L. J. KOTHARI
B.Com., F.C.A.

L. J. KOTHARI & CO.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of CITYGOLD EDUCATION RESEARCH LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of CITGOLD EDUCATION RESEARCH LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2021, 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 ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters which require to be separately communicated in our report;

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and 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 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has

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no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 control 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 with reference to standalone financial statements 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 in the standalone financial statements made by the Management and Board of Directors.

• Conclude on the appropriateness of the Management and Board of Directors 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 standalone 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.

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• Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

1. As required by Section 143(3) of the Act, based on our audit we report that:

   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.

   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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is

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disqualified as on 31st March, 2021 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 A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended 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 as at March 31, 2021 on its financial position in its standalone financial statements;

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

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

2. 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 B**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

For L. J. Kothari & Co.
Chartered Accountants
Firm Registration Number 105313w

Lalit Kothari
Partner
Membership No. 30917
UDIN:
Place: Mumbai
Date:

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

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Citygold Education Research Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2021 in conjunction with our audit of the standalone statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company Ind AS financial 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 Financial Controls of Internal Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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

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operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls

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system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting 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 L. J. Kothari & Co.
Chartered Accountants
Firm Registration Number 105313w

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

Lalit Kothari
Partner
Membership No. 30917

UDIN:

Place: Mumbai
Date:

"Annexure B" to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2021, we report the following:

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

b. The Company has a regular Programme of physical verification of its investment in properties by the management. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified its properties and we are informed that no material discrepancies were noticed on such verification and the same have been dealt with in the books of accounts;

c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

ii The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

ii According to the information and explanations given to us, the Company has not made investments in, granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments made.

v The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company

vi We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

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vi a. According to the information and explanations given to us and the records of the company examined by us, in our opinion except for the dues in respect of other statutory dues to the appropriate authorities ,the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. Property taxes amounting to Rs. 6,14,663 and stamp duty charges amounting to Rs.2,45,456 continued to be outstanding as at the last day of the financial year for periods 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 and Service Tax or Cess other than mentioned below:

Name of the statute	Nature of dues and Section	Financial Year to which the amount relates	Amount (Rs)	Forum where the dispute is pending
Income Tax Act,1961	Income Tax; Section 143 (3)	2009-10	10,17,08,240	High Court (Preferred by Department)
Income Tax Act,1961	Income Tax; Section 154	2012-13	97,070	Commissioner of Income Tax (Appeals)

vi The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company

ix The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi According to the information and explanations given 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.

xi 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.

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Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

xi 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 applicable accounting standards.

xi According to the information and explanations given 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.

x According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

x 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.

For L. J. Kothari & Co.
Chartered Accountants
Firm Registration Number 105313w

Lalit Kothari
Partner
Membership No. 30917

UDIN:

Place: Mumbai
Date:

CITYGOLD EDUCATION RESEARCH LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
I ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	3	6,84,486	8,21,490
(b) Financial assets			
(i) Investments	4	37,500	37,500
(ii) Other financial assets	5	1,90,300	1,90,300
(c) Current tax assets (Net)	6	-	76,13,506
Total Non-Current assets		**9,12,286**	**86,62,796**
2. Current assets			
(a) Inventories	7	16,43,26,383	20,03,69,298
(b) Financial assets			
(i) Investments	4	46,503	46,503
(ii) Trade Receivables	8	1,07,00,372	9,81,872
(iii) Cash and cash equivalents	9	18,86,865	15,46,322
(iv) Loans	10	95,67,99,313	91,31,99,313
(v) Other financial assets	5	5,01,84,779	5,02,00,098
(c) Other current assets	11	6,90,080	14,67,516
Total Current Assets		**1,18,46,34,295**	**1,16,78,10,922**
TOTAL ASSETS		**1,18,55,46,581**	**1,17,64,73,718**
II EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	12	2,32,14,820	2,32,14,820
(b) Other equity	13	(23,40,31,783)	(17,36,48,209)
Total Equity		**(21,08,16,963)**	**(15,04,33,389)**
2. Liabilities			
(i) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	35,84,876	32,59,004
(ii) Provisions	16	1,37,178	94,567
Total Non-Current Liabilities		**37,22,054**	**33,53,571**
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	64,649	64,649
(ii) Trade payables	17	1,06,96,574	78,57,839
(iii) Other financial liabilities	15	1,35,65,09,580	1,23,45,50,561
(b) Other current liabilities	18	2,32,19,239	8,07,96,995
(c) Provisions	16	16,62,890	2,83,492
(d) Current tax Liabilities (Net)	19	4,88,558	-
Total Current Liabilities		**1,39,26,41,490**	**1,32,35,53,536**
Total Liabilities		**1,39,63,63,544**	**1,32,69,07,107**
TOTAL EQUITY AND LIABILITIES		**1,18,55,46,581**	**1,17,64,73,718**

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

UDIN: 21030917AAAAFG7657
Mumbai
Date: 18th June, 2021

CITYGOLD EDUCATION RESEARCH LTD.

