. No.
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DEVKRUPA BUILD TECH LTD.

R.F. Joshi

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST, MARCH 2019

3.6 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

3.7 SEGMENT REPORTING

The Company is engaged in the business of Real Estate Development, which as per Ind AS - 108 'Operating Segments' is considered to be the only reportable business segment. The Company is also operating within the same geographical segment. Hence, disclosures under Ind AS - 108 are not applicable.

3.8 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

* Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
* Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

3.9 USE OF ESTIMATES

The preparation of the financial statements in conformity with IndAS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 3.9.1. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3.9.1 Critical accounting judgements and estimates

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its revenue. Costs of the project are based on the management's estimate of the cost to be incurred up to the completion of the projects and include cost of land, Floor Space Index (FSI), materials, services and other expenses attributable to the projects. Estimates of project income, as well as project costs, are reviewed periodically. Costs expended have been used to measure progress towards completion of work. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Property, plant and equipment

Property, plant and equipment and depreciation. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c. Fair value measurements and valuation processes

Some of the company's assets are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823

R. F. Joshi

DEVKRUPA BUILD TECH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST, MARCH 2019

4. Property, plant and equipment

	Pump	Office Equipment	Total
Cost or deemed cost			
Balance at 31st March, 2017	186,810	39,509	226,319
Additions	-	-	-
Disposals	-	-	-
Balance at 31st March, 2018	186,810	39,509	226,319
Accumulated depreciation and impairment			
Balance at 31st March, 2017	133,452	39,509	172,961
Eliminated on disposal of assets	-	-	-
Depreciation expense	7,422	-	7,422
Balance at 31st March, 2018	140,874	39,509	180,383
Carrying amount as at 31st March 2018	45,936	-	45,936

	Pump	Office Equipment	Total
Cost or deemed cost			
Balance at 31st March, 2018	186,810	39,509	226,319
Additions	-	-	-
Disposals	-	-	-
Balance at 31st March, 2019	186,810	39,509	226,319
Accumulated depreciation and impairment			
Balance at 31st March, 2018	140,874	39,509	180,383
Eliminated on disposal of assets	-	-	-
Depreciation expense	6,390	-	6,390
Balance at 31st March, 2019	147,264	39,509	186,773
Carrying amount as at 31st March 2019	39,546	-	39,546

M.K. GOEL & ASSOCIATES
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DEVKRUPA BUILD TECH LTD.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST, MARCH 2019

		As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
5. Current Tax assets and liabilities			
Advance Tax paid		1,501,718	1,501,718
Less: Provision for Tax		-	-
	Total	**1,501,718**	**1,501,718**

Footnotes:

Income Tax expense	As at 31st March, 2019	As at 31st March, 2018
(a) Income Tax expense		
Current Tax		
Current Tax on taxable income for the year	-	-
Tax in respect of earlier years	-	-
Current tax expense	-	-
Deferred tax		
Decrease / (increase) in deferred tax assets	-	-
(Decrease) / increase in deferred tax liabilities	-	-
Deferred tax charge / (credit)	-	-
Income tax expense	-	-

(b) **Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**
Since the taxable income is negative, there is no current tax payable; hence reconciliation has not been provided.

6. Trade Receivables			
Current			
Outstanding for a period exceeding six months from the date they are due for payment		-	1,296,845
	Total	-	**1,296,845**
7. Cash and cash equivalents			
Balances with banks:			
- in current accounts		325,573	325,750
	Total	**325,573**	**325,750**
8. Other financial assets			
Current			
Security deposits		165,300	190,301
Other Advances and Receivables			
Advances recoverable from others			
- Others		1,878,468	1,878,468
	Total	**2,043,768**	**2,068,769**
9. Other assets			
Current			
Balance with Statutory Authorities (Cenvat credit)		-	5,593
	Total	-	**5,593**

M. K. GOHEL & ASSOCIATES MUMBAI Chartered Accountants

DEVKRUPA BUILD TECH LTD.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST, MARCH 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
10. Equity share capital		
Authorised Share Capital:		
50,000 (PY: 50,000) Equity Shares of ₹ 10/- each	500,000	500,000
Issued and subscribed capital comprises:		
50,000 (PY: 50,000) Equity Shares of ₹ 10/- each fully paid up	500,000	500,000
	500,000	**500,000**

Footnotes:

(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year.	Number of shares	Share Capital ₹
Balance at 1st April , 2017	50,000	500,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	50,000	500,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2019	**50,000**	**500,000**

(ii) Details of shares held by each shareholders holding more than 5% shares

	31st March, 2019		31st March, 2018	
	No of shares	% holding	No of shares held	% holding
Fully paid equity shares				
Hubtown Limited with its beneficiary owners	50,000	100%	50,000	100%
Total	50,000	100%	50,000	100%

(iii) Terms / rights attached to Equity Shares :

The company has a single class of equity shares having a face value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at 31st March, 2019 ₹	As at 31 March, 2018 ₹
11. Other Equity		
General reserve		
Balance at the beginning of the year	52,500,000	52,500,000
Add / (Less) :	-	-
Amount transferred from Retained Earnings	-	-
Balance at the end of the year	**52,500,000**	**52,500,000**
Retained Earnings		
Balance at the beginning of the year	(140,215,177)	(139,633,808)
Profit attributable to the owners of the company	(1,880,998)	(581,369)
Balance at the end of the year	**(142,096,175)**	**(140,215,177)**
Total Other Equity	**(89,596,175)**	**(87,715,177)**

M. K. OHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

DEVKRUPA BUILD TECH LTD.

R. F. Joshi

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST, MARCH 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
12. Borrowings		
Current		
Loans repayable on demand (Unsecured):		
- From Related Party(Refer footnote i)	58,433,481	59,730,326
- From Companies(Refer footnote ii)	2,829,325	1,588,814
TOTAL	**61,262,806**	**61,319,140**

Footnote:

(i) The Company has received interest free Loan from it's Parent Company, considering the nature of business in which the Company operate, the amounts so received are considered to be repayable on call / demand as the repayment period of such amounts so received is not measurable precisely.

(ii) Loan from other Company is received at an interest rate of C.Y NIL and P.Y NIL.

13. Trade payables		
Trade Payables(Refer Footnote)	28,030,246	28,030,246
TOTAL	**28,030,246**	**28,030,246**

Footnote :

As per information available with the Company regarding dues to Micro, Small and Medium Enterprises as defined under the Micro Small Medium Enterprises Development, Act 2006 (MSMED Act), none of tbe suppliers of the Company are registered under MSMED Act, and tbe same has been relied upon by the auditors.

14. Other financial liabilities		
Current		
Other payables	2,174,203	1,578,600
TOTAL	**2,174,203**	**1,578,600**

15. Other current liabilities		
Current		
Other payables :		
- Statutory dues	1,539,525	1,531,802
TOTAL	**1,539,525**	**1,531,802**

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R. P. Joshi

DEVKRUPA BUILD TECH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST, MARCH 2019

		Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
16. Finance Costs			
Delayed/penal interest on loans and statutory dues		673,421	52,972
	Total	**673,421**	**52,972**
17. Depreciation			
Depreciation of property, plant and equipment		6,390	7,422
	Total	**6,390**	**7,422**
18. Other Expenses			
Auditors Remuneration		18,150	17,700
Legal and professional fees		93,455	18,290
Other expenses		1,089,582	484,985
	Total	**1,201,187**	**520,975**

	Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
19. EARNINGS PER SHARE (EPS)		
Basic and Diluted Earning Per Share	(37.62)	(11.63)

(i) Basic and Diluted EPS

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Profit for the year attributable to the owners of the Company	(1,880,998)	(581,369)
Earnings used in the calculation of basic and diluted earnings per share	**(1,880,998)**	**(581,369)**

	As at *31st March, 2019*	As at 31 March, 2018
(ii)Weighted average number of equity shares for the purposes of basic earnings per share	50,000	50,000

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DEVKRUPA BUILD TECH LTD.

R. F. Joshi

20. RELATED PARTY TRANSACTIONS

A. List Of Related Parties:

a. **Holding Company**
Hubtown Limited

b. **Fellow Subsidiaries with whom transaction has taken place**
Urvi Build Tech Limited

c. **Joint Ventures of Holding Company**
Akruti Jay Developers

d. **Other significant infuences with whom transaction taken place**
City Gold Management Services Pvt Ltd

Related party relationship are identified by the Company and relied upon by the Auditors.

B. Transaction with Related Parties -

(₹)

Sr. No.	Particulars	HOLDING COMPANY	FELLOW SUBSIDIARY	OTHER SIGNIFICANT INFLUENCES
1	**Loans received / recovered / Adjusted**			
	Hubtown Limited	-	-	-
		(52,972)	-	-
2	**Loans repaid / given / Adjusted**			
	Urvi Build Tech Limited	-	1,296,845	-
		-	(-)	-
3	**Reimburesement of Expenses**			
	City Gold Management Services Pvt Ltd	-	-	33,707
		-	-	(9,048)

Footnote:
Previous Year figures are given in brackets.

Balance outstanding payables / receivables:			
	Nature of Transactions	Amount (₹)	
		31st March, 2019	31st March, 2018
1	Hubtown Limited	56,735,898	56,735,898
2	Urvi Build Tech Limited	1,697,583	2,994,428
3	Akruti Jay Developers	26,191,710	26,191,710
4	City Gold Management Services Pvt Ltd	44,155	10,448

21. FINANCIAL RISK MANAGEMENT OBJECTIVES

The company is exposed to market risk, credit risk and liquidity risk. The company's management oversees the management of these risks. The company's board of directors review and agrees policies for managing each of these risks summarized below:

1) Market Risk

Interest rate risk

Company has received intrest free loan and it receives interest free funds for its operating cash flow from its holding company as and when required (Refer note 12), hence the Company is not exposed to interest risk.

2) Credit Risk

The company is not exposed to credit risk from its operating activities. Credit risk from balances with banks and inter corporate loans is managed by the company's treasury department in accordance with the company's policy.

3) Liquidity risk

The companies cashflow requirement are met by funds received from its holding company.

GOHEL & ASSOCIATES MUMBAI M. No.

DEVKRUPA BUILD TECH LTD.

R. F. Joshi

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST, MARCH 2019

22.CAPITAL MANAGEMENT

The Primary Objective of Company's capital management is to ensure that it maintains strong capital ratios in order to support its business and maximise shareholders value. The company's board of directors reviews the capital structure on an annual basis.

The capital structure of the company consists of net debt (Borrowings and offset by cash and bank balances) and total equity of the company. There are no borrowings from banks/financial institutions or corporates other than the equity shareholders and their group companies, the company has received interest free loan from its holding company.

23.CONTINGENT LIABILITY

Particular	As At 31st March,2019	As At 31st March,2018
Claims against the company ,not acknowledged as debts on account of :-		
Income tax matters under appeals for :		
Income tax matters under appeals with CIT for the financial year 2011-2012	-	-

Note:
Interest/Penalty that may accrue on original demands are not ascertainable, at present. The company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional/legal advice, are not sustainable.

24. In the opinion of the board of directors of the company, all items of Current Assets, Current Liabilities and Loans and Advances continues to have a realizable value of at least the amounts at which they are stated in the Balance Sheet.

25. Previous year figures have been regrouped/ reclassified wherever necessary to make them comparable with current year figures.

M. K. GOHEL & ASSOCIATES
MUMBAI
M. No. 038823
Chartered Accountants

DEVKRUPA BUILD TECH LTD.

R. F. Joshi

DEVKRUPA BUILD TECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST, MARCH 2019

Note 26 : Fair Value measurement of Financial Instruments

(₹)

	31st March 2019			31st March 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Trade receivables	-	-	-	-	-	1,296,845
Cash and cash equivalent	-	-	325,573	-	-	325,750
Other financial assets	-	-	2,043,768	-	-	2,068,769
Total of Financial Assets			**2,369,341**	-		**3,691,364**
Financial Liabilities						
Borrowings	-	-	61,262,806	-	-	61,319,140
Trade payables	-	-	28,030,246	-	-	28,030,246
Other Financial liabilities	-	-	2,174,203	-	-	1,578,600
Total of Financial Liabilities			**91,467,255**	-	-	**90,927,986**

As per our report of even date

For and on behalf of the Board of Directors

For M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.:103256W

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

MUKESH K GOHEL
PROPRIETOR
Membership No. 038823

MKGohel

Mumbai
Date: 26th May, 2019

KUSHAL SHAH
DIRECTOR
DIN : 06843982

DEVKRUPA BUILD TECH LTD.

R. P. Joshi

RAJESH DOSHI
DIRECTOR
DIN : 03626861

Mumbai
Date: 26th May, 2019

L. J. KOTHARI

B.COM, F.C.A.

9920424040

L. J. KOTHARI & CO.

CHARTERED ACCOUNTANTS

GANDHI MANSION, 3RD FLOOR, NEW SILK BAZAR, OPP KALBADEVI HEAD P. O., MUMBAI – 400 002 * Tel.: 2205 5916 * E-mail: ca_lalitkothari@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Diviniti Projects Private Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **M/s. Diviniti Projects Private Limited (*"the Company"*)** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

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 March 31, 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MEMBERSHIP No. 30917

Responsibility of Management for the Ind AS 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. 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 Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

MEMBERSHIP No. 36917

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 has disclosed the impact of pending litigations on its financial position in its financial statements, if any;

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

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

FOR L.J. KOTHARI & CO

Firm Registration No. 105313W

Chartered Accountants

LALIT KOTHARI

Proprietor
Membership No.: 30917

Place: Mumbai
Date : 26th May, 2019

ANNEXURE "A" REFERRED TO IN OUR REPORT TO THE MEMBERS OF DIVINITI PROJECTS PRIVATE LIMITED ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019;

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

(i) According to the information and explanations given to us and based on our examination of the records of the Company, the Company does not have any fixed assets during the year. Accordingly, paragraph 3(i) of the Order is not applicable.

(ii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company does not have any inventory during the year. Accordingly, paragraph 3(ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships, or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

(v) The Company has not accepted any deposits from the public during the year within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing, undisputed statutory dues, including income-tax and other material statutory dues, wherever applicable, with the appropriate authorities.

b) According to the information and explanations given to us and the records of the Company examined by us, there were no disputed dues in respect of Income Tax as at the Balance Sheet date.

(viii) On the basis of records examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.

(ix) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(x) Based on the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company has not paid / provided managerial remuneration during the year and hence, the provisions of Section 197 read with Schedule V to the Act are not applicable. Accordingly, paragraph 3(xi) of the Order 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 Order is not applicable.

(xiii) The Company has not entered into any related party transactions as covered by the section 188 of the Act. The details of related party transaction have been disclosed in the financial statements as required under IND AS - 24 Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

(xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debenture during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

FOR L.J. KOTHARI & CO

Firm Registration No. 105313W

Chartered Accountants

LALIT KOTHARI

Proprietor
Membership No.: 30917

Place: Mumbai
Date : 26th May, 2019

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF DIVINITI PROJECTS PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of DIVINITI PROJECTS PRIVATE LIMITED ("the Company") as of 31st March, 2019 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 the 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, 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 ICAI. 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 risks. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 authorisations 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 2019, 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 L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

LALIT KOTHARI
Proprietor
Membership No.: 30917
Place: Mumbai
Date : 26th May, 2019

DIVINITI PROJECTS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
ASSETS			
Non-Current Assets			
(a) Financial assets			
(i) Investments	3	28,14,652	16,00,982
(b) Current tax assets (Net)	4	6,55,283	8,72,896
Total Non-Current assets		**34,69,935**	**24,73,878**
Current assets			
Financial assets			
(i) Cash and cash equivalents	5	1,08,828	2,34,672
(ii) Other financial assets	6	4,74,57,242	5,85,18,602
Total Current Assets		**4,75,66,070**	**5,87,53,274**
TOTAL ASSETS		**5,10,36,005**	**6,12,27,152**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	7	5,00,000	5,00,000
(b) Other equity	8	4,99,68,466	4,94,04,736
Total Equity		**5,04,68,466**	**4,99,04,736**
Liabilities			
Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	10	5,04,839	2,11,895
Total Non-Current Liabilities		**5,04,839**	**2,11,895**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	-	97,60,998
(ii) Other financial liabilities	11	62,700	2,43,920
(b) Other current liabilities	12	-	11,05,603
Total Current Liabilities		**62,700**	**1,11,10,521**
Total Liabilities		**5,67,539**	**1,13,22,416**
TOTAL EQUITY AND LIABILITIES		**5,10,36,005**	**6,12,27,152**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR L. J. KOTHARI & CO.
Firm Registration No.105313W
CHARTERED ACCOUNTANTS

L. J. KOTHARI & CO. CHARTERED ACCOUNTANTS MEMBERSHIP No. 30917

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th May, 2019

DIVINITI PROJECTS PVT. LTD.

For and on behalf of the board

RAJEEVAN PARAMBAN
Director
DIN:03141200

Jitendra J Shah

JITENDRA J SHAH
Director
DIN:06995353

Mumbai
Date: 26th May, 2019

DIVINITI PROJECTS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note No.	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
I INCOME			
Other Income	13	12,13,128	96,79,488
Share of Profit / (Loss) of Joint Ventures		(6,119)	(1,947)
TOTAL INCOME		**12,07,009**	**96,77,541**
II EXPENSES			
Finance Costs	14	-	90,32,674
Other Expenses	15	1,32,722	1,64,060
TOTAL EXPENSES		**1,32,722**	**91,96,734**
III Profit/(Loss) before Tax		**10,74,287**	**4,80,807**
IV Tax Expense			
(i) Current Tax		(2,20,542)	(95,000)
(ii) Deferred tax (charge) / credit		(2,92,944)	(1,02,957)
(iii) Excess / (Short) provision for taxation in respect of earlier years		2,929	-
		(5,10,557)	**(1,97,957)**
V Profit/(Loss) for the year		**5,63,730**	**2,82,850**
VI Other Comprehensive Income		-	-
VII Total Comprehensive Income		**5,63,730**	**2,82,850**
VIII Earning per equity share of nominal value of ₹ 10/- each			
Basic and Diluted	16	11.27	5.66

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR L. J. KOTHARI & CO.
Firm Registration No.105313W
CHARTERED ACCOUNTANTS

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th May, 2019

For and on behalf of the board

RAJEEVAN PARAMBAN
Director
DIN:03141200

DIVINITI PROJECTS PVT. LTD.

Jitendra J Shah

JITENDRA J SHAH
Director
DIN:06995353

Mumbai
Date: 26th May, 2019

DIVINITI PROJECTS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars		31st March, 2019	31st March, 2018
		₹	₹
I	**CASH FLOWS ARISING FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before taxation as per Statement of Profit and Loss	**10,74,287**	**4,80,807**
	Add/ (Less) :		
	Finance costs	-	90,32,674
	Share of (Profit)/Loss from investment in partnership firms and JVs	6,119	1,947
	Interest Income	-	(92,35,809)
		6,119	**(2,01,188)**
	Operating profit before working capital changes	**10,80,406**	**2,79,619**
	Add / (Less) :		
	(Increase) / Decrease in trade and other receivables	1,10,61,361	51,29,82,811
	Increase / (Decrease) in trade and other payables	(9,99,998)	(5,82,991)
	Direct Taxes paid	(2,92,944)	(10,26,538)
		97,68,419	**51,13,73,282**
	Net cash flow from operating activities	**1,08,48,825**	**51,16,52,901**
II.	**Cash flows arising from investing activities**		
	Inflow / (Outflow) on account of :		
	Interest income received	-	92,35,809
	Purchase of Long term / Current investments	(12,13,670)	(1,92,753)
	Net cash flow from investing activities	**(12,13,670)**	**90,43,056**
III.	**Cash flows arising from financing activities**		
	Inflow / (Outflow) on account of :		
	Repayment of Long Term Borrowing	(97,60,999)	(51,15,00,000)
	Finance costs paid	-	(90,32,674)
	Net cash flow from financing activities	**(97,60,999)**	**(52,05,32,674)**
	Net increase in cash and cash equivalents (I + II + III)	**(1,25,844)**	**1,63,283**
	Add: Balance at the beginning of the year	**2,34,672**	**71,389**
	Cash and cash equivalents at the end of the year	**1,08,828**	**2,34,672**
	Components of cash and cash equivalents (refer note 5)		
	Cash and cash equivalents:		
	Cash on hand	11,015	1,065
	Balances with banks		
	- On Current accounts	97,813	2,33,607
		1,08,828	**2,34,672**

Footnote:
The Cash Flow Statement has been pepared under indirect method as set out in Indian Accounting Standard (Ind AS -7) statement of cash flows.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR L. J. KOTHARI & CO.
Firm Registration No.105313W
CHARTERED ACCOUNTANTS

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th May, 2019

For and on behalf of the board

RAJEEVAN PARAMBAN
Director
DIN:03141200

Jitendra Shah

JITENDRA J SHAH
Director
DIN:06995353

DIVINITI PROJECTS PVT. LTD.