SHRENIK MEHTA
Director
DIN: 03137231

JASMIN RATHOD
Director
DIN: 03147669

CITYGOLD EDUCATION RESEARCH LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Particulars	Note No.	Year ended 31st March, 2021 ₹	Year ended 31st March, 2020 ₹
I	**Income**			
	Revenue from Operations	20	8,55,24,240	26,72,71,478
	Other Income	21	76,362	1,18,47,238
	Share of Profit / (Loss) of Joint Venture and Firm		(53,369)	1,96,898
	Total Income		**8,55,47,233**	**27,93,15,614**
II	**Expenses**			
	Changes in Inventories of Land and ancilliary costs	22	3,60,42,915	13,37,98,467
	Employee Benefits Expense	23	33,32,976	74,88,337
	Finance Costs	24	4,64,000	10,59,597
	Depreciation of property plant and equipment	25	1,37,004	1,37,380
	Other Expenses	26	9,70,24,634	4,99,14,642
	Total Expenses		**13,70,01,529**	**19,23,98,423**
III	**Profit / (Loss) before Tax**		**(5,14,54,296)**	**8,69,17,192**
	Tax Expense			
	(1) Current Tax		(81,02,064)	(46,93,416)
	(2) Excess / (Short) provision for taxation in respect of earlier years		-	(23,940)
IV	**Profit / (Loss) for the Year**		**(5,95,56,360)**	**8,21,99,836**
V	**Other Comprehensive Income**			
	Remeseaurement of the net defined benefit liabiliy/ asset		(8,27,214)	8,39,569
VI	**Total comprehensive income for the Year**		**(6,03,83,574)**	**8,30,39,405**
VII	**Earning per equity share of nominal value of ₹ 10/- each (in ₹)**			
	Basic	27	(1,191)	1,644
	Diluted		(1,191)	1,644

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

UDIN: 21030917AAAAFG7657
Mumbai
Date: 18th June, 2021

For and on behalf of the Board of Directors

CITYGOLD EDUCATION RESEARCH LTD.

SHRENIK MEHTA
Director
DIN: 03137231

JASMIN RATHOD
Director
DIN: 03147669

CITYGOLD EDUCATION RESEARCH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	**(5,14,54,296)**	**8,69,17,192**
Adjustments for:		
Depreciation/Amortisation/Impairment of Property, Plant and Equipments and Intangible Assets	1,37,004	1,37,380
Interest Expenses	1,38,128	7,63,349
Remeseaurement of the net defined benefit liabiliy/ asset	(8,27,214)	8,39,569
Share of Profit/ loss of firm and joint venture	(53,369)	1,96,898
Gain on fair valuation of Investment in Mutual Funds	-	1,996
Provision for Doubtful Receivables/Advances/Sundry balances written off	-	1,99,32,547
Provision/Advances/Sundry Balances written back	(65,31,040)	(1,77,78,902)
Operating Profit/(Loss) before changes in working capital	**(5,85,90,787)**	**9,10,10,029**
Adjustment for (Increase)/Decrease in Operating Assets		
Adjustments for decrease (increase) in inventories	3,60,42,915	15,14,81,396
Adjustments for decrease (increase) in trade receivables, current	(97,18,500)	36,71,30,707
Adjustments for decrease (increase) in other current assets	7,77,436	3,97,948
Adjustments for other financial assets, current	15,319	57,00,58,670
Adjustment for Increase/(Decrease) in Operating Liabilities		
Adjustments for increase (decrease) in trade payables, current	28,38,735	(65,41,875)
Adjustments for increase (decrease) in other current liabilities	(5,75,77,756)	(2,07,94,929)
Adjustments for provisions, current	13,79,398	(3,99,797)
Adjustments for provisions, non-current	42,611	(6,08,290)
Adjustments for other financial liabilities, current	12,20,33,819	(25,29,16,134)
Adjustments for other financial liabilities, non-current	3,25,872	2,96,248
Cash flow from operations after changes in working capital	**3,75,69,062**	**89,91,13,973**
Net Direct Taxes (Paid)/Refunded	-	39,46,875
Net Cash Flow from/(used in) Operating Activities	**3,75,69,062**	**90,30,60,847**
[B] CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sales of other long-term assets	-	88,817
Loans given to Subsidiaries / Holding /Joint venture	(3,71,43,760)	(90,34,38,392)
(Increase)/ Decrease in investments	53,369	(2,00,890)
Net Cash Flow from/(used in) Investing Activities	**(3,70,90,391)**	**(90,35,50,465)**
[C] CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(1,38,128)	(7,63,349)
Net Cash Flow from/(used in) Financing Activities	**(1,38,128)**	**(7,63,349)**
Net Increase/ (Decrease) in Cash and Cash Equivalents	**3,40,542**	**(12,52,966)**
Cash & Cash Equivalents at beginning of period (see Note 1)	**15,46,322**	**27,99,289**
Cash and Cash Equivalents at end of period (see Note 1)	**18,86,865**	**15,46,322**

Notes:

1 Cash and Cash equivalents comprise of:		
Cash on Hand	3,79,971	21,130
Balance with Banks	15,06,894	15,25,193
Cash and Cash equivalents as restated	**18,86,865**	**15,46,322**

2 Figures of the previous year have been regrouped / reclassified wherever necessary.

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

LALIT KOTHARI
Proprietor
Membership No. 30917

UDIN: 21030917AAAAFG7657
Mumbai
Date: 18th June, 2021

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

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

CITYGOLD EDUCATION RESEARCH LTD

JASMIN RATHOD
Director
DIN: 03147669

CITYGOLD EDUCATION RESEARCH LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2021

(in ₹)

	Note	Amount
A. EQUITY SHARE CAPITAL	12	
As at 1st April, 2019		2,32,14,820
Changes in equity share capital		-
As at 1st April, 2020		**2,32,14,820**
Changes in equity share capital		-
As at 31st March, 2021		**2,32,14,820**

B. OTHER EQUITY AND CONVERTIBLE INSTRUMENTS

	Reserves and Surplus				Total
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2019	**71,54,25,000**	**2,81,29,900**	**14,50,00,000**	**(1,14,52,42,513)**	**74,35,54,900**
Profit / (Loss) for the year	-	-	-	8,21,99,835	**8,21,99,835**
Other Comprehensive Income for the year	-	-	-	8,39,569	**8,39,569**
Total Comprehensive Income for the year	-	-	-	8,30,39,404	**8,30,39,404**
Balance at 31st March, 2020	**71,54,25,000**	**2,81,29,900**	**14,50,00,000**	**(1,06,22,03,109)**	**(17,36,48,209)**
Balance at 1st April, 2020	**71,54,25,000**	**2,81,29,900**	**14,50,00,000**	**(1,06,22,03,109)**	**(17,36,48,209)**
Profit / (Loss) for the year	-	-	-	(5,95,56,360)	**(5,95,56,360)**
Other Comprehensive Income for the year	-	-	-	(8,27,214)	**(8,27,214)**
Total Comprehensive Income for the year	-	-	-	(6,03,83,574)	(6,03,83,574)
Balance at 31st March, 2021	**71,54,25,000**	**2,81,29,900**	**14,50,00,000**	**(1,12,25,86,683)**	**(23,40,31,783)**

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

LALIT KOTHARI
Proprietor
Membership No. 30917

UDIN: 21030917AAAAFG7657
Mumbai
Date: 18th June, 2021

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

JASMIN RATHOD
Director
DIN: 03147669

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 18th June, 2021.

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.

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

CITYGOLD EDUCATION RESEARCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

CITYGOLD EDUCATION RESEARCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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.

MEMBERSHIP NO. 30917

CITYGOLD EDUCATION RESEARCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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, 2021

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.

CITYGOLD EDUCATION RESEARCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note 3. Property, plant and equipment

	Computers and Laptops	Furniture and Fixtures	Vehicles	Office Equipment	Plant & Machinery	Pump	Total
Cost or deemed cost							
Balance at 1st April, 2019	-	3,98,213	26,31,773	53,029	1,57,044	1,86,810	**34,26,869**
Additions	-						-
Disposals	-	3,98,213	13,81,735	53,029	1,57,044	1,86,810	**21,76,831**
Balance at 31st March, 2020	-	-	12,50,038	-	-	-	**12,50,038**
Accumulated depreciation and impairment							
Balance at 1st April, 2019	-	3,66,648	16,72,901	49,941	1,42,428	1,47,264	**23,79,182**
Eliminated on disposal of assets	-	3,66,648	13,81,735	49,941	1,42,428	1,47,264	**20,88,016**
Depreciation expense	-	-	1,37,380	-			**1,37,380**
Balance at 31st March, 2020	-	-	4,28,546	-	-	-	**4,28,546**
Carrying amount as on 31st March, 2020	-	-	8,21,492	-	-	-	**8,21,492**