Mumbai
Date: 26th May, 2019

DIVINITI PROJECTS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

	Amount ₹
A. EQUITY SHARE CAPITAL	
As at 01st April, 2017	5,00,000
Changes in equity share capital	-
As at 31st March, 2018	5,00,000
Changes in equity share capital	-
As at 31st March, 2019	5,00,000

B. OTHER EQUITY

	Reserves and Surplus (Amount ₹)		
	General reserve	Retained Earnings	Total
Balance at 1st April, 2017	1,21,000	4,90,00,886	4,91,21,886
Profit / (Loss) for the year	-	2,82,850	2,82,850
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	2,82,850	2,82,850
Balance at 31st March, 2018	1,21,000	4,92,83,736	4,94,04,736
Balance at 1st April, 2018	1,21,000	4,92,83,736	4,94,04,736
Profit / (Loss) for the year	-	5,63,730	5,63,730
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	5,63,730	5,63,730
Balance at 31st March, 2019	1,21,000	4,98,47,466	4,99,68,466

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR L. J. KOTHARI & CO.
Firm Registration No.105313W
CHARTERED ACCOUNTANTS

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th May, 2019

For and on behalf of the board

RAJEEVAN PARAMBAN
Director
DIN:03141200

DIVINITI PROJECTS PVT. LTD.

Jitendra J Shah
JITENDRA J SHAH
Director
DIN:06995353

Mumbai
Date: 26th May, 2019

Note 1. STATEMENT OF IGNIFICANT ACCOUNTING POLICIES

1.1 **Company Overview**

Diviniti Projects Private Limited is a Private Limited Company domiciled in India, incorporated under the Companies Act, 1956. The Company is engaged to acquire by purchase, lease, exchange, hire, or otherwise land and property of any tenure or any interest in the same and to erect and construct houses, building or work of every description on any land of the company or upon any other lands of property and to pull down, rebuild, enlarge, alter and improve existing, houses, building or work thereon to convert and appropriate any such land into and for roads, streets, squares, garden, and any other conveniences and generally to deal with and improve the property of the company or any other property, and to act as earthmovers, contractors, developers of land, government contractor, construction of road, bridges, earth work, sewers, tanks drains, culvert, channels, sewage, or other works.

1.2 The financial statements are approved for issue by the Company's Board of Directors on 26th May, 2019.

Note 2. Significant Accounting Policies followed by the Company

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

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

1) certain financial assets and liabilities that are measured at fair value;
2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
3) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies, if any) within the credit period normally applicable to the respective project.

II Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

Classification of property

The company determines whether a property is classified as investment property or inventory property. Investment property comprises land and buildings that are not occupied substantially for use by, or in the operations of, the company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Inventory comprises property that is held for sale in the ordinary course of business. Principally, these are properties that the company develops and intends to sell before or on completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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DIVINITI PROJECTS PVT. LTD.

Jitendra J. Shah

III REVENUE RECOGNITION

Revenue Recognition Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

A. Revenue Revenue from sale of properties/ development rights

i. Revenue from the sale of properties / flats/ commercial premises / units in a project are recognised when the company satisfies performance obligations at a point in time i.e when control is transferred to the customer which is usually on giving soft possession for fitouts or actual possession to the customer.

ii. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, rebates, price concessions, returns and financing component if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Where the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately in the Statement of

iii. Amount received as Advance from customers on Invoicing / raising demand letters are classified as Contract Liabilities. The company's right to consideration in exchange forgoods or services that the company has transferred to the customer are classified as receivables.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 "Revenue" and Guidance Note on "Accounting for Real Estate transactions" for entities to whom Ind AS is applicable.

B. Revenue from Trading Materials:

Revenue from sale of trading material is recognised when control of promised goods are transferred to the customer

C. Revenue from project management services:

Revenue from 'project management services' is recognized only on satisfaction of performance obligation of promised services based on the agreements between the Company and the customer to whom such services are rendered.

IV FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Investments and Financial Assets

i. Initial recognition

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of Profit and Loss. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

iii. De-recognition of Financial Assets:

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

B. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii. Financial Liabilities

1. Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

DIVINITI PROJECTS PVT. LTD.

2. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the finacial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

C. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

V Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the finacial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

VI IMPAIRMENT

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case thoseare measured at lifetime ECL.The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

b. Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

i. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenecer events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

ii. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability

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Jitendra J. Shah

VII TAXATION

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

ii. Deferred Tax

Deferred tax is recognized on temporary diferences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period

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

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively

VIII TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

IX BORROWINGS AND BORROWING COSTS

Borrowing are initally recognised at Net off transation cost incurred and measured at amortised cost. Any difference between the proceeds (net of transation costs) and the redemption amount is recognised in statetment of profit and loss over ther period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised in the statement of profit and loss as finance cost.

Interests and other borrowing costs calculated as per effective interest rate attributable to qualifying assets are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. 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 charged to the Profit and Loss Account.

X EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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XI CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

XII CASH AND CASH EQUIVALENT

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XIII PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

XIV RECENT ACCOUNTING PRONOUCEMENTS

Ind AS 116

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition,measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND AS 116 is expected to be insignificent.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
3. Investments		
Non-Current		
A) Investment in other equity instruments (Unquoted) (Refer footnote) (At fair value through profit and loss)		
a) 125 Equity shares of ₹ 25/- each (PY : 125) **The Shamrao Vithal Co-operative Bank Limited**	58,383	54,382
b) 2,000 Equity shares of ₹ 10/- each (PY: 2,000) **Suraksha Realty Limited**	27,18,769	15,36,600
Total	27,77,152	15,90,982

Footnote:
Investments in Shamrao Vithal Co-operative Bank Limited & Suraksha Realty Limited are measured at fair value as at 31st March, 2019.

B) Capital Investment in Partnership Firms and Joint Ventures (Refer footnote)		
M/s Rising Glory Developers	37,500	10,000
	37,500	10,000
Total	28,14,652	16,00,982

Footnote :
Details of Investments made in capital of Partnership Firm :

Sr. No.	Name of Partners	31st March, 2019 Profit Sharing Ratio	31st March, 2018 Profit Sharing Ratio
1	Hubtown Limited	25.00%	20.00%
2	Citygold Education Research Limited	25.00%	5.33%
3	Diviniti Projects Private Limited	25.00%	5.33%
4	Heet Builders Private Limited	25.00%	5.33%
5	Ackruti Safeguard System Private Limited	0.00%	5.33%
6	Citygold Farming Private Limited	0.00%	5.33%
7	Halitious Developers Limited	0.00%	5.33%
8	Headland Farming Private Limited	0.00%	5.33%
9	Heddle Knowledge Private Limited	0.00%	5.33%
10	Subhsiddhi Builders Private Limited	0.00%	5.33%
11	Sunstream City Private Limited	0.00%	10.66%
12	Upvan lake Resort Private Limited	0.00%	5.33%
13	Vega Developers Private Limited	0.00%	5.33%
14	Whitebud Developers Limited	0.00%	5.33%
15	Yantti Buildcon Private Limited	0.00%	5.33%
	Total Capital of the firm in ₹	**1,50,000**	**1,50,000**

4. Current tax assets (Net)		
Advance Tax paid for the Current Year	8,75,825	9,80,491
Less : Provisions	(2,20,542)	(1,07,595)
Total	6,55,283	8,72,896

5. Cash and cash equivalents		
Balances with banks:		
in current accounts	97,813	2,33,607
Cash on hand	11,015	1,065
Total	1,08,828	2,34,672

6. Other financial assets		
Current		
Other Advances and Receivables		
Advances recoverable		
- Related parties (Refer note 19)	-	6,30,136
- Others	8,50,000	8,50,000
Current Account Balances in Partnership Firms and Joint Ventures (Refer note 19)	4,66,07,242	5,52,74,361
Other receivables from a related party (Refer note 19)	-	17,64,105
Total	4,74,57,242	5,85,18,602

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

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Jitendra J. Shah

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

		As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
7. Equity share capital			
Authorised Share Capital :			
50,000 (PY : 50,000) Equity Shares of ₹ 10/- each		5,00,000	5,00,000
Issued and subscribed capital comprises :			
50,000 (PY : 50,000) Equity Shares of ₹ 10/- each fully paid up		5,00,000	5,00,000
	Total	5,00,000	5,00,000

a) Reconciliation of Number of shares outstanding at the beginning and at the end of the year

Fully paid equity shares		Number of shares	Share Capital ₹
Balance at 1st April, 2017		50,000	50,000
Add : Issued during the year		-	-
Less : Bought back during the year		-	-
Balance at 31st March, 2018		50,000	50,000
Add : Issued during the year		-	-
Less : Bought back during the year		-	-
Balance at 31st March, 2019	Total	50,000	50,000

The company has a single class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting.

b) Equity Shares held by its holding company or its ultimate holding company, subsidiaries or associates of the holding company or the ultimate holding company

	As at 31st March, 2019		As at 31st March, 2018	
	No of shares held	% holding	No of shares held	% holding
Hubtown Limited with Beneficiary owners	50,000	100%	50,000	100%
	50,000	100%	50,000	100%

c) Details of shares held by each shareholders holding more than 5% shares

	As at 31st March, 2019		As at 31 March, 2018	
	No of shares held	% holding	No of shares held	% holding
Fully paid equity shares				
Hubtown Limited with Beneficiary owners	50,000	100%	50,000	100%
	50,000	100%	50,000	100%

d) Terms / Right attached to Ordinary Equity Shares :

The company has a single class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting.

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DIVINITI PROJECTS PVT. LTD.

Jitendra J Shah

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

		As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
8. Other equity			
General reserve			
Balance at the beginning of the year		1,21,000	1,21,000
Balance at the end of the year	**Total**	**1,21,000**	**1,21,000**
Retained Earnings			
Balance at the beginning of the year		4,92,83,736	4,90,00,886
Profit attributable to the owners of the company		5,63,730	2,82,850
Balance at the end of the year		**4,98,47,466**	**4,92,83,736**
	Total	**4,99,68,466**	**4,94,04,736**
9. Borrowings			
Current			
Unsecured			
(i) Loans repayable on demand :			
- From Related Party (Refer note 19)		-	14,31,532
- From Companies		-	83,29,466
	Total	-	**97,60,998**

10. Deferred Tax balances

The following is the analysis of deferred tax (liabilities)/asset presented in the balance sheet.

Deferred Tax Liability		(5,04,839)	(2,11,895)
	Total	**(5,04,839)**	**(2,11,895)**

2018-19		Opening Balance	Recognise in Profit & Loss Account	Closing Balance
Deferred tax (liabilities) / assets in relation to :				
On account of fair valuation of investments		(2,11,895)	(2,92,944)	(5,04,839)
	Total	(2,11,895)	(2,92,944)	(5,04,839)

2017-2018		Opening Balance	Recognise in Profit & Loss Account	Closing Balance
Deferred tax (liabilities) / assets in relation to :				
On account of fair valuation of investments		(1,08,938)	(1,02,957)	(2,11,895)
	Total	(1,08,938)	(1,02,957)	(2,11,895)

11. Other financial liabilities

Current			
Other payables		62,700	2,43,920
	Total	**62,700**	**2,43,920**

Footnote :

As per information available with the Company regarding dues to Micro, Small and Medium Enterprises as defined under the Micro Small Medium Enterprises Development, Act 2006 (MSMED Act), none of the suppliers of the Company are registered under MSMED Act, and the same has been relied upon by the auditors.

12. Other current liabilities

Current			
Other payables :			
Statutory dues		-	11,05,603
	Total	-	**11,05,603**

L. J. KOTHARI & CO. CHARTERED ACCOUNTANTS MEMBERSHIP No. 30917

DIVINITI PROJECTS PVT. LTD.

Jitendra T. Shah

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year Ended 31st March, 2019 ₹	Year Ended 31 March, 2018 ₹
13. Other income		
Interest Received on loan (Refer footnote)	-	92,35,809
Excess Provision written Back	16,534	2,50,172
Creditors Balance written Back	10,424	754
Gain on fair valuation of Investment	11,86,170	1,92,753
Total	**12,13,128**	**96,79,488**

Footnote :
Interest received on loan includes ₹ Nil from related parties (P.Y. : Nil). Further attention invited to Note 19.

14. Finance costs		
Interst Paid (Others)	-	90,19,067
Delayed/penal interest on loans and statutory dues	-	13,607
Total	**-**	**90,32,674**
15. Other expenses		
Rates and taxes	2,500	2,500
Legal and professional fees	94,155	77,740
Other expenses	36,067	83,820
Total	**1,32,722**	**1,64,060**

Footnote :
Auditor's Remuneration (included in other expenses) :

Audit Fees	17,500	17,500
GST / Service Tax on above	3,150	3,150
Total	**20,650**	**20,650**

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
16. Earnings Per Share (EPS)		
Basic and Diluted Earnings Per Share	11.27	5.66

Basic and Diluted EPS
The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows,

Earnings used in the calculation of basic earnings per share	**5,63,730**	**2,82,850**
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	50,000	50,000

17. Contingent Liabilities (Not Provided For:)
The Company does not have any contingent liability as on balance sheet date, as certified by the management and relied upon by the auditors.

18. In the opinion of the Board of Directors of the Company, all items of current assets, non current assets, non current liabilities and current Liabilities continues to have a realizable value of at least the amounts at which they are stated in the Balance Sheet.

L. J. KOTHARI & CO. CHARTERED ACCOUNTANTS MEMBERSHIP No. 30917

DIVINITI PROJECTS PVT. LTD.

Jitendra J. Shah

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

19. Related Party Disclosure

A. Name of related parties and description of relations

(i) HOLDING COMPANY	:	Hubtown Ltd
(ii) ENTITIES UNDER THE JOINT CONTROL OF HOLDING COMPANY	:	Twenty Five South Realty Limited
(iii) JOINT VENTRUE OF THE COMPANY	:	Rising Glory Developers

Footnote:
Related party relationship are identified by the Company and relied upon by the Auditors.

B. Transactions with related parties

Sr. No.	Nature of Transaction	Holding Company	Entities Under The Joint Control Of Holding Company	Joint Venture of the company
i	**Loans received / recovered**			
	Twenty Five South Realty Limited	- (-)	- (410,000,000)	- (-)
ii	**Loans given /repaid**			
	Twenty Five South Realty Limited	(-)	- (410,000,000)	- ( )
	Hubtown Limited	14,31,532 (-)	- (-)	- (-)
iii	**Share of loss from Partnership Firm:**			
	Rising Glory Developers	- ( )	- (-)	(6119) (1,947)
iv	**Investment in Current Account of Partnership Firm**			
	Rising Glory Developers	(-)	- (-)	- (16,87,000)
v	**Investment in Capital Account of Partnership Firm**			
	Rising Glory Developers	- (-)	- (-)	27,500 (10,000)
vi	**Interest Income**			
	Twenty Five South Realty Limited	(-)	- (92,35,809)	- (-)
vii	**Debit Balances received**			
	Twenty Five South Realty Limited (Refund received)	(-)	17,64,105 (51,46,13,364)	(-)
	Rising Glory Developers	(-)	- ( )	86,61,000 ( )
	Twenty Five South Realty Limited (Interest received)	- (-)	(83,12,228)	- (-)

Footnote:
Previous Year figures are given in brackets.

Balance outstanding payables/receivable:

	Nature of Transaction	As at 31st March, 2019	As at 31st March, 2018
a.	Receivable		
	Joint Venture of Holding Company		
	Rising Glory developers - Current Ac	4,66,07,242	3,52,74,361
	Rising Glory developers - Capital Ac	37,500	10,000
	Entities Under The Joint Control Of Holding Company		
	Twenty Five South Realty Limited	-	17,64,105
b.	Payable		
	Holding Company		
	Hubtown Limited		14,31,532

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

DIVINITI PROJECTS PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

20. Capital Management

The primary objective of company's capital management is to ensure that it maintains strong capital ratios in order to support its business and maximise shareholder's value. The company's Board of Directors reviews the capital on an annual basis.

The capital structure of the entity consists of net debt (borrowings and offset by cash and bank balances) and total equity of the company. There are no borrowings from banks/financial institutions or corporates other than the equity shareholders and their group companies.

Gearing Ratio

The gearing ratio at the reporting period was as follows:

	As at 31st March, 2019	As at 31st March, 2018
Unsecured Loan	-	97,60,998
Less: Cash and Bank Balances	(1,08,828)	(2,34,672)
Net Debt (A)	**(1,08,828)**	**95,26,326**
Equity Share Capital	5,00,000	5,00,000
Retained Earnings	4,99,68,466	4,94,04,736
Total Equity (B)	**5,04,68,466**	**4,99,04,736**
Debt Equity Ratio A/B	0%	19%

21. Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument which fluctuate because of changes in market prices.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to company's long term debt obligations with floating interest rates.

The Company has received interest free advances from its holding company and hence it is not exposed to interest rate risk.

2) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The company is not exposed to credit risk from its operating activities or trade receivables since the agreement of sale of land is executed only on receipt of full consideration.

Credit risk from balances with banks and inter corporate loans is managed by the company's treasury department in accordance with the company's policy.

3) Liquidity risk

The operating cash flow requirements are met by interest free funding from shareholders.

KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

DIVINITI PROJECTS PVT. LTD.

Jitendra J. Shah

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

22. Fair Value measurement of Financial Instruments

	31st March 2019			31st March 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments	27,77,152		37,500	15,90,982	-	10,000
Cash and cash equivalents			1,08,828	-	-	2,34,672
Other financial assets			4,74,57,242	-	-	5,85,18,602
Total of Financial Assets	**27,77,152**	**-**	**4,76,03,570**	**15,90,982**	**-**	**5,87,63,274**
Financial Liabilities						
Borrowings			-	-	-	97,60,998
Trade payables			-	-	-	-
Other Financial liabilities			62,700	-	-	2,43,920
Total of Financial Liabilities	**-**	**-**	**62,700**	**-**	**-**	**1,00,04,918**

i) Fair Value hierarchy

This section explains the judgements and estimates in determining the fair value of the financial instruments that are recognised and measured at fair value.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31st March, 2019				
Financial Assets				
Investments as at 31st March, 2019	-	-	27,77,152	27,77,152
Total Financial Assets	**-**	**-**	**27,77,152**	**27,77,152**
At 31st March, 2018				
Financial Assets				
Investments as at 31st March, 2018	-	-	15,90,982	15,90,982
Total Financial Assets	**-**	**-**	**15,90,982**	**15,90,982**

Jitendra J. Shah

Level 3

If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3. During the year ended 31st March 2019, the company has fair valued its investments. Since valuation of investments are not based on inputs from observable market data, same has been classified in Level 3.

ii) Valuation technique and process used to detemine fair value

The fair value of the financial instrument is determined using book value method.

Changes in Level 3 items for the year ended 31st March, 2018 and 31st March, 2019

	Investments	Total
As at 1st April, 2017	15,90,982	15,90,982
Gain/(loss) recognised in profit or loss	11,86,170	11,86,170
As at 31st March, 2018	27,77,152	27,77,152
Gain/(loss) recognised in profit or loss	-	-
As at 31st March, 2019	**27,77,152**	**27,77,152**

Footnote :

Investments in Shamrao Vithal Co-operative Bank Limited and Suraksha Realty Limited have been measured at fair value using the book value method. However, the balance sheet of these entities were not available for fair valuation for the financial year 2019, hence fair value for the financial year 2018 has been carried forward to the financial year 2019 as the management is of the opinion that there is no significant change.

As per our report of even date

FOR L. J. KOTHARI & ASSOCIATES
Firm Registration No.105313W
CHARTERED ACCOUNTANTS

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th May, 2019

For and on behalf of the board

RAJEEVAN PARAMBAN
Director
DIN:03141200

DIVINITI PROJECTS PVT. LTD.

Jitendra J Shah

JITENDRA J SHAH
Director
DIN:06995353

Mumbai
Date: 26th May, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Akruti - TCG Biotech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **Gujarat Akruti - TCG Biotech Limited** (***"the Company"***) which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 Indian Accounting Standards (Ind AS), of the state of affairs (financial position) of the Company as at March 31, 2019, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

Attention is invited to Note 28 in the financial statements with regards to status of Biotech Project of the company, management believes that the recoverable amount of Property, Plant and Equipment and capital working in progress is higher than its carrying value as shown in balance sheet which has been relied upon by us for the purpose of our audit of the financial statements. Our Audit Report is not qualified in respect of this matter.