	Computers and Laptops	Furniture and Fixtures	Vehicles	Office Equipment	Plant & Machinery	Plant & Machinery	Total
Cost or deemed cost							
Balance at 1st April, 2020		-	12,50,038	-	-	-	**12,50,038**
Additions							-
Disposals/Discardment		-	-	-	-	-	-
Balance at 31st March, 2021	-	-	12,50,038	-			12,50,038
Accumulated depreciation and impairment							
Balance at 1st April, 2020		-	4,28,546	-	-	-	**4,28,546**
Eliminated on disposal/discarment of assets		-	-	-	-	-	-
Depreciation expense	-	-	1,37,004	-			**1,37,004**
Balance at 31st March, 2021	-	-	5,65,550	-	-	-	5,65,550
Carrying amount as on 31st March, 2021	-	-	**6,84,486**	-	-	-	**6,84,486**

CITYGOLD EDUCATION RESEARCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Note 4. Investments		
Non Current		
A) Capital Investment in Partnership Firms and Joint Ventures (At cost)		
M/s Rising Glory Developers (Refer footnote & Note 28)	37,500	37,500
Total	**37,500**	**37,500**
B) Current Investments (At FVTPL) (Quoted)		
Investment In Mutual Fund - Daily Dividend Plan:		
(State Bank of India Mutual Fund : 27.752 (P.Y.: 26.419) Units of ₹1675.03/- each)	46,503	46,503
Total Non Current Investments (A+B)	**46,503**	**46,503**

Footnotes:

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

Name of Partners	31st March, 2021 Profit Sharing Ratio	31st March, 2020 Profit Sharing Ratio
Hubtown Limited	25.00%	25.00%
Citygold Education Research Limited	25.00%	25.00%
Diviniti Projects Private Limited	25.00%	25.00%
Heet Builders Private Limited	25.00%	25.00%
Total	**100%**	**100%**
Total Capital of the firm in ₹	**1,50,000**	**1,50,000**

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

CITYGOLD EDUCATION RESEARCH LTD.

CITYGOLD EDUCATION RESEARCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Note 5. Other financial assets		
Non-current		
Petrol deposits	10,000	10,000
Deposit General	70,300	70,300
Deposit with Municipal Authority	1,10,000	1,10,000
Total	**1,90,300**	**1,90,300**
Current		
Business Advance to a related party		
Advances recoverable from others	5,00,41,250	5,00,03,200
- Doubtful [Refer footnotes - (i)and (ii)]	1,80,00,000	1,80,00,000
Less: Provision for doubtful receivables	(1,80,00,000)	(1,80,00,000)
Other Receivables:		
Other party	18,78,468	18,78,468
Less: Provision for doubtful receivables	(18,78,468)	(18,78,468)
Current account balance in firms and joint ventures	1,43,529	1,96,898
Total	**5,01,84,779**	**5,02,00,098**

Footnotes :

(i) Advances recoverable include an amount of Rs.1,80,00,000/- paid towards advance against purchase of land . However, the management is of the view that it shall be able to revive and when there is recovery in general market conditions in the real estate sector.

(ii) Advances recover the same as include an amount of Rs.18,78,468/- society members . However, the management is of the view that it shall be able to revive and discuss with society members.

Note 6. Current tax assets (Net)		
Advance Tax paid	-	1,29,66,867
Less: Provision for tax	-	(53,53,361)
Total	-	**76,13,506**
Income Tax expense		
(a) Income Tax expense		
Current Tax		46,93,416
Tax in respect of earlier years		23,940
	-	**47,17,356**
Deferred Tax expense /(Credit)	-	-
Income Tax expense / (credit)	-	**47,17,356**
(b) Reconciliation of tax expense and the accounting profit multiplied by the Company's tax rate		
Profit /(Loss) for the Year		**8,69,17,191**
Applicable Rate of Tax		0.25
Income tax expense calculated at 25.168% (P.Y. : Nil%)		2,18,75,319
Effect of expenses that are not deductible in determining taxable profit		3,86,77,617
Effect of expenses that are deductible in determining taxable profit due to timing difference		(1,82,260)
Effect of income that is exempt from taxation		(49,555)
Adjustments for current tax of prior periods		23,940
Effect of expenses that are deductible in determining taxable profit		(4,10,38,974)
Effect of Brought Forward Business Loss adjusted		(1,45,88,731)
Income tax expense	-	**47,17,356**
Note 7. Inventories		
Land and ancilliary costs	16,43,26,383	20,03,69,298
Total	**16,43,26,383**	**20,03,69,298**
Note 8. Trade Receivables		
Current		
Unsecured, considered good		
Related Party (Refer Note 28)	97,18,500	-
Other parties	9,81,872	9,81,872
Total	**1,07,00,372**	**9,81,872**
Note 9. Cash and cash equivalents		
Balances with banks:		
- in current accounts	15,06,894	15,25,193
Cash on hand	3,79,971	21,130
Total	**18,86,865**	**15,46,322**
Note 10. Loans		
Loans to subsidary of holding company	48,51,21,137	57,51,21,136.99
Loans to firms and joint ventures	47,16,78,176	33,80,78,175.93
Total	**95,67,99,313**	**91,31,99,313**
Note 11. Other assets		
Current		
Other Advances		
- Others	6,90,080	14,67,516
Total	**6,90,080**	**14,67,516**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Note 12. Equity share capital		
Authorised Share Capital:		
4,80,000 (P.Y. 31st March, 2020 : 4,80,000) Equity Shares of ₹ 10/- each	48,00,000	48,00,000
8% Non Cumulative Convertible Preference Shares	32,22,50,000	32,22,50,000
10% Non Cumulative Non -Convertible Redeemable Preference Shares of Rs.100/- each	1,12,50,000	1,12,50,000
3,28,700 Preference Shares of ₹ 100/- each	3,28,70,000	3,28,70,000
50,000 10% Non Cumulative Redeemable Preference Shares of Rs.10/- each	5,00,000	5,00,000
Total	37,16,70,000	37,16,70,000
Issued and subscribed capital comprises:		
Equity Shares	6,64,820	6,64,820
8% Non Cumulative Convertible Preference Shares	2,25,50,000	2,25,50,000
Total	2,32,14,820	2,32,14,820

Footnotes:

	Number of shares	Number of shares (in ₹)
(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year.		
Balance at 1st April, 2019	50,000	5,00,000
Add : Issued during the year (Refer note 36)	16,482	1,64,820
Less : Bought back during the year	-	-
Balance at 31st March, 2020	66,482	6,64,820
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2021	66,482	6,64,820
(ii) Reconciliation of the number of Preference shares outstanding at the beginning and the end of the year		
Balance at 1st April, 2019	2,25,500	22,55,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2020	2,25,500	22,55,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2021	2,25,500	22,55,000

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

	As at 31st March, 2021		As at 31st March, 2020	
	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	66,482	100%	66,482	100%
Convertible Preference Shares				
Alken Management and Financial Services Private Limited	20,900	9.27%	20,900	9.27%
Harekrishna Securities Private Limited	20,900	9.27%	20,900	9.27%
Empower India Limited	41,700	18.49%	41,700	18.49%
Signora Finance Private Limited	16,700	7.41%	16,700	7.41%
Lilac Medicines Private Limited	20,900	9.27%	20,900	9.27%
Sonal Cosmetic (Exports) Limited	20,900	9.27%	20,900	9.27%
Prabhav Industries Limited	41,700	18.49%	41,700	18.49%
Sonal Sil Chem Limited	12,500	5.54%	12,500	5.54%
Sonal International Limited	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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Note 13. Other Equity		
Reserves and Surplus:(other equity)		
Securities premium		
Balance at the beginning of the year	71,54,25,000	71,54,25,000
Add/(Less): Transferred during the year	-	-
Balance at the end of the year	**71,54,25,000**	**71,54,25,000**
General Reserve		
Balance at the beginning of the year	14,50,00,000	14,50,00,000
Add/(Less): Transferred during the year	-	-
Balance at the end of the year	**14,50,00,000**	**14,50,00,000**
Capital Reserve		
Balance at the beginning of the year	2,81,29,900	2,81,29,900
Add/(Less): Transferred during the year	-	-
Balance at the end of the year	**2,81,29,900**	**2,81,29,900**
Retained Earnings		
Balance at the beginning of the year	(1,06,22,03,109)	(1,14,52,42,513)
Profit /(Loss) attributable to the owners of the company	(5,95,56,360)	8,21,99,835
Items of OCI recognised directly in retained earnings	(8,27,214)	8,39,569
Balance at the end of the year	**(1,12,25,86,683)**	**(1,06,22,03,109)**
Total	**(23,40,31,783)**	**(17,36,48,209)**
Note 14. Borrowings		
Non-current		
Liability component of preference shares (At amortised cost) 1,12,500 (P.Y.31st March, 2020 : 1,12,500) 10% Non Cumulative Non -Convertible Redeemable Preference Shares of ₹ 100/- each fully paid up	35,84,596	32,58,724
Liability component of preference shares (At amortised cost) 28 (P.Y.31st March, 2020 : 28) 10% Non Cumulative Non -Convertible Redeemable Preference Shares of ₹ 10/- each fully paid up	280	280
Total	**35,84,876**	**32,59,004**

Terms of 10% Non-Cumulative Redeemable Preference Shares.