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

Office: 306, Zee Nayak building, M.G. Road, Opp. Pritam restaurant, Vile Parle East, Mumbai - 400057.
Tel.: 022-26127174, +91 82914 19381 Email: adatia.niraj@gmail.com

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

Responsibility of Management and those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position),profit and loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

NIRAJ DEDANIA & ASSOCIATES CHARTERED ACCOUNTANT

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

I. As required by section 197(16) of the Act, we report that the Company has not paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V of the Act.

II. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

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 Cash Flow Statement 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 financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 has disclosed the impact, if any, of pending litigations as on 31st March, 2019 on its financial position in its financial statements.

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

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

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No.: 129486W
Chartered Accountants

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

NIRAJ D. ADATIA
Partner
Membership No.: 120844
Place : Mumbai
Date : 26th May, 2019

ANNEXURE "A" REFERRED TO IN INDEPENDENT AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF GUJARAT AKRUTI – TCG BIOTECH LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019;

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

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

b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification;

c) As per the information and explanation given to us, lease deed and transfer formalities with respect to lease hold land included in immovable properties are yet to be executed.

(ii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company does not have any inventory during the year. Accordingly, paragraph 3(ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships, or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) The Company has not granted any loans or made any investments, or provided any guarantees or any security to the parties covered under section 185 and 186. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company and accordingly paragraph 3(vi) of the Order is not applicable.

(vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including provident fund, income-tax, sales tax, service tax, goods and service tax, duty of customs, cess and other material statutory dues, wherever applicable, with the appropriate authorities. The statutory dues of Service Tax amounting to ₹ 1,65,284 and interest thereon of ₹ 72,374 and TDS amounting to ₹ 52,544 and interest thereon of ₹ 9,474 were outstanding as at the last day of the financial year for a period exceeding six months from the date they became payable.

NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANT

b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax, as at the Balance Sheet date which have not been deposited on account of a dispute, are as follows :

Name of the Statute	Nature of dues	Period to which the amount relates (F.Y.)	Amount (₹)	Forum where the dispute is pending
Income Tax Act, 1961	143 (3)	2011-12	3,570	Income Tax Appellate Tribunal
Income Tax Act, 1961	143 (3)	2012-13	4,750	Income Tax Appellate Tribunal
Income Tax Act, 1961	271(1)(c)	2012-13	19,61,283	Comissioner of Income Tax (Appeals)
Income Tax Act, 1961	271(1)(c)	2013-14	4,21,052	Comissioner of Income Tax (Appeals)
Income Tax Act, 1961	143 (3)	2013-14	520	Income Tax Appellate Tribunal

(viii) On the basis of records examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to debenture holders as at the balance sheet date.

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

(x) Based on the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company has not paid / provided for managerial remuneration during the year and hence, the provisions of Section 197 read with Schedule V to the Act are not applicable. Accordingly, paragraph 3(xi) of the Order 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 Order is not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliances with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standards;

NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANT

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable.

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No.: 129486W
Chartered Accountants

NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANT

NIRAJ D. ADATIA
Partner
Membership No.: 120844

Place : Mumbai
Date : 26th May, 2019

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF GUJARAT AKRUTI – TCG BIOTECH LIMITED

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

We have audited the internal financial controls over financial reporting of GUJARAT AKRUTI – TCG BIOTECH LIMITED ("the Company") as of 31st March, 2019 in conjunction with our audit of the 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 the 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, 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 ICAI. 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 risks. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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;

NIRAJ ADATIA & ASSOCIATES
CHARTERED ACCOUNTANT

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of 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 2019, 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 NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No.: 129486W
Chartered Accountants

NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANT

NIRAJ D. ADATIA
Partner
Membership No.: 120844

Place: Mumbai
Date: 26th May, 2019

GUJARAT AKRUTI - TCG BIOTECH LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	3	177,941,724	178,269,774
(b) Capital work-in-progress	3	122,469,049	101,956,693
(c) Financial assets			
(i) Other financial assets	4	207,600	229,788
Total Non-Current assets		**300,618,373**	**280,456,255**
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	5	176,190	254,531
(ii) Other financial assets	4	5,855	4,254
Total Current Assets		**182,045**	**258,785**
TOTAL ASSETS		**300,800,418**	**280,715,040**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	6	500,000	500,000
(b) Convertible Instruments classified as Equity	7	161,526,900	161,526,900
(c) Other equity	8	(82,985,846)	(74,396,128)
Total Equity		**79,041,054**	**87,630,772**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	142,905,314	122,392,958
(ii) Other financial liabilities	10	732,391	732,391
(b) Deferred Tax Liabilities (Net)	11	41,131,340	33,355,266
Total Non-Current Liabilities		**184,769,045**	**156,480,615**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	12	27,781,263	28,127,753
(ii) Other financial liabilities	10	2,254,191	1,551,927
(b) Other current liabilities	13	6,954,865	6,923,973
Total Current Liabilities		**36,990,319**	**36,603,653**
Total Liabilities		**221,759,364**	**193,084,268**
TOTAL EQUITY AND LIABILITIES		**300,800,418**	**280,715,040**

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No. 129486W
Chartered Accountants

NIRAJ ADATIA
Partner
Membership No.: 120844

Mumbai
Date: 26th May, 2019

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

RUSHANK SHAH
Director
DIN: 02960155

Mumbai
Date: 26th May, 2019

GUJARAT AKRUTI - TCG BIOTECH LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note No.	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
INCOME			
Revenue from Operations	14	186,760	888,627
Other Income	15	7,233	2,749
TOTAL INCOME		**193,993**	**891,376**
EXPENSES			
Costs Of Construction / Development	16	-	149,995
Finance Costs	17	52,841	1,967
Depreciation and Amortisation Expenses	18	328,050	328,050
Other Expenses	19	626,746	750,691
TOTAL EXPENSES		**1,007,637**	**1,230,703**
Profit/(Loss) before Tax		**(813,644)**	**(339,327)**
Tax Expense			
Deferred tax (charge) / Credit		(7,776,074)	11,668,838
Profit/(Loss) for the Year		**(8,589,718)**	**11,329,511**
Other Comprehensive Income		-	-
Total Comprehensive Income		**(8,589,718)**	**11,329,511**
Earning per equity share of nominal value of ₹ 10/- each	20		
Basic		(171.79)	226.59
Diluted		(171.79)	0.70

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No. 129486W
Chartered Accountants

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

NIRAJ ADATIA
Partner
Membership No.: 120844

Mumbai
Date: 26th May, 2019

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

GUJARAT AKRUTI-TCG BIOTECH LIMITED BIOTECH

RUSHANK SHAH
Director
DIN: 02960155

Mumbai
Date: 26th May, 2019

GUJARAT AKRUTI - TCG BIOTECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
I CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit/(loss) before taxation as per Statement of Profit and Loss	**(813,644)**	**(339,327)**
Add/(Less) :		
Depreciation	328,050	328,050
Finance Costs	52,841	1,967
Interest Income	(1,601)	(1,893)
	379,290	**328,124**
Operating profit before working capital changes	**(434,354)**	**(11,203)**
Add / (Less) :		
Increase/(Decrease) in trade and other payables	386,666	(256,974)
(Increase)/Decrease in other financial assets	22,188	-
	408,854	(256,974)
Net cash flow from operating activities	**(25,500)**	**(268,177)**
II CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow/(Outflow) on account of :		
(Purchase)/Sale of fixed assets, including capital work-in-progress (net)	-	-
Net cash flow from investing activities	-	-
III CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow/(Outflow) on account of:		
Finance Costs Paid	(52,841)	(1,967)
Net cash flow from financing activities	**(52,841)**	**(1,967)**
Net increase in cash and cash equivalents (I + II + III)	**(78,341)**	**(270,144)**
Add: Balance at the beginning of the year	**254,531**	**524,675**
Cash and cash equivalents at the end of the year	**176,190**	**254,531**
Components of cash and cash equivalents (Refer note 5)		
Cash on hand	100,829	95,197
Balances with banks		
- On Current accounts	53,173	159,334
- Deposit with maturity of less than three months	22,188	-
	176,190	**254,531**

Footnote :
The Cash Flow Statement has been prepared under indirect method as set out in Indian Accounting Standard (Ind AS- 7) statement of cash flows.

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No. 129486W
Chartered Accountants

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

NIRAJ ADATIA
Partner
Membership No.: 120844

Mumbai
Date: 26th May, 2019

For and on behalf of the Board of Directors

GUJARAT AKRUTI - TCG BIOTECH LIMITED BIOTECH

KHILEN SHAH
Director
DIN: 03134932

RUSHANK SHAH
Director
DIN: 02960155

Mumbai
Date: 26th May, 2019

GUJARAT AKRUTI - TCG BIOTECH LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019 (in ₹)

A. EQUITY SHARE CAPITAL

As at 1st April, 2017	**500,000**
Changes in equity share capital	-
As at 31st March, 2018	**500,000**
Changes in equity share capital	-
As at 31st March, 2019	**500,000**

B. OTHER EQUITY AND CONVERTIBLE INSTRUMENTS

(in ₹)

Particulars	Convertible Instruments classified as Equity	Retained Earnings	Total
As at 1st April, 2017	**161,526,900**	**(85,725,639)**	**75,801,261**
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	11,329,511	**11,329,511**
As at 1st April, 2018	**161,526,900**	**(74,396,128)**	87,130,772
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(8,589,718)	(8,589,718)
Balance at 31st March, 2019	**161,526,900**	**(82,985,846)**	**78,541,054**

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No. 129486W
Chartered Accountants

NIRAJ ADATIA
Partner
Membership No.: 120844

Mumbai
Date: 26th May, 2019

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

RUSHANK SHAH
Director
DIN: 02960155

Mumbai
Date: 26th May, 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note 1. Statement of Significant Accounting Policies.

1.1 **Company Overview**
Gujarat Akruti - TCG Biotech Limited is an unlisted limited Company domiciled in India, incorporated under the Companies Act, 1956. The Company is engaged in the business of development, construction, marketing and maintenance of a bio-technology park in the state of Gujarat. The Company was incorporated on 28th May, 2007 as a joint venture between Gujarat State Biotechnology Mission, Hubtown Limited and TCG Urban Infrastructure Holding Private Limited to carry on the business of development, construction, marketing and maintenance of a bio-technology park in the state of Gujarat, as per the Memorandum of Understanding dated 5th March, 2007. The Company is yet to commence commercial activities.

1.2 The financial statements are approved for issue by the Company's Board of Directors on 26th May, 2019.

Note 2. Significant Accounting Policies followed by the Company

I. Basis of preparation of financial Statements

(i) Compliance with Ind AS
These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:
1) certain financial assets and liabilities that are measured at fair value;
2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
3) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification
All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies, if any) within the credit period normally applicable to the respective project.

II. Significant accounting judgements, estimates and assumptions
The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements
Classification of property
The company determines whether a property is classified as investment property or inventory property. Investment property comprises land and buildings that are not occupied substantially for use by, or in the operations of, the company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Inventory comprises property that is held for sale in the ordinary course of business. Principally, these are properties that the company develops and intends to sell before or on completion of construction.

b) Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

III. Revenue recognition
Revenue Recognition Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

A. Revenue from sale of properties/ development rights
Revenue from the long term lease of land / properties are recognised when the company satisfies performance obligations at a point in time i.e when control is transferred to the customer which is usually on giving possession to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, rebates, price concessions, returns and financing component if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Amount received as Advance from customers towards premium for long term lease of land / property are classified as Contract Liabilities. The company's right to consideration in exchange for goods or services that the company has transferred to the customer are classified as receivables. The Company has purchased land on leasehold basis from Gujarat Industrial Development Corporation for the purpose of building and executing work thereon for development of Bio-tech park. The same will be sub leased to customers for lease rental after the lease deed and other formalities are executed.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers. The Company has adopted Ind AS 115 using the modified retrospective approach to contracts that were not completed as at April 01, 2018 and there were no amounts required to be debited to Retained Earnings pertaining to recognition of revenue based on satisfaction of performance obligations at a point in time.

Accordingly, the comparative amounts of revenue and corresponding contract assets/ liabilities have not been retrospectively adjusted.

B. Interest Income
Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

C. Others:
Other revenues / incomes and costs / expenditure are accounted on accrual, as they are earned or incurred.

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

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GUJARAT AKRUTI-TCG BIOTECH LIMITED BIOTECH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

IV. Property plant and equipment, investment property and depreciation / ammortisation

A. Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

B. Depreciation is provided on the straight line method on the basis of estimated useful life of the asset in the manner specified in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

Asset Category	Estimated useful life (in Years)
Compound Wall	30
Computers & Laptops	3

C. Leasehold land will be amortized over the balance period of lease after the lease deed and other transfer formalities are executed.

D. Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready to use for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

V. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Investments and Financial Assets

i. Initial recognition

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

iii. De-recognition of Financial Assets:

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

B. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii. Financial Liabilities

1. Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI - TCG BIOTECH LIMITED BIOTECH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

3. De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

VI Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the finacial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

IX. Borrowings and Borrowing costs

Borrowing are initally recognised at Net off transation cost incurred and measured at amortised cost. Any difference between the proceeds (net of transation costs) and the redemption amount is recognised in statetment of profit and loss over ther period of the borrowings using the effective interest method.

Interests and other borrowing costs included under finance costs calculated as per effective interest rate attributable to qualifying assets, which takes substantial period of time to get ready for its intended use are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. 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 charged to the Profit and Loss Account.

X. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

XI. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

XII. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XIII. Foreign currency transactions

A. All transactions in foreign currency are recorded in the reporting currency, based on closing rates of exchange prevalent on the dates of the relevant transactions.

B. Monetary assets and liabilities in foreign currency, outstanding as on the Balance Sheet date , are converted in reporting currency at the closing rates of exchange prevailing on the said date. Resultant gain or loss is recognized during the year in the Statement of Profit and Loss.

C. Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

XIV. Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

XV. Recent accounting pronouncements

Ind AS 116 :

On 30th March 2019, the Ministry of Corporate Affairsv (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI - TCG BIOTECH LIMITED BIOTECH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

3. Property, plant and equipment and capital work-in-progress

(In ₹)

	Leasehold Land*	Compound Wall	Computers and Laptops	Total	Capital work-in-progress (Refer note 28)
Cost or deemed cost					
Balance at 1st April, 2017	171,496,664	10,635,281	17,160	182,149,105	84,388,642
Additions	-	-	-	-	17,568,051
Balance at 31st March, 2018	171,496,664	10,635,281	17,160	182,149,105	101,956,693
Accumulated depreciation and impairment					
Balance at 1st April, 2017	-	3,534,121	17,160	3,551,281	-
Depreciation expense	-	328,050	-	328,050	-
Balance at 31st March, 2018	-	3,862,171	17,160	3,879,331	-
Carrying amount as on 31st March 2018	171,496,664	6,773,110	-	178,269,774	101,956,693

	Leasehold land*	Compound Wall	Computers and Laptops	Total	Capital work-in-progress
Cost or deemed cost					
Balance at 1st April, 2018	171,496,664	10,635,281	17,160	182,149,105	101,956,693
Additions	-	-	-	-	20,512,356
Balance at 31st March, 2019	171,496,664	10,635,281	17,160	182,149,105	122,469,049
Accumulated depreciation and impairment					
Balance at 1st April, 2018	-	3,862,171	17,160	3,879,331	-
Depreciation expense	-	328,050	-	328,050	
Balance at 31st March, 2019	-	4,190,221	17,160	4,207,381	-
Carrying amount as at 31st March 2019	171,496,664	6,445,060	-	177,941,724	122,469,049

*Refer note 2(IV)C.

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
4. Other financial assets		
Non-current		
Bank deposits	-	22,188
Security deposits	207,600	207,600
Total	207,600	229,788
Current		
Other Advances and Receivables		
Interest accrued on fixed deposits	5,855	4,254
Total	5,855	4,254
5. Cash and cash equivalents		
Balances with banks:		
- in current accounts	53,173	159,334
- deposit having maturity less than 3 months	22,188	-
Cash on hand	100,829	95,197
Total	176,190	254,531

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI-TCG BIOTECH LIMITED BIOTECH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
6. Share capital		
Authorised Share Capital:		
3,000,000 (P.Y. 3,000,000) Equity Shares of ₹ 10/- each	30,000,000	30,000,000
800,000 (P.Y. 8,00,000) Preference Shares of ₹ 100/- each	80,000,000	80,000,000
Total	**110,000,000**	**110,000,000**
Issued and subscribed capital comprises :		
50,000 (P.Y. 50,000) Equity Shares of ₹ 10/- each fully paid up	500,000	500,000
Total	**500,000**	**500,000**

a) Reconciliation of Number of shares outstanding at the beginning and at the end of the year

Fully paid equity shares

	Number of shares	Share Capital ₹
Balance at 1st April, 2017	50,000	500,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	50,000	500,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2019	50,000	500,000

b) Rights, Preferences and Restrictions attached to Shares

The company has a single class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Equity Shares heldby its holding company or its ultimate holding company, subsidaries or assocoiates of the holding company or the ultimate holding company

	As at 31st March, 2019		As at 31st March, 2018	
	No of shares held	% holding	No of shares held	% holding
Hubtown Limited with Benificiary Owners	37,000	74%	37,000	74%
Total	**37,000**	**74%**	**37,000**	**74%**

d) Details of shares held by each shareholders holding more than 5% shares

	As at 31st March, 2019		As at 31st March, 2018	
	No of shares held	% holding	No of shares held	% holding
Fully paid equity shares				
Hubtown Limited with Benificiary Owners	37,000	74%	37,000	74%
TCG Urban Infrastructure Holdings Private Limited	13,000	26%	13,000	26%
Total	**50,000**	**100%**	**50,000**	**100%**

NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
7. Convertible Instruments classified as Equity		
Convertible Debentures classified as Equity		
1,615,269 (P.Y. : 1,615,269) Zero Coupon Compulsorily Convertible Debentures of the face value of ₹ 100 each	161,526,900	161,526,900
Total	**161,526,900**	**161,526,900**

Footnote :

1,615,269, zero coupon compulsorily convertible debenture of ₹ 100 each to be converted not later than five years from the date of allotment, into 16,152,690 number of equity shares of face value of ₹10/-.

As per Ind AS 32 & 109, zero coupon compulsorily convertible debentures of ₹ 100 each have been classified as equity since the issuer holds an unconditional right to avoid a cash outflow. Hence, it has been regrouped under equity.

8. Other Equity		
Retained Earnings		
Balance at the beginning of the year	(74,396,128)	(85,725,639)
Profit attributable to the owners of the company	(8,589,718)	11,329,511
Items of OCI recognised directly in retained earnings	-	-
Total	**(82,985,846)**	**(74,396,128)**

9. Borrowings		
Non-current		
Secured		
Debentures		
768,919 (P.Y.: 768,919) 0% Secured Reedeemable Non-Convertible Debentures of the face value of ₹ 100 each (Refer Footnote and Note 24)	142,905,314	122,392,958
	142,905,314	**122,392,958**

Footnote :

768,919, 0% Debenture having reedeemable balance of ₹ 7,68,91,900 are to be reedeemed at the end of five years from the date of allotment. These debentures are secured by creation of first charge by way of the receivables from the project of the company and the project being presently executed and developed at Savil, near Vadodara , Gujarat . These debentures will be redeemed at a premium of ₹ 117 each. The debentures are valued at amortised cost, using EIR method using 16.76% as the effective interest rate which has been derived by compounding the face value of the debentures to the redeemable value over a period of 5 years. The interest calculated is capitalised to Capital-WIP.

10. Other financial liabilities		
Non-current		
Retention money payable	732,391	732,391
Total	**732,391**	**732,391**
Current		
Business Advance received from related party(Refer Note 24)	1,508,368	773,071
Other payables	745,823	778,856
Total	**2,254,191**	**1,551,927**

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI - TCG BIOTECH LIMITED BIOTECH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹

11. Deferred Tax Liabilities (Net)

The following is the analysis of deferred tax liabilities / (asset) presented in the balance sheet

Deferred Tax Liability	54,915,706	53,831,452
Deferred Tax (Asset)	(13,784,366)	(20,476,185)
Total	**41,131,340**	**33,355,266**

2018-19	Opening Balance	Recognised in profit or loss	Closing Balance
Deferred tax liabilities / (assets) in relation to :			
On account of Depreciation (WDV)	789,190	115,611	904,801
On account of Capital work-in-progress	(2,182,842)	448,046	(1,734,797)
On account of Unamortised Premium on Debentures	(9,266,243)	4,026,767	(5,239,476)
On account of convertible Borrowings	29,876,654	(2,063,127)	27,813,527
On account of Premium Payable on Debentures	23,165,607	3,031,771	26,197,378
On acccount of Other Items	(9,027,100)	2,217,007	(6,810,093)
Total	**33,355,266**	**7,776,074**	**41,131,340**

2017-18	Opening Balance	Recognised in profit or loss	Closing Balance
Deferred tax liabilities / (assets) in relation to :			
On account of Depreciation (WDV)	1,031,606	(242,416)	789,190
On account of Capital work-in-progress	(2,786,776)	603,934	(2,182,842)
On account of Unamortised Premium on Debentures	(18,680,745)	9,414,502	(9,266,243)
On account of Borrowings	46,234,174	(16,357,520)	29,876,654
On account of Premium Payable on Debentures	31,134,576	(7,968,969)	23,165,607
On acccount of Other Items	(11,908,731)	2,881,631	(9,027,100)
Total	**45,024,104**	**(11,668,838)**	**33,355,266**

Since the taxable income is negative, there is no current tax payable; hence reconciliation has not been provided.

12. Trade payables

Due to Micro & Small enterprises (refer footnote a)	536,398	-
Due to others (refer footnote b)	27,244,865	28,127,753
Total	**27,781,263**	**28,127,753**

Footnote

a. The above information has been provided as available with the Company to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED Act. The overdue principal amounts outstanding to the extent Rs. 1,11,977 (P.Y- Nil) are payable to such vendors at the Balance Sheet date. The interest on overdue amount has not been paid / provided since there are differences in supplier account balances is under reconciliation.

b. Trade payables includes ₹ Nil (As at 31st March, 2018: ₹ 4,41,942) due to related parties. Further, attention is invited to Note 24.

13. Other Liabilities

Current

Advance from customers	5,300,000	5,300,000
Deposits (Unsecured)	1,350,000	1,350,000
Other payables :		
- Statutory dues	304,865	273,973
Total	**6,954,865**	**6,923,973**

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI-TCG BIOTECH LIMITED BIOTECH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
14. Revenue from operations		
Other operating revenue :		
Sundry credit balances appropriated	186,760	12,182
Excess Provision Written Back	-	876,445
Total	**186,760**	**888,627**
15. Other income		
a) Interest Income :		
Bank fixed deposits	1,601	1,893
	1,601	**1,893**
b) Other gains and losses		
Gain on foreign currency fluctuation (Net)	5,632	856
	5,632	**856**
Total	**7,233**	**2,749**
16. Costs of Construction/Development		
Construction costs incurred during the year :		
Approval and consultation expenses	-	149,995
Total	**-**	**149,995**
17. Finance Costs		
Interest costs :		
Interest on Debentures	20,512,356	17,568,051
Less - Transfer to Capital WIP	(20,512,356)	(17,568,051)
Delayed/penal interest on statutory dues	52,841	1,967
Total	**52,841**	**1,967**
18. Depreciation and Amortisation Expenses		
Depreciation of property, plant and equipment	328,050	328,050
Total	**328,050**	**328,050**
19. Other Expenses		
Legal and professional fees	60,771	335,473
Security Charges	515,128	314,273
Water Charges	-	74,292
Other expenses (refer footnote)	50,847	26,653
Total	**626,746**	**750,691**
Footnote:		
Auditors Remuneration (included in other expenses) :		
Audit Fees	20,000	20,000
GST on above	3,600	3,600
Total	**23,600**	**23,600**

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI - TCG BIOTECH LIMITED BIOTECH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
20. Earnings Per Share (EPS)		
Basic Earnings Per Share	(171.79)	226.59
Diluted Earnings Per Share **	(171.79)	0.70
20.1 Basic EPS		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows		
Earnings used in the calculation of basic earnings per share	(8,589,718)	11,329,511
Weighted average number of equity shares for the purposes of basic earnings per share	50,000	50,000
20.2 Diluted EPS		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows		
Earnings used in the calculation of diluted earnings per share	(8,589,718)	11,329,511
Weighted average number of equity shares for the purposes of diluted earnings per share	50,000	16,202,690

Footnote :

For the purpose of calculating diluted EPS convertible instruments (zero coupon compulsorily convertible debentures) are deemed to be converted into ordinary shares at the beginning of the period.

** Zero coupon compulsorily convertible debentures could potentially not dilute basic earnings per share for the year ended 31st March, 2019, hence are not included in the calculation of diluted earnings per share for F.Y. 2018-19, because they are antidilutive for the period presented. Diluted EPS is restricted to the amount of Basic EPS to the extent the conversion of convertible instruments prove to be anti dilutive.

21. Contingent Liabilities (Not Provided For) :

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**
Claims against the Company, not acknowledged as debts on account of :		
Outstanding legal cases	107,512,196	107,512,196
Income Tax Matter with Income Tax Appellate Tribunal u/s 143(3) for the F.Y. 2011-12 (A.Y. 2012-13)	3,570	3,570
Income Tax Matter with Income Tax Appellate Tribunal u/s 143(3) for the F.Y. 2012-13 (A.Y. 2013-14)	4,750	4,750
Income Tax Matter with Commissioner of Income Tax (Appeals) u/s 271(1)(c) for the F.Y. 2012-2013 (A.Y. 2013-14)	1,961,283	-
Income Tax Matter with Income Tax Appellate Tribunal u/s 143(3) for the F.Y. 2013-14 (A.Y. 2014-15)	520	520
Income Tax Matter with Commissioner of Income Tax (Appeals) u/s 271(1)(c) for the F.Y. 2013-2014 (A.Y. 2014-15)	421,052	-

Footnote:

The Company does not have any contingent liability as at balance sheet date, other then stated above, as certified by management & relied upon by the auditors.

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI - TCG BIOTECH LIMITED BIOTECH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

22. Disclosure of Derivatives

a. No derivative instrument were outstanding at the end of the year.
b. Uncovered risk in foreign currency are as under :

Cash in Hand	31st March, 2019	31st March, 2018
USD	1,400	1,400
INR	96,840	91,062
EURO	50	50
INR	3,885	4,031

23. In the opinion of the Board of Directors of the Company, all items of current assets, current liabilities & loans and advances continues to have a realizable value of at least the amounts at which they are stated in the balance sheet.

24. Related Parties Disclosures

A. Names of related parties and description of relationship

Holding Company
Hubtown Limited

Other Major Shareholder
TCG Urban Infrastructure Holdings Private Limited

Joint Ventures of Holding Company, with whom Transitions have taken place during the year
Hubtown Bus Terminal (Ahmedabad) Private Limited

Related Party relationships are identified by the company and relied upon by the auditors

B. Transitions with Related Parties

Sr. No.	Nature of Transition	Holding Company ₹	Other Major Shareholder ₹	Joint Venture of Holding Company ₹
i.	**Business Advances received/recovered/adjusted**			
	Hubtown Bus Terminal (Ahmadabad) Private Limited	- (-)	- (-)	400,000 (-)
ii.	**Interest Expense Accrued**			
	Hubtown Limited	20,512,356 (17,568,051)	- (-)	- (-)
iii.	**On behalf payments received/ adjusted**			
	Hubtown Bus Terminal (Ahmadabad) Private Limited	- (-)	- (-)	- (-)

Previous years figures are given in brackets

C. Balance outstanding payables/receivables

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
a) Unsecured Non- Convertible Debenture		
Hubtown Limited	142,905,314	122,392,958
b) Business Advances payable		
Hubtown Limited	1,121,219	560,002
Hubtown Bus Terminal (Ahmedabad) Private Limited	387,149	-
c) Trade Payables		
Hubtown Limited	-	561,217
d) Other Receivables		
Hubtown Bus Terminal (Ahmedabad) Private Limited	-	12,851

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI - TCG BIOTECH LIMITED BIOTECH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

25. Capital Management

The primary objective of company's capital management is to ensure that it maintains strong capital ratios in order to support its business and maximise shareholder's value. The company's Board of Directors reviews the capital on an annual basis.

The capital structure of the company consists of net debt (borrowings and offset by cash and bank balances) and total equity of the company. There are no borrowings from banks/ financial institutions or corporates other than the equity shareholders and their group companies.

Debt - Equity Ratio

The debt - equity ratio at the reporting period was as follows (in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Secured Debentures	142,905,314	122,392,958
Less: Cash and Bank Balances	(176,190)	(254,531)
Net Debt (A)	**142,729,124**	**122,138,427**
Equity Share Capital	500,000	500,000
Convertible Instruments classified as Equity	161,526,900	161,526,900
Other Equity	(82,985,846)	(74,396,128)
Total Equity (B)	**79,041,054**	**87,630,772**
Debt Equity Ratio A/B	181%	139%

26. Financial Risk Management Objectives

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

The Company manages market risk through a treasury department which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies which are approved by the senior management. The activities of this department include management of cash resourses, borrowing strategies and ensuring compliance with the market risk limits and policies.

1) Market Risk

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to company's long term debt obligations with floating interest rates.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate on account of changes in foreign exchange rates. The company does not have any exposure to the risk of changes in foreign exchange rates from its operating activities or investments in foreign companies.

There is no purchase of materials of imported materials hence foreign currency risk does not arise.

2) Credit Risk

The Company is not exposed to credit risk form its operating activities. Credit risk from balances with banks and inter corporate loans is managed by the company's treasury department in accordance with the company's policy.

3) Liquidity risk

The Company's cashflow requiremnet are met by funds received from its holding company.

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI TCG BIOTECH LIMITED BIOTECH

GUJARAT AKRUTI - TCG BIOTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

27. Fair Value measurement of Financial Instruments (in ₹)

	31st March 2019			31st March 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Other financial assets	-	-	213,455		-	234,042
Cash and cash equivalent	-	-	176,190	-	-	254,531
Total of Financial Assets	-	-	**389,645**	-	-	**488,573**
Financial Liabilities						
Borrowings		-	142,905,314		-	122,392,958
Trade payables	-	-	27,781,263	-	-	28,127,753
Other Financial liabilities	-	-	2,986,582	-	-	2,284,318
Total of Financial Liabilities	-	-	**173,673,159**	-	-	**152,805,029**

28. The Company is in discussion with Department of Science and Technology - Government of Gujarat for permission of development of the project - Biotech Park. The company is in the possession of the project land and the said project is in progress. As per management the recoverable value of property plant and equipment and Capital work in progress is far more than carrying value as shown in balance sheet. Considering the ongoing nature of the project the Company has capitalised interest expense incurred on Capital work in progress.

29. Previous years figures have been regrouped/reclassified wherever necessary.

As per our report of even date

FOR NIRAJ D. ADATIA & ASSOCIATES
Firm Registration No. 129486W
Chartered Accountants

NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANT

NIRAJ ADATIA
Partner
Membership No.: 120844

Mumbai
Date: 26th May, 2019

For and on behalf of the Board of Directors

GUJARAT AKRUTI-TCG BIOTECH LIMITED
BIOTECH

KHILEN SHAH
Director
DIN: 03134932

RUSHANK SHAH
Director
DIN: 02960155

Mumbai
Date: 26th May, 2019

Independent Auditor's Report
To the Members of Halitious Developer Limited

1) **Opinion:**
We have audited the accompanying standalone financial statements of Halitious Developer Limited ('the Company'), which comprise the balance sheet as at 31st March, 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019 and its financial performance including other comprehensive income and the statement of changes in equity for the year ended on that date.

2) **Basis of Opinion:**
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) **Emphasis of Matter:**
1. Attention is invited to Note No. 18 of the financial statements with regard to reliance placed by the auditors on certification received from the management with regard to the disclosure of contingent liabilities given by the Company.
2. Attention is invited to Note No. 19 and 20 of the financial statements with regards to balances that are subject to confirmations, reconciliation and adjustments if any.

4) **Responsibility of Management's for the Ind AS 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), changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015 as amended, and other accounting principles generally accepted in India.

M. No. 152369

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

5) **Auditor's Responsibility for the Audit of the Ind AS Financial Statements**:

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

M. No.
152369
Chartered Accountants

d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e. Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6) 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 Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:
   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) the balance sheet, the statement of profit and loss, 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;

SANKET R. SHAH & ASSOCIATES
M. No. 152369
Chartered Accountants

d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

e) on the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 has no pending litigations on its financial position in its standalone financial statements;

   ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Sanket R Shah & Associates
Chartered Accountants
FRN: 135703W

SANKET R. SHAH & ASSOCIATES
M. No. 152369
Chartered Accountants

Sanket Shah
Proprietor
M. No.: 152369

Place: Mumbai
Date: 26th May, 2019

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Halitious Developer Limited of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2019, we report that:

(i) The company does not have any Fixed Assets during the financial year and as at the balance sheet date;

(ii) The Company does not have any Inventories during the year and as at the balance sheet date.

(iii) The Company has granted any secured or unsecured loans to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013; and respect of the same:

a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;

b) the schedule of repayment of principal on demand and the loan is interest free loan;

c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Income tax, Tax Deducted at Source (TDS) and interest on Maharashtra Value Added Tax (MVAT), the Company is generally regular in depositing, undisputed statutory dues, including income-tax and other material statutory dues, wherever applicable, with the appropriate authorities. The extent of arrears of statutory dues outstanding including interest at the balance sheet date, for a period exceeding six months from the date they become payable is INR 75,300/- relating to Income Tax Deducted at Source including interest and INR 47,55,191/- relating to interest on Maharashtra Value Added Tax (MVAT).

b. On the basis of our examination of documents and records of the Company, and explanation provided to us, there were no disputed dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty or Cess;

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

M. No. 152369

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

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(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 Order 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 standalone 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 and hence reporting under Clause 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

For Sanket R Shah & Associates
Chartered Accountants
FRN: 135703W

M. No. 152369
Associates
Chartered Accountants

Sanket Shah
Proprietor
M. No.: 152369

Place: Mumbai
Date: 26th May, 2019

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Halitious Developer Limited of even date)

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 Halitious Developer Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

1) **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.

2) **Auditor's 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 standalone 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.

M. No. 152369

Chartered Accountants

3) **Meaning of Internal Financial Controls over Financial Reporting:**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

4) **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.

5) **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, 2019, 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 Sanket R Shah & Associates
Chartered Accountants
FRN: 135703W

M. No.
152369

Sanket Shah
Proprietor
M. No.: 152369

Place: Mumbai
Date: 26th May, 2019

HALITIOUS DEVELOPER LIMITED
CIN: U70101MH2007PLC172784

BALANCE SHEET AS AT 31ST MARCH 2019

Particulars	Note No.	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
ASSETS			
Non-Current Assets			
(a) Financial assets			
Investments	3	-	10,000
(b) Current tax assets (Net)	4	113,433	1,873,433
Total Non-Current assets		**113,433**	**1,883,433**
Current assets			
Financial assets			
(i) Loans & Advances	5	50,956,997	-
(ii) Trade receivables	6	-	65,727,631
(ii) Cash and cash equivalents	7	18,335	31,434
Total Current Assets		**50,975,332**	**65,759,065**
Total assets		**51,088,765**	**67,642,498**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	8	1,000,000	1,000,000
(b) Other equity	9	42,438,429	41,766,795
Total Equity		**43,438,429**	**42,766,795**
Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	2,056,098	10,800,000
(ii) Trade payables	11	77,915	718,837
(iii) Other financial liabilities	12	17,500	4,656,908
(b) Other current liabilities	13	5,498,823	8,699,958
Total Liabilities		**7,650,336**	**24,875,703**
Total Equity and Liabilities		**51,088,765**	**67,642,498**

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

FOR SANKET R. SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 138703W

SANKET SHAH
PROPRIETOR
Membership No. 152369

For and on behalf of the Board of Directors

KUSHAL SHAH
DIRECTOR
DIN: 06843982

KHILEN SHAH
DIRECTOR
DIN: 03134932

Mumbai
Date: 26th May, 2019

HALITIOUS DEVELOPER LIMITED
CIN: U70101MH2007PLC172784

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Note No.	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
INCOME			
Share of Profit / (Loss) of Joint Ventures		20,563	(1,948)
Other Income		2,700	17,600,000
Total Income		**23,263**	**17,598,052**
EXPENSES			
Finance Costs	14	432,689	159,484
Other Expenses	15	125,066	623,218
Total Expenses		**557,755**	**782,702**
Profit before exceptional items and Tax (I - II)		**(534,492)**	**16,815,350**
Exceptional Items		-	-
Profit / (Loss) before Tax		**(534,492)**	**16,815,350**
Tax Expense			
Current Tax		-	4,635,000
Excess / (Short) provision for taxation in respect of earlier years		(1,206,126)	-
		(1,206,126)	4,635,000
Profit / (Loss) for the year		**671,634**	**12,180,350**
Earning per equity share of nominal value of ₹ 10/- each	16		
Basic and Diluted		0.67	121.80

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

FOR SANKET R. SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 135703W

SANKET SHAH & ASSOCIATES Chartered Accountants M. No. 152369

SANKET SHAH
PROPRIETOR
Membership No. 152369

For and on behalf of the Board of Directors

HALITIOUS DEVELOPER LIMITED

KUSHAL SHAH
DIRECTOR
DIN: 06843982

KHILEN SHAH
DIRECTOR
DIN: 03134932

Mumbai
Date: 26th May, 2019

HALITIOUS DEVELOPER LIMITED
CIN: U70101MH2007PLC172784

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	31st March, 2019 Amount ₹	31st March, 2018 Amount ₹
I. Cash flows arising from operating activities		
Net Profit / (Loss) before tax as per Statement of Profit or Loss	671,634	12,180,350
Add / (Less) :		
Share of Profit / (Loss) of Joint Ventures	-	-
Interest and Finance Charges	432,689	159,484
Operating Profit / (Loss) Before Working Capital Changes	**1,104,323**	**12,339,834**
Add / (Less) :		
(Increase) / Decrease in Trade and Other Receivables	16,540,634	(20,768,000)
Increase / (Decrease) in Trade and Other Payables	(17,225,367)	8,580,980
Net Cash flow in the course of Operating Activities	**419,590**	**152,814**
II. Cash flows arising from Investing activities		
Inflow / (Outflow) on account of :		
Net Cash flow in the course of Investing Activities	-	-
III. Cash flows arising from Financing activities		
Inflow / (Outflow) on account of :		
Short term borrowings	-	-
Interest and Finance Charges Paid	(432,689)	(159,484)
Net Cash flow in the course of Financing Activities	**(432,689)**	**(159,484)**
Net Increase in cash and cash Equivalents (I + II + III)	(13,099)	(6,670)
Add: Balance at the beginning of the year	31,434	38,104
Cash and Cash Equivalents at the end of the year	**18,335**	**31,434**
Reconciliation of Cash and Cash Equivalents (Refer Note 7)		
Cash on Hand	1,125	1,125
Bank Balances in Current Accounts	17,210	30,310
Cash and Cash Equivalents at the end of the year	**18,335**	**31,434**

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

FOR SANKET R. SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 135703W

SHAH & ASSOCIATES
M. No.
152369
Chartered Accountants

SANKET SHAH
PROPRIETOR
Membership No. 152369

HALITIOUS DEVELOPER LIMITED

KUSHAL SHAH
DIRECTOR
DIN: 06843982

KHILEN SHAH
DIRECTOR
DIN: 03134932

Mumbai
Date: 26th May, 2019

HALITIOUS DEVELOPER LIMITED
CIN: U70101MH2007PLC172784

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

in ₹

Particulars	Equity Share Capital	Reserves and Surplus		Total
		Securities Premium Reserve	Retained Earnings	
Balance at 31st March, 2018	1,000,000	59,000,000	41,766,795	**42,766,795**
Total Comprehensive Income for the year	-	-	-	-
Balance at 31st March, 2019	1,000,000	59,000,000	41,766,795	**42,766,795**

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

FOR SANKET R. SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 135703W

M. No. 152369

SANKET SHAH
PROPRIETOR
Membership No. 152369

Mumbai
Date: 26th May, 2019

For and on behalf of the Board of Directors

HALITIOUS DEVELOPER LIMITED

KUSHAL SHAH
DIRECTOR
DIN: 06843982

KHILEN SHAH
DIRECTOR
DIN: 03134932

HALITIOUS DEVELOPER LIMITED
CIN: U70101MH2007PLC172784

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1. **COMPANY OVERVIEW**

Halitious Developer Limited is an unlisted Public Limited Company domiciled in India, incorporated under the Companies Act, 1956. The Company is engaged into business of constructing building, chawls, houses, appartments, flat, residential township, commercial complex, warehouses, storage facilities, industrial park, SEZ, anywhere in India & abroad and transporting & carriage of goods and to provide storage and protection of goods against calamities.

The financial statements are approved for issue by the Company's Board of Directors on 26Th May 2019.