10% Non-Cumulative Redeemable Preference Shares for Rs. 10/- each. The said preference shares will be redeemed at par at the end of 10 years from the date of allotment or before at the option of the Company in one or more tranches. The Preference shares will be qualified for preferential payment of dividend. As per the second proviso to Section 47(2) of the Companies Act, 2013 where the dividend in respect of a class of preference shares has not been paid for a period of two years or more such class of preference shareholders have a right to vote on all the resolutions placed before the meeting.

(i) Reconciliation 10% Non Cumulative Non -Convertible Redeemable Preference Shares of ₹ 100/- each fully paid up outstanding at the beginning and the end of reporting year

	Number of shares	Number of shares
Balance at 1st April, 2019	1,12,500	1,12,50,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2020	1,12,500	1,12,50,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2021	**1,12,500**	**1,12,50,000**

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	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹

(ii) Reconciliation 10% Non Cumulative Non -Convertible Redeemable Preference Shares of ₹ 10/- each fully paid up outstanding at the beginning and the end of reporting year

Balance at 1st April, 2019	-	-
Add : Issued during the year (Refer note 36)	28	2,800
Less : Bought back during the year	-	-
Balance at 31st March, 2020	28	2,800
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2021	**28**	**2,800**

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

10% Non Cumulative Non -Convertible Redeemable Preference Shares of ₹ 100/- each		
Celestial Spaces Private Limited	100%	100%
10% Non Cumulative Non -Convertible Redeemable Preference Shares of ₹ 10/- each		
Hubtown Limited with Beneficiary Owners	46%	46%

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.

Current

Loans from copmanies	64,649	64,649
Total	**64,649**	**64,649**

Note 15. Other financial liabilities

Current

Business Advance from Other parties	64,34,00,000	64,34,00,000
Payables: Related parties (Refer Note 28)	70,56,70,689	58,50,53,800
Other Payables	74,38,891	60,96,761
Total	**1,35,65,09,580**	**1,23,45,50,561**

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. Provisions

Non-current

Employee Benefits		
Provision for Gratuity	-	-
Provision for leave benefit	1,37,178	94,567
Total	**1,37,178**	**94,567**

Current

Employee Benefits		
Provision for Gratuity	11,42,049	2,31,619
Provision for leave benefit	5,20,841	51,873
Total	**16,62,890**	**2,83,492**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Note 17. Trade payables		
Due to micro and small enterprises	-	-
Due to others	1,06,96,574	78,57,839
Total	**1,06,96,574**	**78,57,839**

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 18. Other liabilities		
Current		
Advance from customers :		
- Others	2,24,00,000	2,24,00,000
Overdrawn balance as per books of accounts	2,19,477	6,81,331
Other payables :		
- Statutory dues	5,34,659	4,57,602
- Employee Benefit Payable	65,103	22,58,062
- Others	-	5,50,00,000
Total	**2,32,19,239**	**8,07,96,995**

Note 19. Current Tax liability		
Provision for Tax	1,29,66,867	-
Less: Advance Tax Paid	(1,34,55,425)	-
Total	**(4,88,558)**	**-**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	Year ended 31st March, 2021 ₹	Year ended 31st March, 2020 ₹
Note 20. Revenue from operations		
Sale from operations :		
Sale of Plot	24,08,83,500	85,81,30,441
Less: Sharing of land revenue	(16,18,15,500)	(60,06,91,309)
	7,90,68,000	**25,74,39,132**
Other operating revenue:		
Advances written off recovered	64,56,240	98,15,000
SVLDRS (Service Tax) Benefit	-	17,346
	64,56,240	**98,32,346**
Total	**8,55,24,240**	**26,72,71,478**
Note 21. Other income		
Interest on Income tax Refund	-	38,81,340
Gain on Fair Valuation of Investment in Mutual Funds	-	1,996
Surplus on sale / discardment of fixed assets (Net)	1,562	-
Sundry creditors balance written back	74,800	9,00,000
Excess provision written back	-	70,63,902
	76,362	**1,18,47,238**
Note 22. Changes In Inventories Of Incomplete projects, Finished Properties		
Opening Inventory incomplete projects	20,03,69,298	35,18,50,694
Plot cost and Expenses incurred on procurement written off	-	(1,76,82,929)
	20,03,69,298	**33,41,67,765**
Closing Inventory incomplete projects	(16,43,26,383)	(20,03,69,298)
	(16,43,26,383)	**(20,03,69,298)**
Total	**3,60,42,915**	**13,37,98,467**
Note 23. Employee benefit expenses		
Salaries, bonus, etc.	30,61,871	70,69,576
Contribution to provident and other funds	2,54,268	3,99,604
Staff walfare Expenses	-	6,604
Other fund expenses	16,837	12,553
Total	33,32,976	74,88,337
Note 24. Finance Costs		
Interest on preference shares	3,25,872	2,96,248
Delayed/penal interest on loans and statutory dues	1,38,128	7,63,349
Total	**4,64,000**	**10,59,597**