2. **SIGNIFICANT ACCOUNTING POLICIES**

I. Basis of preparation of financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

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

1) certain financial assets and liabilities that are measured at fair value;
2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
3) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies, if any) within the credit period normally applicable to the respective project.

II. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

Classification of property

The company determines whether a property is classified as investment property or inventory property. Investment property comprises land and buildings that are not occupied substantially for use by, or in the operations of, the company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Inventory comprises property that is held for sale in the ordinary course of business. Principally, these are properties that the company develops and intends to sell before or on completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.1 **REVENUE RECOGNITION**

A. Revenue from Construction Activity

Revenue from the sale of properties / flats/ commercial premises / units in a project are recognised when the company satisfies performance obligations at a point in time i.e when control is transferred to the customer which is usually on giving soft possession for fitouts or actual possession to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, rebates, price concessions, returns and financing component if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Where the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately in the Statement of profit and Loss Account.

Amount received as Advance from customers on Invoicing / raising demand letters are classified as Contract Liabilities. The company's right to consideration in exchange forgoods or services that the company has transferred to the customer are classified as receivables.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 "Revenue" and Guidance Note on "Accounting for Real Estate transactions" for entities to whom Ind AS is applicable.

B. Profit / Loss from Partnership Firms / Association of Persons

Share of profit / loss from partnership firms / association of persons (AOP) is accounted n respect of the financial year of the firm / AOP, during the reporting period, on the basis of their audited/ management reviewed accounts, which is considered as a part of other operating activity.

C. Others

Revenues / Income and Costs/ Expenditure are generally accounted on accrual, as they are earned or incurred.

HALITIOUS DEVELOPER LIMITED

SANKET K. SHAH & ASSOCIATES
M. No.
152369
Chartered Accountants

2.2 INVESTMENTS

Investments are classified into Current and Non Current / Long Term Investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognize decline, other than temporary, in the value of long term investments.

2.3 FINANCIAL INSTRUMENTS

2.3.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivables which are initially measured at transaction price.Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss,are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

2.3.3 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the finacial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.3.4 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case thoseare measured at lifetime ECL.The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

b. Non-financial assets

Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

HALITIOUS DEVELOPER LIMITED

SANKET R. SHAH & ASSOCIATES
M. No. 152369
Chartered Accountants

2.4 TAXATION

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss becauseof items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

ii. Deferred Tax

Deferred tax is recognized on temporary diferences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.5 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.6 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

2.7 SEGMENT REPORTING

The Company is engaged in the business of Real Estate Development, which as per Ind AS - 108 'Operating Segments' is considered to be the only reportable business segment. The Company is also operating within the same geographical segment. Hence, disclosures under Ind AS - 108 are not applicable.

2.8 USE OF ESTIMATES

The preparation of the financial statements in conformity with IndAS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 2.8.1. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.8.1 Critical accounting judgements and estimates

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its revenue. Costs of the project are based on the management's estimate of the cost to be incurred upto the completion of the projects and include cost of land, Floor Space Index (FSI), materials, services and other expenses attributable to the projects. Estimates of project income, as well as project costs, are reviewed periodically. Costs expended have been used to measure progress towards completion of work. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Fair value measurements and valuation processes

Some of the company's assets are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

HALITIOUS DEVELOPER LIMITED

SANKET R. SHAH & ASSOCIATES Chartered Accountants M. No. 152369

HALITIOUS DEVELOPER LIMITED
CIN: U70101MH2007PLC172784

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

		As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
3. Investments			
Non Current Investments			
(Trade, unless otherwise specified)			
Capital Investment in Partnership Firms and Joint Ventures			
M/s Rising Glory Developers (Refer Footnote)		-	10,000
Less: Provision for Diminution in the value of investments		-	-
Total Non Current Investments	**Total**	-	**10,000**

Footnote:
Details of Investments made in capital of partnership firm:

Sr No	Name of Partners	31st March, 2019 Amount (₹)	31st March, 2019 Profit Sharing Ratio	31st March, 2018 Amount (₹)	31st March, 2018 Profit Sharing Ratio
1	Hubtown Limited	37,500	25.00%	10,000	20.00%
2	Ackruti Safeguard System Private Limited (Upto 31st July,2018)	-	-	10,000	5.34%
3	Citygold Education Research Limited	37,500	25.00%	10,000	5.34%
4	Citygold Farming Private Limited (Upto 31st July,2018)	-	-	10,000	5.34%
5	Diviniti Projects Private Limited	37,500	25.00%	10,000	5.34%
6	Halitious Developers Limited (Upto 31st July,2018)	-	-	10,000	5.34%
7	Headland Farming Private Limited (Upto 31st July,2018)	-	-	10,000	5.33%
8	Heddle Knowledge Private Limited	37,500	25.00%	10,000	5.33%
9	Heet Builders Private Limited (Upto 31st July,2018)	-	-	10,000	5.33%
10	Subhsiddhi Builders Private Limited (Upto 31st July,2018)	-	-	10,000	5.33%
11	Sunstream City Private Limited (Upto 31st July,2018)	-	-	10,000	10.66%
12	Upvan lake Resort Private Limited (Upto 31st July,2018)	-	-	10,000	5.33%
13	Vega Developers Private Limited (Upto 31st July,2018)	-	-	10,000	5.33%
14	Whitebud Developers Limited (Upto 31st July,2018)	-	-	10,000	5.33%
15	Yantti Buildcon Private Limited (Upto 31st July,2018)	-	-	10,000	5.33%
	Total Capital of the firm in ₹	**150000**	**100%**	**150,000**	**100.00%**

		As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
4. Current Tax Assets			
Advance Tax paid		113,433	1,873,433
Less: Provision for Tax		-	-
	Total	**113,433**	**1,873,433**

Footnote :
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :
Since the taxable income is negative, there is no current tax payable; hence reconciliation has not been provided.

		As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
5. Loans & Advances			
Current			
Unsecured, considered good			
- Loan to Related party		50,939,074	-
Current account balance in firms and joint ventures (Assets)		17,923	
	Total	**50,956,997**	-

		As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
6. Trade Receivables			
Current			
Unsecured, considered good			
Outstanding for a period exceeding six months from the date they are due for payment		-	65,727,631
	Total	-	**65,727,631**

		As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
7. Cash and Cash Equivalents			
Balances with banks:			
- in current accounts		17,210	30,310
Cash on hand		1,125	1,125
	Total	**18,335**	**31,434**

HALITIOUS DEVELOPER LIMITED

SANKET R. SHAH & ASSOCIATES
M. No. 152369
Chartered Accountants

HALITIOUS DEVELOPER LIMITED
CIN: U70101MH2007PLC172784

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

8. Equity Share Capital	**As at 31st March, 2019 ₹**	**As at 31st March, 2018 ₹**
Authorised Share Capital:		
2,50,000 (As at 31st March, 2018: 2,50,000) Equity Shares of ₹ 10/- each	2,500,000	2,500,000
Issued and subscribed capital comprises:		
1,00,000(As at 31st March, 2018: 1,00,000) Equity Shares of ₹ 10/-each fully paid up	1,000,000	1,000,000
	1,000,000	**1,000,000**

(i) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year

Balance at 01st April 2018	**1,000,000**	**100,000**
Add : Issued during the year		
Less : Bought back during the year		
Balance at 31st March 2019	**1,000,000**	**100,000**

(ii) Equity Shares held by its holding company or its ultimate holding company subsidiaries or associates of holding company or the ultimate holding company	**As at 31st March, 2019 No. of Shares**	**As at 31st March, 2018 No. of Shares**
Hubtown Limited with Beneficiary Owners [Holding Company]	100,000	100,000

(iii) Details of shares held by each shareholders holding more than 5% shares

	As at 31st March, 2019		**As at 31st March, 2018**	
Fully paid equity shares	**No of shares held**	**% holding**	**No of shares held**	**% holding**
Hubtown Limited	99,994	99.994%	99,994	99.994%
Kamal Matalia / Hubtown Limited	1	0.001%	1	0.001%
D. V. Prabhu / Hubtown Limited	1	0.001%	1	0.001%
Anil Ahluwalia / Hubtown Limited	1	0.001%	1	0.001%
Hemant M Shah / Hubtown Limited	1	0.001%	1	0.001%
Chetan S Mody / Hubtown Limited	1	0.001%	1	0.001%
Vyomesh M Shah / Hubtown Limited	1	0.001%	1	0.001%
Total	**100,000**	**100.00%**	**100,000**	**100.00%**

(iv) Terms / Right attached to Ordinary Equity Shares :
The company has only one class of equity shares having a face value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

HALITIOUS DEVELOPER LIMITED

SANKET K. SHAH & ASSOCIATES
M. No. 152369
Chartered Accountants

HALITIOUS DEVELOPER LIMITED
CIN: U70101MH2007PLC172784

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

9. Other Equity	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
(i) Securities premium reserve		
Balance at the beginning of the year	59,000,000	59,000,000
Add / (Less) :		
Premium on account of shares alloted during the year	-	-
Balance at the end of the year	**59,000,000**	**59,000,000**
(ii) Retained Earnings		
Balance at the beginning of the year	(17,233,205)	(29,413,555)
Profit attributable to the owners of the company	671,634	12,180,350
Balance at the end of the year	**(16,561,571)**	**(17,233,205)**
Total	**42,438,429**	**41,766,795**

10. Borrowings	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Current		
Unsecured		
(i) Loans repayable on demand:		
- From Related Party (Refer footnote)	2,056,098	10,800,000
Total	**2,056,098**	**10,800,000**

Footnote:
The Company has received interest free Loan from it's Parent Company, considering the nature of business in which the Company operate, the amounts so received are considered to be repayable on call / demand as the repayment period of such amounts so received is not measureable precisely.

11. Trade payables	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Trade Payables	77,915	718,837
Total	**77,915**	**718,837**

Footnote:
As per information available with the Company regarding dues to Micro, Small and Medium Enterprises as defined under the Micro Small Medium Enterprises Development, Act 2006 (MSMED Act), none of the suppliers of the Company are registered under MSMED Act, and the same has been relied upon by the auditors.

12. Other financial liabilities	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Current		
Current account balance in firms and joint ventures	-	2,640
Other payables	17,500	4,654,268
Total	**17,500**	**4,656,908**

13. Other Liabilities	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Current		
Other payables :		
- Statutory dues	5,498,823	8,699,958
	5,498,823	**8,699,958**

HALITIOUS DEVELOPER LIMITED

SHAH & ASSOCIATES M. No. 152369 Chartered Accountants

HALITIOUS DEVELOPER LIMITED
CIN: U70101MH2007PLC172784

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

	Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
14. Finance Costs		
Delayed/penal interest on loans and statutory dues	432,689	159,484
	432,689	**159,484**

	Year Ended 31st March, 2019 ₹	Year Ended 31st March, 2018 ₹
15. Other Expenses		
Rates and taxes	2,500	2,500
Legal and professional fees	69,500	602,299
Other expenses (Refer footnote)	53,066	18,419
	125,066	**623,218**
Footnote :		
Auditor's Remuneration (Included in other expenses)		
Statutory Audit Fees	15,000	15,000
GST on above	2,700	2,700
	17,700	**17,700**

16. EARNINGS PER SHARE (EPS)	**31st March, 2019**	**31st March, 2018**
Basic and Diluted Earning Per Share	0.67	121.80

Basic and Diluted EPS
The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Profit for the year attributable to the owners of the Company	671,634	12,180,350
Earnings used in the calculation of basic and diluted earnings per share	**671,634**	**12,180,350**
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	1,000,000	100,000

HALITIOUS DEVELOPER LIMITED

SANKET S. SHAH & ASSOCIATES
M. No. 152369
Chartered Accountants

HALITIOUS DEVELOPER LIMITED
CIN: U70101MH2007PLC172784
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

17. RELATED PARTY TRANSACTIONS

a. **List of Related Parties:**

A. **Names of related parties and description of relationship**

I. **HOLDING COMPANY**
Hubtown Limited

II. **FIRM IN WHICH COMPANY IS PARTNER**
Rising Glory Developers

III. **JOINT VENTURE OF HOLDING COMPANY**
Sunstream City Private Limited

IV. **OTHER SIGNIFICANT INFLUENCES WITH WHOM TRANSACTIONS TAKEN PLACE**
Citygold Management Services Private Limited

Note: Related party relationships are as identified by the Company and relied upon by the Auditors.

b. **Transactions with Related Parties:**

in ₹

Particulars	Firm in which Company is Partner	Holding Company	Other Significant Influences
Loans and advances received /recovered:			
Hubtown Limited	- -	146,394,300 (2,500)	- -
Loans and Advances given/ repaid/adjusted			
Hubtown Limited	- -	84,652,726 -	 -
On behalf payments made (Including reimbursement of expenses)			
Citygold Management Services Private Limited	- -	- -	668,200 (648,000)
On behalf payments received/adjusted			
Citygold Management Services Private Limited	- -	- -	21,730 -
Share of Loss			
Rising Glory Developers	20,563 (1,948)	- -	- -

Note: Previous year's figures are given in brackets

Balance outstanding receivables:	As at 31st March, 2019	As at 31st March, 2018
Joint Venture of Holding Company		
Sunstream City Private Limited	-	46,719,631

Balance outstanding payables:	As at 31st March, 2019	As at 31st March, 2018
Firm in which Company is partner		
Rising Glory Developers		
- Current Account Balance (Share of Loss)	17,923	2,640
Holding Company		
Hubtown Limited	50,939,074	10,802,500
Other Significant Influences		
Citygold Management Services Private Limited	1,530	648,000

HALITIOUS DEVELOPER LIMITED

SANKET R. SHAH & ASSOCIATES
M. No. 152369
Chartered Accountants

18. CONTINGENT LIABILITY

The Company does not have any contingent liability as at the balance sheet date, as certified by the management and relied upon by the auditors.

19. In the opinion of the Board of Directors of the Company, all items of Current Assets, Current Liabilities and Loans and Advances continues to have a realizable value of at least the amounts at which they are stated in the Balance Sheet.

20. Trade payable & other current liability are subject to confirmation, reconciliation and adjustment if any.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES

The company is not exposed to market risk, credit risk and liquidity risk. The company's management oversees the management of these risks. The company's board of directors review and agrees policies for managing each of these risks summarized below:

1) Market Risk

a) Interest rate risk

Company has received intrest free loan and it receives interest free funds for operating cash flow from its holding company as and when required (Refer Note 10), hence the Company is not exposed to intrest risk.

2) Credit Risk

The company is not exposed to credit risk from its operating activities. Credit risk from balances with banks and inter corporate loans is managed by the company's treasury department in accordance with the company's policy.

3) Liquidity risk

Since the company's cashflow requirements are met by funds received from its holding company, the company is not exposed to liquidity risk.

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

FOR SANKET R. SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 135703W

SHAH & ASSOCIATES
M. No.
152369
Chartered Accountants

SANKET SHAH
PROPRIETOR
Membership No. 152369

For and on behalf of the Board of Directors

KUSHAL SHAH
DIRECTOR
DIN: 06843982

HALITIOUS DEVELOPER LIMITED

KHILEN SHAH
DIRECTOR
DIN: 03134932

Mumbai
Date: 26th May, 2019

SANKET R. SHAH & ASSOCIATES
M. No.
152369
Chartered Accountants

L. J. KOTHARI
B.COM, F.C.A.
9920424040

L. J. KOTHARI & CO.

CHARTERED ACCOUNTANTS
GANDHI MANSION, 3RD FLOOR, NEW SILK BAZAR, OPP KALBADEVI HEAD P. O.,
MUMBAI – 400 002 * Tel.: 2205 5916 * E-mail: ca_lalitkothari@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEADLAND FARMING PRIVATE LIMITED

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **M/s. HEADLAND FARMING PRIVATE LIMITED ("*the Company*")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

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 March 31, 2019, and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Ind AS 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,

L. J. KOTHARI & CO.
MEMBERSHIP No. 30917
CHARTERED ACCOUNTANTS

financial performance(including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

L. J. KOTHARI & CO. CHARTERED ACCOUNTANTS MEMBERSHIP No. 30917

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. 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 Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 has disclosed the impact of pending litigations on its financial position in its financial statements.

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

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

FOR L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

LALIT KOTHARI
Proprietor
Membership No.: 30917

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

Place: Mumbai
Date :26th May,2019

ANNEXURE"A"REFERRED TO IN OUR REPORT TO THE MEMBERS OF HEADLAND FARMING PRIVATE LIMITEDON THEIND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31stMARCH, 2019;

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

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

(b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification;

(c) The Company does not own any immovable property therefore provision of clause 3(I)(c) of the said order are not applicable;

(ii) The physical verification of inventory has been conducted at the reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts;

(iii) According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to companies; firms or other parties covered under section 189 of the Companies Act, 2013 ('the Act'). Therefore, provision of clause 3(iii), 3(iii)(a), 3(iii)(b), 3(iii)(c) of the said order are not applicable to the company;

(iv) The Company has not granted any loans or made any investments, or provided any guarantees or any security to the parties covered under section 185 and 186. Therefore, the provisions of clause 3(iv) of the said Order are not applicable to the Company;

(v) The Company has not accepted any deposits from the public during the year, Therefore the provisions of clause 3 (v) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company;

(vi) In our opinion, and according to the information and explanation given to us, the Company has not crossed the threshold limit as prescribed by the Central Government under sub-section (1) of section 148 of the Act for maintenance of cost records and hence the provision for maintenance of records are 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, in our opinion, except for dues in respect of Income Tax payable, Tax deduced at Source and Interest on tax payable, the Company is generally regular in depositing undisputed statutory dues, including Sales Tax, Service tax, duty of customs, Value added tax, Goods and Service Tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There was an amount of Income Tax payable ₹ 13,51,746 and Interest on tax payable ₹ 17,41,288 is outstanding as at the last day of the financial year for a period exceeding 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 disputed dues in respect of Income Tax, Service Tax, Custom Duty, Sales tax, Value added tax, Excise Duty or Cess.

(viii) As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date. Therefor, the

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

provisions of Clause 3(viii) of the Order are not applicable to the Company.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) Based on the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;

(xi) The Company has not paid or provided managerial remuneration during the year and hence, the provisions of section 197 read with Schedule V to the Act are not applicable. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company;

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under section 133 to the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

(xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year, the provision of clause 3(xiv) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company;

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company;

(xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No.: 30917

Place: Mumbai
Date :26th May,2019

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND ASFINANCIAL STATEMENTS OF HEADLAND FARMING PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of HEADLAND FARMING PRIVATE LIMITED ("the Company") as of 31st March, 2019 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 the 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, 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 ICAI. 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 risks. 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.
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.

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

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, 2019, 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 L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No.: 30917

Place: Mumbai
Date : 26th May,2019

HEADLAND FARMING PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
I ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	3	-	-
(b) Financial assets			
(i) Investments	4	-	10,000
(c) Other non-current assets	5	-	6,10,000
Total Non-Current assets		-	**6,20,000**
2. Current assets			
(a) Inventories	6	5,59,89,777	5,59,89,777
(b) Financial assets			
(i) Cash and cash equivalents	7	4,46,128	9,06,105
(ii) Other financial assets	8	20,523	14,87,728
Total Current Assets		**5,64,56,428**	**5,83,83,610**
TOTAL ASSETS		**5,64,56,428**	**5,90,03,610**
II EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	9	1,00,000	1,00,000
(b) Other equity	10	(2,12,66,871)	(2,03,61,018)
Total Equity		**(2,11,66,871)**	**(2,02,61,018)**
2. Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	11	7,43,96,969	7,79,06,382
(b) Other current liabilities	12	8,500	6,500
(c) Current tax Liabilities (Net)	13	32,17,830	13,51,746
Total Current Liabilities		**7,76,23,299**	**7,92,64,628**
TOTAL EQUITY AND LIABILITIES		**5,64,56,428**	**5,90,03,610**

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Place: Mumbai
Dated: 26th May, 2019

For and on behalf of the Board of Directors

JASMIN RATHOD
Director
DIN: 03147669

HEADLAND FARMING PVT. LTD.

PRAPHUL SHINDE
Director
DIN: 03140671
Dated: 26th May, 2019

HEADLAND FARMING PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Particulars	Note No.	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
I	**Income**			
	Revenue from Operations	14	9,35,000	74,22,750
	Other Income	15	150	6,07,00,000
	Share of Loss/ Profit from Partnership Firms		20,524	(1,580)
	Total Income		**9,55,674**	**6,81,21,170**
II	**Expenses**			
	Costs Of Development	16	-	3,05,00,000
	Changes in Inventories of Land and ancilliary costs	17	-	(2,04,59,414)
	Finance Costs	18	3,38,410	1,65,194
	Other Expenses	19	15,23,117	7,50,27,354
	Total Expenses		**18,61,527**	**8,52,33,134**
III	**Profit / (Loss) for the year**		**(9,05,853)**	**(1,71,11,964)**
IV	**Other Comprehensive Income**		-	-
V	**Total comprehensive income for the year**		**(9,05,853)**	**(1,71,11,964)**
VI	**Earning per equity share of nominal value of ₹ 10/- each (in Rupees)**			
	Basic and Diluted	20	(90.59)	(1,711.20)

The accompanying notes are an integral part of the financial statements

As per our report of even date
FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Place: Mumbai
Dated: 26th May, 2019

For and on behalf of the Board of Directors

JASMIN RATHOD
Director
DIN: 03147669

HEADLAND FARMING PVT. LTD.

PRAPHUL SHINDE
Director
DIN: 03140671

Dated: 26th May, 2019

HEADLAND FARMING PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation as per Statement of Profit and Loss	(9,05,853)	(1,71,11,964)
Add/(Less):		
Finance costs	3,38,410	1,65,194
Share of loss of firm	-	-
	3,38,410	1,65,194
Operating profit before working capital changes	(5,67,443)	(1,69,46,770)
Add / (Less) :		
(Increase)/ Decrease in inventories	-	(1,88,65,020)
(Increase) / Decrease in trade and other receivebles	20,77,204	10,43,95,685
Increase / (Decrease) in trade and other payables	(16,41,328)	(6,76,36,976)
	4,35,876	1,78,93,689
Net cash flow from operating activities	(1,31,567)	9,46,919
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
(Increase)/ Decrease on long term Investments	10,000	-
Net cash flow from investing activities	10,000	-
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Finance costs paid	(3,38,410)	(1,65,194)
Net cash flow from financing activities	(3,38,410)	(1,65,194)
Net increase in cash and cash equivalents (I + II + III)	(4,59,977)	7,81,724
Add: Balance at the beginning of the year	9,06,105	1,24,381
Cash and cash equivalents at the end of the year	4,46,128	9,06,105
Components of cash and cash equivalents		
Cash on hand	-	35,943
Balances with Banks		
- in Current accounts	4,46,128	8,70,162
	4,46,128	9,06,105

The accompanying notes are an integral part of the financial statements

The Cash Flow Statement has been prepared under indirect method as set out in Indian Accounting Standard (Ind AS- 7) statement of cash flows.

As per our report of even date
FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L.J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Place: Mumbai
Dated: 26th May, 2019

For and on behalf of the Board of Directors

HEADLAND FARMING PVT. LTD.

JASMIN RATHOD
Director
DIN: 03147669

PRAPHUL SHINDE
Director
DIN: 03140671
Dated: 26th May, 2019

HEADLAND FARMING PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019 (in ₹)

	Note	Amount
A. EQUITY SHARE CAPITAL	9	
As at 1st April, 2017		1,00,000
Changes in equity share capital		-
As at 31st March, 2018		**1,00,000**
Changes in equity share capital		-
As at 31st March, 2019		**1,00,000**

B. OTHER EQUITY AND CONVERTIBLE INSTRUMENTS

	Reserves and Surplus Retained Earnings	Total
Balance at 1st April, 2017	**(32,49,054)**	**(32,49,054)**
Profit / (Loss) for the year	(1,71,11,964)	**(1,71,11,964)**
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	(1,71,11,964)	**(1,71,11,964)**
Balance at 31st March, 2018	**(2,03,61,018)**	**(2,03,61,018)**
Profit / (Loss) for the year	(9,05,853)	**(9,05,853)**
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	(9,05,853)	**(9,05,853)**
Balance at 31st March, 2019	**(2,12,66,871)**	**(2,12,66,871)**

The accompanying notes are an integral part of the financial statements

As per our report of even date
FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Place: Mumbai
Dated: 26th May, 2019

For and on behalf of the Board of Directors

JASMIN RATHOD
Director
DIN: 03147669

HEADLAND FARMING PVT. LTD.

PRAPHUL SHINDE
Director
DIN: 03140671
Dated: 26th May, 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 1. Statement of Significant Accounting Policies.

1.1 **Company Overview**

Headland Farming Private Limited is a private limited Company domiciled in India, incorporated under the Companies Act, 1956. The main object of the company is to acquire by purchase, lease or otherwise, agricultural land for farming, to establish and run farms and to Construct, erect, acquire, equip, lease, furnish, convert, adapt, improve, develop, operate & manage all sorts of Agricultural Parks, Industrial Parks, Special Economic Zone & related infrastructure facilities, commercial & social infrastructure facilities & amenities.

1.2 The financial statements are approved for issue by the Company's Board of Directors on 26th May, 2019.

Note 2. Significant Accounting Policies followed by the Company

I. Basis of preparation of financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

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

1) certain financial assets and liabilities that are measured at fair value;
2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
3) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies, if any) within the credit period normally applicable to the respective project.

II. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

Classification of property

The company determines whether a property is classified as investment property or inventory property. Investment property comprises land and buildings that are not occupied substantially for use by, or in the operations of, the company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Inventory comprises property that is held for sale in the ordinary course of business. Principally, these are properties that the company develops and intends to sell before or on completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

III. Revenue recognition

Revenue Recognition Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

A. Revenue from Sale of Land

Revenue from sale of land's recognized when the company satisfied performance obligation at a point in time i.e. when company is transferred to the customer which is usually possession of land to customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, rebates, price concessions, returns and financing component if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 "Revenue" and Guidance Note on "Accounting for Real Estate transactions" for entities to whom Ind AS is applicable.

B. Interest and dividend:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

C. Others:

Other revenues / incomes and costs / expenditure are accounted on accrual, as they are earned or incurred.

D. Profit / loss from partnership firms / association of persons:

Share of profit / loss from partnership firms / association of persons (AOP) is accounted n respect of the financial year of the firm / AOP, during the reporting period, on the basis of their audited/ management reviewed accounts, which is considered as a part of other operating activity.

MEMBERSHIP No. 20917

HEADLAND FARMING PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

IV. Property plant and equipment and depreciation / ammortisation

A. On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2015 of its Property, Plant and Equipment and use that carrying value as the deemed cost on the date of transition i.e. 1st April, 2015.

B. Tangible fixed assets are stated at cost of acquisition or construction including attributable interest and finance cost, if any till the date of acquisition/installation of the assets, less accumulated depreciation/amortisation and accumulated impairment losses, if any.

C. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

D. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

Asset Category	Estimated useful life (in Years)
Computers & Laptops	3
Office Equipments	5

The residual values, useful lives and methods of depreciation of property plant equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

V. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Investment and Financial Assets

i. Initial recognition

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2015 of its investments in subsidiaries, associates and joint ventures and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1st April, 2015.

iii. De-recognition of Financial Assets:

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

B. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii. Financial Liabilities

1. Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

HEADLAND FARMING PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

2. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3. De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C. **Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

VI Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the finacial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

VII. Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case thoseare measured at lifetime ECL.The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

b. Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

i. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability wheneer events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

ii. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

L. J. KOTHARI & CO. CHARTERED ACCOUNTANTS MEMBERSHIP No. 30917

HEADLAND FARMING PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

VIII. Taxation

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss becauseof items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

ii. Deferred Tax

Deferred tax is recognized on temporary diferences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

IX. Inventories

All inventories are stated at lower of 'Cost or Net Realizable Value'.

A. 'Incomplete Projects' include cost of land for which the Company has not entered into sale agreements and in other cases where the revenue recognition is postponed. 'Incomplete Projects' also include initial project costs that relate to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure for the year in which they are incurred unless they are separately identifiable and it is probable that the respective project will be obtained.

B. Cost included in inventory include costs incurred upto the completion of the project viz. cost of land, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost.

X. Borrowings and Borrowing costs

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are de-recognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Interests and other borrowing costs included under finance costs calculated as per effective interest rate attributable to qualifying assets, which takes substantial period of time to get ready for its intended use are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. 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 charged to the Profit and Loss Account.

XI. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

XII. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XIII. Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

XIV. Recent accounting pronouncements

Ind AS 116

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition,measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.
The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND AS 116 is expected to be insignificent

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HEADLAND FARMING PVT. LTD.

HEADLAND FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 3. Property, plant and equipment

(in ₹)

	Computers and Laptops	Office Equipment	Total
Cost or deemed cost			
Balance at 1st April, 2017	33,176	6,200	**39,376**
Additions	-	-	-
Disposals	-	-	-
Balance at 31st March, 2018	33,176	6,200	39,376
Accumulated depreciation			
Balance at 1st April, 2017	33,176	6,200	**39,376**
Eliminated on disposal of assets	-	-	-
Depreciation expense	-	-	-
Balance at 31st March, 2018	33,176	6,200	39,376
Carrying amount as on 31st March, 2018	-	-	-

	Computers and Laptops	Office Equipment	Total
Cost or deemed cost			
Balance at 1st April, 2018	33,176	6,200	**39,376**
Additions	-	-	-
Disposals/Discardment	33,176	6,200	**39,376**
Balance at 31st March, 2019	-	-	-
Accumulated depreciation			
Balance at 1st April, 2018	33,176	6,200	39,376
Eliminated on disposal/discarment of assets	33,176	6,200	**39,376**
Depreciation expense	-	-	-
Balance at 31st March, 2019	-	-	-
Carrying amount as on 31st March, 2019	-	-	-

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	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 4. Investments		
Non Current		
Capital Investment in Partnership Firms(Refer Footnote)		
M/s Rising Glory Developers	-	10,000
Total	-	**10,000**

Footnote:

Details of Investments made in capital of partnership firm:

Name of Partners	31st March, 2019 Profit Sharing Ratio	31st March, 2018 Profit Sharing Ratio
Hubtown Limited	25.00%	20.00%
Ackruti Safeguard System Private Limited (up to 31st July 2018)	-	5.34%
Citygold Education Research Limited	25.00%	5.34%
Citygold Farming Private Limited (up to 31st July 2018)	-	5.34%
Diviniti Projects Private Limited	25.00%	5.34%
Halitious Developers Limited (up to 31st July 2018)	-	5.34%
Headland Farming Private Limited (up to 31st July 2018)	-	5.33%
Heddle Knowledge Private Limited (up to 31st July 2018)	-	5.33%
Heet Builders Private Limited	25.00%	5.33%
Subhsiddhi Developers Pvt Ltd. (up to 31st July 2018)	-	5.33%
Sunstream City Private Limited (up to 31st July 2018)	-	10.66%
Upvan lake Resort Private Limited (up to 31st July 2018)	-	5.33%
Vega Developers Private Limited (up to 31st July 2018)	-	5.33%
Whitebud Developers Limited (up to 31st July 2018)	-	5.33%
Yantti Buildcon Private Limited (up to 31st July 2018)	-	5.33%
Total	**100%**	**100%**
Total Capital of the firm in ₹	**1,50,000**	**1,50,000**

Note 5. Other assets		
Non-current		
Advances to land owners (Refer Footnote)	-	6,10,000
Total	-	**6,10,000**

Footnote:

No agreement has been entered into for the above advances paid to landowners (farmers) in earlier year's. Advances amounting to ₹10,43,94,105/- has been debited to land cost during the previous year. Out of the same, an amount of ₹ 2,58,62,166/- is carried as Inventory.

Note 6. Inventories		
Land and ancilliary costs (Refer Footnote to Note 5)	5,59,89,777	5,59,89,777
Total	**5,59,89,777**	**5,59,89,777**
Note 7. Cash and cash equivalents		
Balances with banks:		
- in current accounts	4,46,128	8,70,162
Cash on hand	-	35,943
Total	**4,46,128**	**9,06,105**
Note 8. Other financial assets		
Current		
Current account balances in partnership firm (Refer note 22)	-	14,87,728
Others	20,523	-
Total	**20,523**	**14,87,728**

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HEADLAND FARMING PVT. LTD.

HEADLAND FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 9. Equity share capital		
Authorised Share Capital:		
10,000 (P.Y.31st March, 2018 : 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
999,000 (P.Y.31st March, 2018 : 999,000) 8% non cumulative convertible preference shares of ₹100/- each	99,900,000	99,900,000
Issued and subscribed capital comprises:		
10,000 (P.Y.31st March, 2018 : 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
	100,000	**100,000**

Footnotes:

(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year.

	Number of shares	Share Capital (in ₹)
Balance at 1st April, 2017	10,000	100,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	10,000	100,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2019	**10,000**	**100,000**

(ii) Details of shares held by each shareholders holding more than 5% shares

	31st March, 2019		31st March, 2018	
	No of shares held	% holding of this class of shares	No of shares held	% holding of this class of shares
Fully paid equity shares				
Hubtown Limited with Beneficiary Owners	10,000	100%	10,000	100%
Total	**10,000**	**100%**	**10,000**	**100%**

(iii) Equity shares held by its holding company or its ultimate holding company subsidiaries or associates of the holding company or the ultimate holding company:

	31st March, 2019	31st March, 2018
Holding Company		
Hubtown Limited with Benificiary Owners	10,000	10,000
Total	**10,000**	**10,000**

(iv) Terms / rights attached to Equity Shares :

The company has a single class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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HEADLAND FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 10. Other Equity		
Retained Earnings		
Balance at the beginning of the year	(2,03,61,018)	(32,49,054)
Profit /(Loss) attributable to the owners of the company	(9,05,853)	(1,71,11,964)
Total	**(2,12,66,871)**	**(2,03,61,018)**

Note 11. Other financial liabilities

Current		
Business Advance from related party (Refer Footnote and Note 22)	7,38,04,000	7,62,69,000
Payable to related parties (Refer note 22)	2,500	2,500
Other payables		
Statutory dues	5,90,469	15,42,882
Others	-	92,000
Total	**7,43,96,969**	**7,79,06,382**

Footnote:
The Company has received interest free advances from it's Parent Company, considering the nature of business in which the Company operate, the amounts so received are considered to be repayable on call / demand as the repayment period of such amounts so received is not measureable precisely.

Note 12. Other liabilities

Current		
Other payables :		
- Statutory dues	8,500	6,500
Total	**8,500**	**6,500**

Note 13. Current Tax Liabilities (Net)		
Provision for Tax	32,17,830	43,72,410
Less: Advance Tax Paid	-	(30,20,664)
Total	**32,17,830**	**13,51,746**

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate
Since the taxable income is negative, there is no current tax payable; hence reconciliation has not been provided.

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HEADLAND FARMING PVT. LTD.

HEADLAND FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
Note 14. Revenue from operations		
Sale of plot	-	27,44,625
Other operating Revenue:		
Liabilities written back to the extent no longer required	-	46,78,125
Advances written off recovered	9,35,000	-
Total	**9,35,000**	**74,22,750**
Note 15. Other Income		
Advances received from Body corporate appropriated	-	6,00,00,000
Miscellaneous Income	150	7,00,000
Total	**150**	**6,07,00,000**
Note 16. Costs Of Development		
Land cost	-	3,05,00,000
Total	**-**	**3,05,00,000**
Note 17. Changes In Inventories Of Land And Ancilliary Costs		
Opening Inventory	5,59,89,777	3,71,24,757
Less:		
Purchase Return - Land	-	8,01,250
Expenses incurred on above land writton off	-	7,93,144
	5,59,89,777	3,55,30,363
Less: Closing Inventory	5,59,89,777	5,59,89,777
Total	**-**	**(2,04,59,414)**
Note 18. Finance Costs		
Delayed/penal interest on loans and statutory dues	3,38,410	1,65,194
Total	**3,38,410**	**1,65,194**
Note 19. Other Expenses		
Professional Fees	1,13,035	69,948
Advances and other bebit balance written off (Refer Footnote to Note 5)	-	7,36,94,730
Expense incurred/allocation on purchase return written off	-	7,93,144
Land non-utilization charges	13,17,730	4,27,680
Other expenses (Refer footnote)	92,352	41,852
Total	**15,23,117**	**7,50,27,354**
Footnote:		
Auditors Remuneration (included in the other expenses)		
Audit Fees	35,000	35,000
Total	**35,000**	**35,000**
Note 20. Earnings Per Share (EPS)		
Basic And Diluted Earning Per Share	(90.59)	(1,711.20)

Basic and Diluted EPS

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Profit/(Loss) for the year attributable to the owners of the Company	(9,05,853)	(1,71,11,964)
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	10,000	10,000

Note 21. Fair value measurement

Fair Value measurement	31st March, 2019		31st March, 2018	
Particulars	FVPL/ FVOCI	Amortised Cost	FVPL/ FVOCI	Amortised Cost
Financial Assets				
Investments	-	-	-	10,000
Other financial assets	-	20,523	-	14,87,728
Cash and cash equivalent	-	4,46,128	-	9,06,105
Total of Financial Assets	**-**	**4,66,651**	**-**	**24,03,833**
Financial Liabilities				
Trade payables	-	-	-	-
Other Financial liabilities	-	7,43,96,969		7,79,06,382
Total of Financial Liabilities	**-**	**7,43,96,969**		**7,79,06,382**

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HEADLAND FARMING PVT. LTD.

Note 22. RELATED PARTY DISCLOSURES (As per IND AS - 24)

A.	Name of the related parties and related parties relationship	
I	Holding Company	: Hubtown Limited
II	Other Fellow Subsidiaries	: Heddle Knowledge Pvt. Ltd.,
III	Firm in which Company is a partner	: M/s Rising Glory Developers

Footnote:
Related party relationship are identified by the Company and relied upon by the Auditors

B. Transactions with related parties and balance as at year end-

in ₹

Sr. No.	Nature of Transaction	Holding Company	Others Significant Influence	Firm in which Company is a partner
i	**Business advances taken/ recovered / adjusted**			
	Hubtown Limited	10,33,000	-	-
		(1,00,000)	(-)	(-)
ii	**Business Advance given/repaid/adjusted**			
	Hubtown Limited	34,98,000	-	-
		(14,50,000)	(-)	(-)
iii	**On behalf payments adjusted**			
	Heddle Knowledge Pvt Limited	-	-	-
		(-)	(2,500)	(-)
iv	**Share of loss/ profit from partnership firm**			
	Rising Glory Developers	-	-	20,523
		(-)	(-)	(1,580)
v	**Business advances taken/ recovered / adjusted**			
	Rising Glory Developers	-	-	14,97,728
		-	(-)	(-)

Note: Previous year figures are given in the brackets

in ₹

Sr. No.	Balance outstanding	As at 31st March, 2019	As at 31st March, 2018
i	**Balance Payables**		
	Hubtown Limited (Holding Company)	7,38,04,000	7,62,69,000
	Heddle Knowledge Pvt Limited (Others Fellow Subsidiaries)	2,500	2,500
ii	**Balance Receivables**		
	M/s Rising Glory Developers	20,523	14,87,728

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HEADLAND FARMING PVT. LTD.

Note 23. Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument which fluctuate because of changes in market prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to company's debt obligations with floating interest rates.

- The Company has received interest free advances from its holding company and hence it is not exposed to interest rate risk.

2) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The company is not exposed to credit risk from its operating activities or trade receivables since the agreement of sale of land is executed only on receipt of full consideration.

Credit risk from balances with banks and inter corporate loans is managed by the company's treasury department in accordance with the company's policy.

3) Liquidity risk

The operating cash flow requirements are met by interest free funding from shareholders.

Note 24. Capital Management

The primary objective of company's capital management is to ensure that it maintains strong capital ratios in order to support its business and maximise shareholders value. The company's board of directors reviews the capital structure on an annual basis.

Gearing Ratio

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

The gearing ratio at the reporting period was as follows:

	As at 31st March, 2019	As at 31st March, 2018
Unsecured Borrowings		
Interest accrued		
Total Debt	-	-
Less: Cash and cash equivalents	4,46,128	9,06,105
Net Debt (A)	**(4,46,128)**	**(9,06,105)**
Equity Share Capital	-	1,00,000
Other Equity	(2,12,66,871)	(2,03,61,018)
Total Equity (B)	**(2,12,66,871)**	**(2,02,61,018)**
Debt Equity Ratio A/B *		

* Since there are no borrowings gearing ratio has not been computed.

Note 25.

a. The company has obtained permission for purchase of Agricultural lands admeasuring 442.15 hectors in the District Raigad as per villages referred in the order dated 12th March 2008 and the details of land shown in the annexure to said order from Directorate of Industries, Maharashtra State, for setting up Industrial Estate, Flatted Building, readymade build space, plots custom Built Campuses for IT & ITES services sector.

b. Further same is subject to permission from town planning department and Agricultural Land Ceiling Act and the provisions of section 36 and 36 A of Maharashtra Land Revenue Code 1966 and of the Maharashtra Restoration of Lands to scheduled Tribe Act 1974 and permission and approval from other Government bodies.