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Note 25. Depreciation Expenses

Depreciation of property, plant and equipment	1,37,004	1,37,380
Total	**1,37,004**	**1,37,380**

Note 26. Other Expenses

Brokerage	-	20,85,000
Legal and professional fees	34,74,157	41,06,963
Security Charges	3,35,502	2,85,501
Provision for doubtful debts	-	1,98,78,468
Work in progess written off (Land expenses)	-	1,76,82,929
Advances and other debit balance written off	-	54,079
Land Record Charges	8,96,75,712	-
Architect Fees	11,38,650	-
Bad Debts Written off	-	1,73,508
Land non-utilization charges	-	5,33,384
Other Expenses (Refer footnote)	24,00,613	51,14,810
Total	**9,70,24,634**	**4,99,14,642**

Footnote :

Auditors Remuneration (included in the other expenses)

Audit fees	50,000	50,000
Total	**50,000**	**50,000**

Note 27. EARNINGS PER SHARE (EPS)

Basic earnings per share	(124.08)	1,236.42
Diluted earnings per share*	(124.08)	35.41

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	(5,95,56,360)	8,21,99,835
Weighted average number of equity shares for the purposes of basic earnings per share	4,80,000	66,482

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	(5,95,56,360)	8,21,99,835
Weighted average number of equity shares for the purposes of diluted earnings per share	4,80,000	23,21,482 *

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.

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Note 28. 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	:	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	16,46,16,889	-	-	-
		(24,77,86,000)	(-)	(-)	(-)
	Citygold Farming Private Limited	-	-	-	-
		(-)	(16,59,70,000)	(-)	(-)
	Heddle Knowledge Private Limited	-	-	-	-
		(-)	(11,53,45,000)	(-)	(-)
ii	**Business Advance given/repaid/adjusted**				
	Hubtown Limited	4,95,00,000	-	-	-
		(28,89,90,500)	(-)	(-)	(-)
	Rubix trading Private Limited	-	-	-	-
			(23,64,10,000)		
	Citygold Farming Private Limited	-	-	-	-
		(-)	(-)	(-)	(-)
	Heddle Knowledge Private Limited	-	-	-	-
		(-)	(5,25,000)	(-)	(-)
iii	**Reimbursement of expenses**				
	Hubtown Limited	3,67,232	-	-	-
		(-)	(-)	(-)	(-)
iv	**Share of Profit (Loss) from partnership firm**				
	Rising Glory Developers	-	-	53,369	-
		(-)	(-)	(1,96,898)	(-)
v	**Sale of Land**				
	Kushal Shah	-	-	-	97,18,500
		(-)	(-)	-	(-)
	Rushank Shah	-	-	-	55,00,000
		(-)	(-)	-	(-)
vi	**Corporate guarantee given**				
	Vishal Techno Commerce Limited	-	57,84,42,198	-	-
		(-)	(1,59,81,62,198)	(-)	(-)

Note: Previous year figures are given in the brackets

C.	Balance outstanding	As at 31[st] March, 2021	As at 31[st] March, 2020
i	**Balance Payables**		
	Hubtown Limited (Holding Company)	11,76,16,634	24,99,745
	Rubix trading Private Limited	58,25,54,055	58,25,54,055
	Rushank Shah	55,00,000	-
ii	**Balance Receivable**		
	Kushal Shah	97,18,500	-
	Rising Glory Developers(Firm in which company is a partner)	47,16,78,176	33,80,78,176
iii	**Corporate Guarantees given for loans availed by others**		
	Vishal Techno Commerce Private Limited (Refer Footnote)	1,01,97,20,000	1,59,81,62,198

Footnote:
i) The loan of ₹101.97 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.