L. J. KOTHARI & CO. ★ CHARTERED ACCOUNTANTS ★ MEMBERSHIP No. 30917

HEADLAND FARMING PVT. LTD. ★

Note 26.

The accumulated losses of the Company have resulted in complete erosion of the net worth of the Company. The Company's management is, however, of the view that the said erosion is temporary in nature as the Company has made strategic investments in certain assets / projects, the proceeds of which would when fructified, would result in turnaround of the Company. The Company to that extent does not consider the erosion of the net worth as an impediment to its status as a going concern.

Note 27. Contingent Liability

The company does not have any contingent liabilities as on the balance sheet date as certified by the management and relied upon by the auditors.

Note 28.

In the opinion of the board of Directors of the Company, all the items of current assets, current liabilities & loans and advances continue to have a realisable value of atleast the amount at which they are stated in the balance sheet.

Note 29.

The Company has vide meeting of Board of Directors dated 09/02/2019 accorded consent to Amalgamation along with other six transferor company (Fellow Subsidiary) into Citygold Education Research Limited the transferee company. Further Draft Scheme of Amalgamation was placed before the Board and approved in the said meeting. The Directors / signatories of the company are authorized to take all necessary steps to initiate the amalgamation.

Note 30.

The Company has initated the legal proceedings against land aggregators/farmers which has been written off in earlier years. However during the year the Company has received /recoverd certain amount.

Note 31.

Previous year's figures have been regrouped / recast wherever necessary.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L.J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Place: Mumbai
Dated: 26th May, 2019

JASMIN RATHOD
Director
DIN: 03147669

HEADLAND FARMING PVT. LTD.

PRAPHUL SHINDE
Director
DIN: 03140671
Dated: 26th May, 2019

L. J. KOTHARI
B.COM, F.C.A.
9920424040

L. J. KOTHARI & CO.
CHARTERED ACCOUNTANTS
GANDHI MANSION, 3RD FLOOR, NEW SILK BAZAR, OPP KALBADEVI HEAD P. O.,
MUMBAI – 400 002 * Tel.: 2205 5916 * E-mail: ca_lalitkothari@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEDDLE KNOWLEDGE PRIVATE LIMITED

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **M/s. HEDDLE KNOWLDEGE PRIVATE LIMITED (*"the Company"*)** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

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 March 31, 2019, and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Ind AS 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

L. J. KOTHARI & CO. ★ CHARTERED ACCOUNTANTS ★ MEMBERSHIP No. 30917 exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. 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 Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is

L. J. KOTHARI & CO. * MEMBERSHIP No. 30917 * CHARTERED ACCOUNTANTS disqualified as on 31st March, 2019 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 has disclosed the impact of pending litigations on its financial position in its financial statements.

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

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

FOR L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No.: 30917
UDIN : 19030917AAAABB2168
Place: Mumbai
Date : 26th July,2019

ANNEXURE"A" REFERRED TO IN OUR REPORT TO THE MEMBERS OF HEDDLE KNOWLEDGE PRIVATE LIMITED ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019;

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

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

(b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification;

(c) The Company does not own any immovable property therefore provision of clause 3(I)(c) of the said order are not applicable;

(ii) The physical verification of inventory has been conducted at the reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts;

(iii) According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to companies; firms or other parties covered under section 189 of the Companies Act, 2013 ('the Act'). Therefore, provision of clause 3(iii), 3(iii)(a), 3(iii)(b), 3(iii)(c) of the said order are not applicable to the company;

(iv) The Company has not granted any loans or made any investments, or provided any guarantees or any security to the parties covered under section 185 and 186. Therefore, the provisions of clause 3(iv) of the said Order are not applicable to the Company;

(v) The Company has not accepted any deposits from the public during the year, Therefore the provisions of clause 3 (v) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company;

(vi) In our opinion, and according to the information and explanation given to us, the Company has not crossed the threshold limit as prescribed by the Central Government under sub-section (1) of section 148 of the Act for maintenance of cost records and hence the provision for maintenance of records are 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, in our opinion, except for dues in respect of Tax deduced at Source and Interest on tax payable, the Company is generally regular in depositing undisputed statutory dues, including Service tax, duty of customs, Value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There was an amount of Service tax of ₹ 1,67,612 and Interest on tax payable ₹ 15,31,866/- outstanding as at the last day of the financial year for a period exceeding six months from the date they became payable.

(b) On the basis of our examination of documents and records of the Company, and explanation provided to us, there are no disputed dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Goods & Service Tax or Cess.

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

(viii) As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date. Therefor, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) Based on the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;

(xi) The Company has not paid or provided managerial remuneration during the year and hence, the provisions of section 197 read with Schedule V to the Act are not applicable. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company;

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under section 133 to the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

(xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year, the provision of clause 3(xiv) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company;

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company;

(xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

L.J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No.: 30917
UDIN : 19030917AAAABB2168
Place: Mumbai
Date : 26th July, 2019

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND ASFINANCIAL STATEMENTS OF HEDDLE KNOWLEDGE PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of HEDDLE KNOWLEDGE PRIVATE LIMITED ("the Company") as of 31st March, 2019 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 the 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, 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 ICAI. 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 risks. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of theInd AS 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.

L. J. KOTHARI & CO.
MEMBERSHIP No. 30917
CHARTERED ACCOUNTANTS

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 offinancial 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) providereasonable 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, 2019, 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 L.J. KOTHARI & CO
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No.: 30917
UDIN : 19030917AAAABB2168
Place: Mumbai
Date : 26th July,2019

HEDDLE KNOWLEDGE PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
I ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	3	9,58,872	10,95,876
(b) Financial assets			
(i) Investments	4	-	10,000
(c) Current tax assets (Net)	5	1,08,79,351	87,77,251
Total Non-Current assets		**1,18,38,223**	**98,83,127**
2 Current assets			
(a) Inventories	6	69,24,489	-
(b) Financial assets			
(i) Investments	4	44,506	41,857
(ii) Trade receivables	7	12,17,75,000	35,10,21,600
(iii) Cash and cash equivalents	8	3,42,902	3,93,181
(iv) Other financial assets	9	18,72,02,489	5,22,08,860
(b) Other current assets	10	-	5,00,000
Total Current Assets		**31,62,89,386**	**40,41,65,498**
TOTAL ASSETS		**32,81,27,609**	**41,40,48,625**
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	11	1,00,000	1,00,000
(b) Other equity	12	(12,41,51,081)	(10,04,24,540)
Total Equity		**(12,40,51,081)**	**(10,03,24,540)**
2 Liabilities			
Non-Current Liabilities			
(a) Provisions	13	7,02,857	4,39,818
Total Non-Current Liabilities		**7,02,857**	**4,39,818**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	14	6,32,639	1,64,67,899
(ii) Other financial liabilities	15	42,54,36,674	49,51,72,887
(b) Other current liabilities	16	2,47,23,231	17,14,660
(c) Provisions	13	6,83,289	5,77,901
Total Current Liabilities		**45,14,75,833**	**51,39,33,347**
Total Liabilities		**45,21,78,690**	**51,43,73,165**
TOTAL EQUITY AND LIABILITIES		**32,81,27,609**	**41,40,48,625**

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L.J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th July, 2019

For and on behalf of the Board of Directors

HEDDLE KNOWLEDGE PRIVATE LTD.

KHILEN SHAH
Director
DIN: 03134932

RAJEEVAN PARAMBAN
Director
DIN: 03134932
Date: 26th July, 2019

HEDDLE KNOWLEDGE PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Particulars	Note No.	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
I	**Income**			
	Revenue from Operations	17	(3,71,00,000)	37,17,80,000
	Other Income	18	1,71,24,903	10,08,29,774
	Share of Profit / (Loss) of Firm		20,524	(1,580)
	Total Income		**(1,99,54,573)**	**47,26,08,194**
II	**Expenses**			
	Changes in Inventories of Land and ancilliary costs	19	(69,24,489)	18,06,05,765
	Employee Benefits Expense	20	78,82,464	72,54,842
	Finance Costs	21	10,50,593	1,68,573
	Depreciation Expenses	22	1,37,004	1,02,679
	Other Expenses	23	16,42,376	28,49,89,247
	Total Expenses		**37,87,948**	**47,31,21,106**
III	**Profit/(loss) before Tax**		**(2,37,42,521)**	**(5,12,912)**
	Tax Expense			
	Excess/(Short) provision for taxation in respect of earlier years		-	-
IV	**Profit/(Loss) for the Year**		**(2,37,42,521)**	**(5,12,912)**
V	**Other Comprehensive Income**			
	Remeseaurement of the net defined benefit liabiliy/ asset		**15,980**	**(7,68,929)**
VI	**Total comprehensive income for the Year**		**(2,37,26,541)**	**(12,81,841)**
VII	**Earning per equity share of nominal value of ₹ 10/- each (in ₹)**			
	Basic and Diluted	24	(2,374.25)	(51.29)

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L.J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Place: Mumbai
Date: 26th July, 2019

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

HEDDLE KNOWLEDGE PRIVATE LTD.

RAJEEVAN PARAMBAN
Director
DIN: 03134932
Date: 26th July, 2019

HEDDLE KNOWLEDGE PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation as per Statement of Profit and Loss	(2,37,42,521)	(5,12,912)
Add / (Less) :		
Depreciation	1,37,004	1,02,679
Share of Profit / (Loss) of Firm	20,524	(1,580)
Remeseaurement of the net defined benefit liabiliy/ asset	15,980	(7,68,929)
Finance Costs	10,50,593	1,68,573
Advances and other debit balances written off	25,609	18,43,90,690
Other Income(Penalty Recovered)	(13,00,500)	-
Gain on fair valuation of Investment in Mutual Funds	(2,650)	(1,537)
Sale of fixed assets	-	1,83,136
	(53,440)	18,40,73,032
Operating profit before working capital changes	(2,37,95,961)	18,35,60,120
Add / (Less) :		
(Increase)/ Decrease in inventories	(69,24,489)	30,43,15,902
(Increase) / Decrease in trade and other receivebles	9,47,27,363	(29,37,19,980)
Increase / (Decrease) in trade and other payables	(6,33,55,932)	(19,39,14,837)
Increase / (Decrease) in provisions	3,68,427	8,55,174
Direct taxes (paid)/refund	(8,01,600)	(11,076)
	2,40,13,769	(18,24,74,817)
Net cash flow from operating activities	2,17,808	10,85,303
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Sale / (Purchase) of fixed assets	-	(9,52,117)
Increase/Decrease in long term investments	10,000	-
Acquisition/ Sale of current investment	(20,524)	-
Net cash flow from investing activities	(10,524)	(9,52,117)
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Finance costs paid	(2,57,563)	(1,68,573)
Net cash flow from financing activities	(2,57,563)	(1,68,573)
Net increase in cash and cash equivalents (I + II + III)	(50,279)	(35,388)
Add: Balance at the beginning of the year	3,93,181	4,28,569
Cash and cash equivalents at the end of the year	3,42,902	3,93,181
Components of cash and cash equivalents (Refer Note 8)		
Cash on hand	-	46,096
Balances with Banks		
- in Current accounts	3,42,902	3,47,085
	3,42,902	3,93,181

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

HEDDLE KNOWLEDGE PRIVATE LTD.

KHILEN SHAH
Director
DIN: 03134932

RAJEEVAN PARAMBAN
Director
DIN: 03134932

Mumbai
Date: 26th July, 2019

Date: 26th July, 2019

HEDDLE KNOWLEDGE PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation as per Statement of Profit and Loss	**(2,37,42,521)**	**(5,12,912)**
Add / (Less) :		
Depreciation	1,37,004	1,02,679
Share of Profit / (Loss) of Firm	20,524	(1,580)
Remeseaurement of the net defined benefit liabiliy/ asset	15,980	(7,68,929)
Finance Costs	10,50,593	1,68,573
Advances and other debit balances written off	25,609	18,43,90,690
Other Income(Penalty Recovered)	(13,00,500)	-
Gain on fair valuation of Investment in Mutual Funds	(2,650)	(1,537)
Sale of fixed assets	-	1,83,136
	(53,440)	**18,40,73,032**
Operating profit before working capital changes	**(2,37,95,961)**	**18,35,60,120**
Add / (Less) :		
(Increase)/ Decrease in inventories	(69,24,489)	30,43,15,902
(Increase) / Decrease in trade and other receivebles	9,47,27,363	(29,37,19,980)
Increase / (Decrease) in trade and other payables	(6,33,55,932)	(19,39,14,837)
Increase / (Decrease) in provisions	3,68,427	8,55,174
Direct taxes (paid)/refund	(8,01,600)	(11,076)
	2,40,13,769	**(18,24,74,817)**
Net cash flow from operating activities	**2,17,808**	**10,85,303**
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Sale / (Purchase) of fixed assets	-	(9,52,117)
Increase/Decrease in long term investments	10,000	-
Acquisition/ Sale of current investment	(20,524)	-
Net cash flow from investing activities	**(10,524)**	**(9,52,117)**
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Finance costs paid	(2,57,563)	(1,68,573)
Net cash flow from financing activities	**(2,57,563)**	**(1,68,573)**
Net increase in cash and cash equivalents (I + II + III)	**(50,279)**	**(35,388)**
Add: Balance at the beginning of the year	**3,93,181**	**4,28,569**
Cash and cash equivalents at the end of the year	**3,42,902**	**3,93,181**
Components of cash and cash equivalents (Refer Note 8)		
Cash on hand	-	46,096
Balances with Banks		
- in Current accounts	3,42,902	3,47,085
	3,42,902	3,93,181

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th July, 2019

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

HEDDLE KNOWLEDGE PRIVATE LTD.

RAJEEVAN PARAMBAN
Director
DIN: 03134932

Date: 26th July, 2019

HEDDLE KNOWLEDGE PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(in ₹)

	Note	Amount
A. EQUITY SHARE CAPITAL	**11**	
As at 1st April, 2017		1,00,000
Changes in equity share capital		-
As at 31st March, 2018		**1,00,000**
Changes in equity share capital		-
As at 31st March, 2019		**1,00,000**

B. OTHER EQUITY AND CONVERTIBLE INSTRUMENTS

	Reserves and Surplus	Total
	Retained Earnings	
Balance at 31st March, 2017	**(9,91,42,699)**	**(9,91,42,699)**
Profit / (Loss) for the Year	(5,12,912)	**(5,12,912)**
Remeasurement of net defined benefit recognised in other comprehensive income	(7,68,929)	**(7,68,929)**
Total Comprehensive Income for the year	(12,81,841)	**(12,81,841)**
Balance at 31st March, 2018	**(10,04,24,540)**	**(10,04,24,540)**
Profit / (Loss) for the Year	(2,37,42,521)	**(2,37,42,521)**
Remeasurement of net defined benefit recognised in other comprehensive income	15,980	**15,980**
Total Comprehensive Income for the year	(2,37,26,541)	**(2,37,26,541)**
Balance at 31st March, 2019	**(12,41,51,081)**	**(12,41,51,081)**

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L.J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th July, 2019

For and on behalf of the Board of Directors

HEDDLE KNOWLEDGE PRIVATE LTD.

KHILEN SHAH
Director
DIN: 03134932

RAJEEVAN PARAMBAN
Director
DIN: 03134932
Date: 26th July, 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 1. Statement of Significant Accounting Policies.

1.1 Company Overview

Heddle Knowledge Private Limited is a private limited Company domiciled in India, incorporated under the Companies Act, 1956. The main object of the company is to acquire by purchase, lease or otherwise, agricultural land for farming, to establish and run farms and to Construct, erect, acquire, equip, lease, furnish, convert, adapt, improve, develop, operate & manage all sorts of Agricultural Parks, Industrial Parks, Special Economic Zone & related infrastructure facilities, commercial & social infrastructure facilities & amenities.

1.2 The financial statements are approved for issue by the Company's Board of Directors on 26th July, 2019.

Note 2. Significant Accounting Policies followed by the Company

I. Basis of preparation of financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

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

1) Certain financial assets and liabilities that are measured at fair value;
2) Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
3) Defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies, if any) within the credit period normally applicable to the respective project.

II. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

Classification of property

The company determines whether a property is classified as investment property or inventory property. Investment property comprises land and buildings that are not occupied substantially for use by, or in the operations of, the company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Inventory comprises property that is held for sale in the ordinary course of business. Principally, these are properties that the company develops and intends to sell before or on completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

III. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will accrue to the Company and the revenue can be reliably measured and also when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment.

A. Revenue from Sale of Land

Revenue from sale of land's recognized when the company satisfied performance obligation at a point in time i.e. when company is transferred to the customer which is usually possession of land to customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, rebates, price concessions, returns and financing component if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 "Revenue" and Guidance Note on "Accounting for Real Estate transactions" for entities to whom Ind AS is applicable.

B. Interest and dividend:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

C. Others:

Other revenues / incomes and costs / expenditure are accounted on accrual, as they are earned or incurred.

D. Profit / loss from partnership firms / association of persons:

Share of profit / loss from partnership firms / association of persons (AOP) is accounted n respect of the financial year of the firm / AOP, during the reporting period, on the basis of their audited/ management reviewed accounts, which is considered as a part of other operating activity.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

IV. Property plant and equipment and depreciation / ammortisation

A. On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2015 of its Property, Plant and Equipment and use that carrying value as the deemed cost on the date of transition i.e. 1st April, 2015.

B. Tangible fixed assets are stated at cost of acquisition or construction including attributable interest and finance cost, if any till the date of acquisition/installation of the assets, less accumulated depreciation/amortisation and accumulated impairment losses, if any.

C. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

D. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

Asset Category	Estimated useful life (in Years)
Vehicles	10
Computers & Laptops	3
Furnitures & Fixtures	10
Office Equipments	5

The residual values, useful lives and methods of depreciation of property plant equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

V. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Investment and Financial Assets

i. Initial recognition

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

iii. De-recognition of Financial Assets:

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

B. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii. Financial Liabilities

1. Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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2. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3. De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C. **Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

VI Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the finacial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

VII. Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case thoseare measured at lifetime ECL.The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

b. Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

i. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability wheneer events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

ii. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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VIII. Taxation

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss becauseof items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

ii. Deferred Tax

Deferred tax is recognized on temporary diferences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

IX. Inventories

All inventories are stated at lower of 'Cost or Net Realizable Value'.

A. 'Incomplete Projects' include cost of land for which the Company has not entered into sale agreements and in other cases where the revenue recognition is postponed. 'Incomplete Projects' also include initial project costs that relate to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure for the year in which they are incurred unless they are separately identifiable and it is probable that the respective project will be obtained.

B. Cost included in inventory include costs incurred upto the completion of the project viz. cost of land, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost.

X. Borrowings and Borrowing costs

Borrowing are initally recognised at Net off transation cost incurred and measured at amortised cost. Any difference between the proceeds (net of transation costs) and the redemption amount is recognised in statetment of profit and loss over ther period of the borrowings using the effective interest method.

Interests and other borrowing costs included under finance costs calculated as per effective interest rate attributable to qualifying assets, which takes substantial period of time to get ready for its intended use are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. 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 charged to the Profit and Loss Account.

XI. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

XII. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XIII. Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

XIV. Recent accounting pronouncements

Ind AS 116

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition,measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND AS 116 is expected to be insignificant.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 3. Property, plant and equipment

	Computers and Laptops	Furniture and Fixtures	Vehicles	Office Equipment	Total
Cost or deemed cost					
Balance at 1st April, 2017	4,26,116	9,26,340	24,90,855	10,59,760	**49,03,071**
Additions	-	-	11,41,040	-	**11,41,040**
Disposals	-	-	(10,00,122)	-	(10,00,122)
Balance at 31st March, 2018	4,26,116	9,26,340	26,31,773	10,59,760	**50,43,989**
Accumulated depreciation and impairment					
Balance at 1st April, 2017	4,26,116	9,26,340	23,92,260	10,59,760	**48,04,476**
Eliminated on disposal of assets	-	-	(9,59,042)	-	**(9,59,042)**
Depreciation expense	-	-	1,02,679	-	**1,02,679**
Balance at 31st March, 2018	4,26,116	9,26,340	15,35,897	10,59,760	**39,48,113**
Carrying amount as on 31st March, 2018	-	-	10,95,876	-	**10,95,876**

	Computers and Laptops	Furniture and Fixtures	Vehicles	Office Equipment	Total
Cost or deemed cost					
Balance at 1st April, 2018	4,26,116	9,26,340	26,31,773	10,59,760	**50,43,989**
Additions	-	-		-	-
Disposals/Discardment	4,26,116	9,26,340	-	10,59,760	**24,12,216**
Balance at 31st March, 2019	-	-	26,31,773	-	26,31,773
Accumulated depreciation and impairment					
Balance at 1st April, 2018	4,26,116	9,26,340	15,35,897	10,59,760	**39,48,113**
Eliminated on disposal/discarment of assets	4,26,116	9,26,340	-	10,59,760	**24,12,216**
Depreciation expense	-	-	1,37,004	-	**1,37,004**
Balance at 31st March, 2019	-	-	16,72,901	-	16,72,901
Carrying amount as on 31st March, 2019	-	-	9,58,872	-	9,58,872

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	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 4. Investments		
Non Current		
A) Capital Investment in Partnership Firms		
M/s Rising Glory Developers (Refer Footnote)	-	10,000
Total	-	**10,000**
B) Current Investments (At FVTPL) (Quoted)		
Investment In Mutual Fund - Daily Dividend Plan:		
(State Bank of India Mutual Fund : 26.419(P.Y.: 24.989) Units of ₹1675.03/- each)	44,506	41,857
Total	**44,506**	**41,857**

Footnote:

Details of Investments made in capital of Rising Glory Developers (partnership firm):

Name of Partners	31st March, 2019	31st March, 2018
	Profit Sharing Ratio	Profit Sharing Ratio
Hubtown Limited	25.00%	20.00%
Ackruti Safeguard System Private Limited (up to 31st July 2018)	-	5.34%
Citygold Education Research Limited	25.00%	5.34%
Citygold Farming Private Limited (up to 31st July 2018)	-	5.34%
Diviniti Projects Private Limited	25.00%	5.34%
Halitious Developers Limited (up to 31st July 2018)	-	5.34%
Headland Farming Private Limited (up to 31st July 2018)	-	5.33%
Heddle Knowledge Private Limited (up to 31st July 2018)	-	5.33%
Heet Builders Private Limited	25.00%	5.33%
Subhsiddhi Developers Pvt Ltd. (up to 31st July 2018)	-	5.33%
Sunstream City Private Limited (up to 31st July 2018)	-	10.66%
Upvan lake Resort Private Limited (up to 31st July 2018)	-	5.33%
Vega Developers Private Limited (up to 31st July 2018)	-	5.33%
Whitebud Developers Limited (up to 31st July 2018)	-	5.33%
Yantti Buildcon Private Limited (up to 31st July 2018)	-	5.33%
Total	**100%**	**100%**
Total Capital of the firm in ₹	**1,50,000**	**1,50,000**

Note 5. Current Tax Assets (Net)

Advance Tax paid	1,08,79,351	87,77,251
Less: Provision for Tax	-	-
Curent Tax Asset	**1,08,79,351**	**87,77,251**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 6. Inventories		
Inventories (lower of cost or net realisable value)		
- Incomplete projects, at cost (Refer Footnote to Note 19)	69,24,489	-
Total	**69,24,489**	-
Note 7. Trade Receivables		
Current		
Unsecured, considered good		
Other trade receivables	2,15,000	6,27,41,600
Related Party (Refer Note 28)	12,15,60,000	28,82,80,000
Total	**12,17,75,000**	**35,10,21,600**

Footnote :Trade Receivable includes ₹ 9,27,30,000 from a Director (Refer Footnote 28)

Note 8. Cash and cash equivalents		
Balances with banks:		
- in current accounts	3,42,902	3,47,085
Cash on hand	-	46,096
Total	**3,42,902**	**3,93,181**
Note 9. Other financial assets		
Current		
Security deposits	-	25,100
Business Advance to a related party (Refer Note 28)	13,57,75,466	-
Advances to others	5,00,01,500	5,00,61,437
Other receivables (Other than Trade Receivables):		
- Related Party (Refer Note 28)	6,69,463	13,54,463
- Others	7,56,060	7,67,860
	18,72,02,489	**5,22,08,860**
Note 10. Other assets		
Current		
Advances to land owners	-	5,00,000
Total	-	**5,00,000**

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	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 11. Equity share capital		
Authorised Share Capital:		
10,000 (P.Y.31st March, 2018 : 10,000) Equity Shares of ₹ 10/- each	1,00,000	1,00,000
9,99,000 (P.Y.31st March, 2018 : 9,99,000) 8% Non-Cumulative Convertible Preference Shares of ₹ 100/- each	9,99,00,000	9,99,00,000
Issued and subscribed capital comprises:		
10,000 (P.Y.31st March, 2018 : 10,000) Equity Shares of ₹ 10/- each fully paid up	1,00,000	1,00,000
	1,00,000	1,00,000

(i) Reconciliation of the number of Equity sbares outstanding at the beginning and at the end of the year.

	Number of shares	Share Capital (in ₹)
Balance at 1st April, 2017	10,000	1,00,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	10,000	1,00,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2019	**10,000**	**1,00,000**

(ii) Details of shares held by each shareholders holding more than 5% shares

	31st March, 2019		As at 31st March, 2018	
	No of shares held	% holding of this class of shares	No of shares held	% holding of this class of shares
Fully paid equity shares				
Hubtown Limited with Benificiary Owners	10,000	100%	10,000	100%

(iii) Terms/rights attached to each class of shares :

The company has a single class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 12. Other Equity		
Retained Earnings		
Balance at the beginning of the year	(10,04,24,540)	(9,91,42,699)
Prior Period Errors		-
Profit /(Loss) attributable to the owners of the company	(2,37,42,521)	(5,12,912)
Items of OCI recognised directly in retained earnings	15,980	(7,68,929)
Balance at the end of the year	**(12,41,51,081)**	**(10,04,24,540)**

Note 13. Provisions		
Non-current		
Employee Benefits		
Provision for Gratuity	6,21,248	4,30,302
Provision for leave benefit	81,609	9,516
Total	**7,02,857**	**4,39,818**
Current		
Employee Benefits		
Provision for Gratuity	2,49,101	4,24,210
Provision for leave benefit	4,34,188	1,53,691
Total	**6,83,289**	**5,77,901**

Note 14. Trade payables		
Current		
Due to micro and small enterprises (Refer Footnote)	-	-
Due to others	6,32,639	1,64,67,899
Total	6,32,639	**1,64,67,899**

Footnote:
As per information available with the company regarding dues to Micro, Small and Medium Enterprises as defined under the Micro Small Medium Enterprises Development, Act 2006 (MSMED Act), none of the suppliers of the company are registered under MSMED Act, and the same has been relied upon by the auditors.

Note 15. Other financial liabilities		
Current		
Current account balance in firms and joint ventures	-	12,591
Business Advances ((Refer Footnote) (Note 28)		
- From related parties	-	6,97,31,483
- Others	4,34,00,000	4,34,00,000
Other payables		
- Related Party (Refer note 28)	38,09,76,000	38,09,76,000
- Others	10,60,674	10,52,813
Total	**42,54,36,674**	**49,51,72,887**

Footnote:
The Company has received interest free advances from it's Parent Company, considering the nature of business in which the Company operate, the amounts so received are considered to be repayable on call / demand as the repayment period of such amounts so received is not measureable precisely.

Note 16. Other current liabilities		
Current		
Advance from customers	2,24,00,000	-
Other payables :		
- Employee Benefit Payable	65,103	65,103
- Statutory dues	16,34,308	11,42,362
Overdrawn bank balances as per books of accounts	6,23,820	5,07,195
Total	**2,47,23,231**	**17,14,660**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
Note 17. Revenue from operations		
Sale from operations :		
Sale of Plot	1,02,40,000	37,17,80,000
Less: Sales Return (Refer Footnote to Note 19)	4,63,40,000	-
Total	(3,61,00,000)	37,17,80,000
Other operating revenue :		
Advances written off recovered (Refer Note 36)	16,50,000	-
Total	(3,44,50,000)	37,17,80,000
Note 18. Other income		
Compensation / surrender of rights	-	10,00,00,000
Gain on Fair Valuation of Investment in Mutual Funds	2,650	1,537
Surplus on sale / discardment of fixed assets (Net)	-	1,83,136
Sundry creditors balance written back	1,31,58,722	6,30,000
Excess provision written back	13,031	15,101
Other Income	13,00,500	-
Total	**1,44,74,903**	**10,08,29,774**
Note 19. Changes In Inventories Of Land and Ancilliary costs		
Opening Inventory	-	30,43,15,902
Less:		
Purchase Return - Land		2,65,86,154
Expenses incurred on above land writton off	-	9,71,23,983
	-	18,06,05,765
Closing Inventory (Refer Footnote)	69,24,489	-
Total	**(69,24,489)**	**18,06,05,765**

Footnote: During the year Company has received sales return of Rs. 4,63,40,000/- and the cost of good sold of the same is Rs. 1,01,50,447/-. The part of inventory (plot) has been sold at Rs. 1,02,40,000/- and its cost of goods sold is amounting to Rs. 32,25,958/-.

	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
Note 20. Employee benefit expenses		
Salaries, bonus, etc.	76,35,506	68,30,206
Contribution to provident and other funds	2,03,034	4,05,234
Staff walfare Expenses	43,924	19,402
Total	**78,82,464**	**72,54,842**
Note 21. Finance Costs		
Delayed/penal interest on loans and statutory dues	10,50,593	1,68,573
Total	**10,50,593**	**1,68,573**
Note 22. Depreciation Expenses		
Depreciation of property, plant and equipment	1,37,004	1,02,679
Total	**1,37,004**	**1,02,679**
Note 23. Other Expenses		
Brokerage	10,03,200	-
Advances and other debit balances written off	25,609	18,43,90,690
Work in progess written off (Land expenses)	-	9,66,23,983
Security Expenses	-	1,03,202
Legal and professional fees	1,80,910	28,28,186
Other expenses (Refer Footnote)	4,32,657	10,43,186
Total	**16,42,376**	**28,49,89,247**

Footnote :

Auditors Remuneration (included in the other expenses)

Audit Fees	35,000	35,000
Total	35,000	35,000

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	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Note 24. Basic and Diluted Earning Per Share	**(2,374.25)**	**(51.29)**

Basic and Diluted EPS

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Profit for the year attributable to the owners of the Company (in ₹)	(2,37,42,521)	(5,12,912)
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	10,000	10,000

Note 25. Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument which fluctuate because of changes in market prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to company's debt obligations with floating interest rates.

- The Company has received interest free advances from its holding company and hence it is not exposed to interest rate risk

2) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The company is not exposed to credit risk from its operating activities or trade receivables since the agreement of sale of land is executed only on receipt of full consideration.

Credit risk from balances with banks and inter corporate loans is managed by the company's treasury department in accordance with the company's policy.

3) Liquidity risk

The operating cash flow requirements are met by interest free funding from shareholders.

Note 26. Capital Management

The primary objective of company's capital management is to ensure that it maintains strong capital ratios in order to support its business and maximise shareholders value. The company's board of directors reviews the capital structure on an annual basis.

Note 27. Fair Value Measurements (₹)

	31st March, 2019		31st March, 2018	
	FVPL & FVOCI	**Amortised Cost**	**FVPL & FVOCI**	**Amortised Cost**
Financial Assets				
Investment	44,506	-	41,857	10,000
Other financial assets	-	18,72,02,489	-	5,22,08,860
Trade Receivables	-	12,17,75,000	-	35,10,21,600
Loans	-	-	-	-
Cash and cash equivalent	-	3,42,902	-	3,93,181
Total	**44,506**	**30,93,20,391**	**41,857**	**40,36,33,641**
Financial Liabilities				
Trade payables	-	6,32,639	-	1,64,67,899
Other Financial liabilities	-	42,54,36,674	-	49,51,72,887
Total	**-**	**42,60,69,313**	**-**	**51,16,40,786**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 28. RELATED PARTY DISCLOSURES

A. Name of the related parties and related parties relationship

I	**Holding Company**	Hubtown Limited
II	**Fellow Subsidiary**	Citygold Farming Private Limited Citygold Education Research Ltd Headland Farming Private Limited
III	**Firm in which Company is a partner (up to 31st July,2018)**	M/s Rising Glory Developers
IV	**Key Management personnel and their relatives**	Mr. Khilen V Shah Mrs. Meha Rushank Shah Mrs. Pratiti K. Shah Mrs. Rushank Shah

Footnote:
Related party relationships are identified by the Company and relied upon by the Auditors

B. Transaction with Related Parties -

(in ₹)

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiary	Firm in which Company is a partner	Key Management personnel, their relatives and enterprises
i	**Business advances taken/ recovered / adjusted**				
	Hubtown Limited	71,10,000	-	-	-
		(23,27,89,111)	(-)	(-)	(-)
	Citygold Education Research Ltd	-	89,00,000	-	-
		(-)	(-)	(-)	(-)
ii	**Business Advance given/repaid/adjusted**				
	Hubtown Limited	20,45,25,000	-	-	-
		(32,62,30,400)	(-)	(-)	(-)
iii	**On behalf payments made/ received (including reimbursment of expenses)**				
	Hubtown Limited	8,08,051	-	-	-
		(-)	(-)	(-)	(-)
	Citygold Education Research Ltd	-	4,35,000	-	-
		(-)	(5,17,685)	(-)	(-)
	Citygold Farming Private Limited	-	2,50,000	-	-
		(-)	(18,74,778)	(-)	(-)
	Headland Farming Private Limited	-	-	-	-
		(-)	(2,500)	(-)	(-)
iv	**Compensation / surrender of Rights / received**				
	Citygold Education Research Limited	-	-	-	-
		(-)	(10,00,00,000)	(-)	(-)
v	**Loan taken**				
	Akruti Safeguard Systems Private Limited	-	-	-	-
		(-)	(-)	(-)	(-)
vi	**Share of loss from partnership firm**				
	Rising Glory Developers (up to 31st July,2018)	-	-	20,524	-
		(-)	(-)	(-1580)	(-)
vii	**Sale of plot**				
	Mr. Khilen V Shah	-	-	-	-
		(-)	(-)	(-)	(17,60,30,000)
	Mrs. Meha Rushank Shah	-	-	-	-
		(-)	(-)	(-)	(1,83,50,000)
	Mrs. Pratiti K. Shah	-	-	-	-
		(-)	(-)	(-)	(2,32,00,000)

C.	Balance outstanding	As at 31st March, 2019	As at 31st March, 2018
i	**Balance Payables**		
	Hubtown Limited	-	6,97,31,483
	M/s Rising Glory Developers	-	12,591
	Akruti Safeguard Systems Private Limited	14,00,000	14,00,000
	Rubix Trading Private Limited	37,95,76,000	37,95,76,000
ii	**Balance Receivables**		
	Headland Farming Private Limited	2,500	2,500
	Citygold Farming Private Limited	5,84,278	8,34,278
	Citygold Education Research Ltd	89,82,685	10,05,17,685
	Mr. Khilen V Shah	9,27,30,000	15,35,30,000
	Mrs. Meha Rushank Shah	-	1,28,50,000
	Mrs. Pratiti K. Shah	2,19,00,000	2,19,00,000
	Mr. Rushank V Shah	69,30,000	-
	Hubtown Limited	12,68,75,466	-
	M/s Rising Glory Developers	20,524	-

Footnotes:
Previous year figures are given in brackets.

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Note 29. Post Retirement Benefit Plans	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
The Prinicipal assumptions used for the purpose of the acturial valuations were as follows,		
Gratuity:		
Discount Rate	7.64%	7.67%
Expected rate of salary increase	5%	5%
Expected average remaining service	8.98	9.52
Service cost		
Current service cost	1,27,253	76,670
Past service cost and (gain)/loss from settlement	-	-
Net interest expense	59,595	1,189
Component of define benefit cost recognised in profit or loss	**1,86,848**	**77,859**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	3,035	-
Acturial (gains) / losses for the period	(19,015)	7,68,929
Acturial (gains) / losses arising from experience adjustments	-	-
Adjustment for restriction on the defined benefit asset	-	-
Component of defined benefit cost recognised in other comprehensive income	**(15,980)**	**7,68,929**
Total	1,70,868	8,46,788
Present value of funded defined benefit obligation	17,19,730	15,12,947
Fair value of plan assets	8,49,381	6,58,435
Funded status	**(8,70,349)**	**(8,54,512)**
Movement in PV of defined benefit obligation		
Opening define benefit obligation	15,12,947	6,29,034
Current service cost	1,27,253	76,670
Interest cost	98,545	38,314
Actuarial (gains) and losses on obligation	(19,015)	7,68,929
closing define benefit obligation	**17,19,730**	**15,12,947**
Movements in fair value of plan asstes		
Opening fair value of plan assets	6,58,435	6,13,065
Interest income	38,950	37,125
Return on plan asstes (excluding amounts included in net interest expense)	(3,035)	8,245
Contribution from employer	1,55,031	-
clsoing fair value of plan assets	**8,49,381**	**6,58,435**
Asset Information:	**Total Amount**	**Total Amount**
Gratuity Fund	-	-
Expected Payout:	**PVO Payout**	
Expected Outgo First Year	8,80,015	
Expected Outgo Second Year	12,180	
Expected Outgo Third Year	13,006	
Expected Outgo Fourth Year	13,897	
Expected Outgo Fifth Year	14,859	
Expected Outgo Sixth to Tenth Years	91,076	

Sensitivity Analysis:

As of 31st March, 2019, every percentage point increase in discount rate will affect our gratuity benefit obligation Rs.14,27,293.

As of 31st March, 2019, every percentage point decrease in discount rate will affect our gratuity benefit obligation Rs.15,65,224.

As of 31st March, 2019, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation Rs. 15,65,736.

As of 31st March, 2019, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation Rs. 14,25,823.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Projected service cost as on 31st March, 2020 is Rs. 1,34,344.

Narrations:

1 **Analysis of Defined Benefit Obligation**

The number of members under the scheme have remained same. The total salary has increased by 2.73% during the accounting period. The resultant liability at the end of the period over the beginning of the period has increased by 16.09%

2 **Expected rate of return basis:**

EROA is the discount rate as at previous valuation date as per the accounting standard

3 **Description of Plan Assets and Reimbursement Conditions**

100% of the Plan Asset is entrusted to LIC of India under their Group Gratuity Scheme. The reimbursement is subject to Insurer's Surrender Policy.

MEMBERSHIP No. 30917

HEDDLE KNOWLEDGE PRIVATE LTD

Note 30.

a. The company has obtained permission for purchase of Agricultural lands admeasuring 442.15 hectors in the District Raigad as per villages referred in the order dated 12th March 2008 and the details of land shown in the annexure to said order from Directorate of Industries, Maharashtra State, for setting up Industrial Estate, Flatted Building, readymade build space, plots custom Built Campuses for IT & ITES services sector.

b, Further same is subject to permission from town planning department and Agricultural Land Ceiling Act and the provisions of section 36 and 36 A of Maharashtra Land Revenue Code 1966 and of the Maharashtra Restoration of Lands to scheduled Tribe Act 1974 and permission and approval from other Government bodies.

Note 31. Advance paid for purchase of land.

Particulars	As at 31st March, 2019 (Amount in ₹)	As at 31st March, 2018 (Amount in ₹)
Advance paid to farmers for which no agreement have been entered	-	5,00,000

Note 32.

The accumulated losses of the Company have resulted in complete erosion of the net worth of the Company. The Company's management is, however, of the view that the said erosion is temporary in nature as the Company has made strategic investments in certain assets / projects, the proceeds of which would when fructified, would result in turnaround of the Company. The Company to that extent does not consider the erosion of the net worth as an impediment to its status as a going concern.

Note 33. Contingent Liability

There is no contingent liability towards Income Tax, GST, MVAT/Sales Tax, Service Tax and Profession Tax.

Note 34.

In the opinion of the board of Directors of the Company, all the items of current assets, current liabilities & loans and advances continue to have a realisable value of atleast the amount at which they are stated in the balance sheet.

Note 35.

The Company has vide meeting of Board of Directors dated 09/02/2019 accorded consent to Amalgamation along with other six transferor company (Fellow Subsidiary) into Citygold Education Research Limited the transferee company. Further Draft Scheme of Amalgamation was placed before the Board and approved in the said meeting. The Directors / signatories of the company are authorized to take all necessary steps to initiate the amalgamation.

Note 36.

The Company has initated the legal proceedings against land aggregators/farmers which has been written off in earlier years. However during the year the Company has received /recoverd certain amount.

Note 37.

Previous year's figures have been regrouped / recast wherever necessary.

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

L. J. KOTHARI & CO. MEMBERSHIP No. 30917 CHARTERED ACCOUNTANTS

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 26th July, 2019

For and on behalf of the Board of Directors

HEDDLE KNOWLEDGE PRIVATE LTD.

KHILEN SHAH
Director
DIN: 03134932

RAJEEVAN PARAMBAN
Director
DIN: 03134932
Date: 26th July, 2019