Note 29. 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 30. 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, 2021	As at 31st March, 2020
Unsecured Borrowings	35,84,876	32,59,004
Interest accrued	-	-
Total Debt	**35,84,876**	**32,59,004**
Less: Cash and cash equivalents	18,86,865	15,46,322
Net Debt (A)	**16,98,011**	**17,12,682**
Equity Share Capital	6,64,820	6,64,820
Other Equity	(23,40,31,783)	(17,36,48,209)
Total Equity (B)	**(23,33,66,963)**	**(17,29,83,389)**
Debt Equity Ratio A/B	**(0.007)**	**(0.010)**

Note 31. Fair Value Measurements (₹)

	31st March, 2021		31st March, 2020	
	FVPL	**Amortised Cost**	**FVPL**	**Amortised Cost**
Financial Assets				
Investment	-	37,500	-	37,500
Other financial assets	-	5,03,75,079	-	5,03,90,398
Cash and cash equivalent	-	18,86,865	-	15,46,322
Total of Financial Assets	-	**5,22,99,444**	-	**5,19,74,220**
Financial Liabilities				
Borrowings	-	35,84,876	-	32,59,004
Trade payables	-	1,06,96,574	-	78,57,839
Other Financial liabilities	-	1,35,65,09,580	-	1,23,45,50,561
Total of Financial Liabilities	-	**1,37,07,91,030**	-	**1,24,56,67,404**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	Year ended 31st March, 2021 ₹	Year ended 31st March, 2020 ₹
Note 32. Post Retirement Benefit Plans		
The Prinicipal assumptions used for the purpose of the acturial valuations were as follows,		
Gratuity:		
Discount Rate	6.79%	6.80%
Expected rate of salary increase	5%	5%
Expected average remaining service	7.87	7.91
Service cost		
Current service cost	67,466	1,34,344
Past service cost and (gain)/loss from settlement	-	-
Net interest expense	15,750	66,495
Component of define benefit cost recognised in profit or loss	**83,216**	**2,00,839**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	42,245	47,463
Acturial (gains) / losses for the period	7,84,969	(8,87,032)
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	**8,27,214**	**(8,39,569)**
Total	9,10,430	(6,38,730)
Present value of funded defined benefit obligation	19,91,430	10,81,000
Fair value of plan assets	8,49,381	8,49,381
Funded status	**(11,42,049)**	**(2,31,619)**
Movement in PV of defined benefit obligation		
Opening define benefit obligation	10,81,000	17,19,730
Current service cost	67,466	1,34,344
Interest cost	57,995	1,13,958
Actuarial (gains) and losses on obligation	7,84,969	(8,87,032)
closing define benefit obligation	**19,91,430**	**10,81,000**
Movements in fair value of plan asstes		
Opening fair value of plan assets	8,49,381	8,49,381
Interest income	42,245	47,463
Return on plan asstes (excluding amounts included in net interest expense)	(42,245)	(47,463)
Contribution from employer	-	-
clsoing fair value of plan assets	**8,49,381**	**8,49,381**
Asset Information:	**Total Amount**	**Total Amount**
Gratuity Fund	-	-
Expected Payout:	**PVO Payout**	**PVO Payout**
Expected Outgo First Year	10,26,384	1,97,666
Expected Outgo Second Year	13,956	12,180
Expected Outgo Third Year	14,952	13,047
Expected Outgo Fourth Year	16,017	13,979
Expected Outgo Fifth Year	17,148	14,974
Expected Outgo Sixth to Tenth Years	1,05,206	92,025

Sensitivity Analysis:

As of 31st March, 2020, every percentage point increase in discount rate will affect our gratuity benefit obligation Rs.17,00,651.

As of 31st March, 2020, every percentage point decrease in discount rate will affect our gratuity benefit obligation Rs.18,32,721.

As of 31st March, 2020, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation Rs.18,32,615.

As of 31st March, 2020, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation Rs. 16,99,654.

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, 2021 is Rs. 67,466.

Narrations:

1 **Analysis of Defined Benefit Obligation**

The number of members under the scheme have decreased by 50% . The total salary has decreased by 103.44% during the accounting period. The resultant liability at the end of the period over the beginning of the period has decreased by 106.75%

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.

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

CITYGOLD EDUCATION RESEARCH LTD.

Note 33.

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 34. Contingent Liability

Particulars	As at 31st March, 2021	As at 31st March, 2020
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
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)	1,01,97,20,000	1,01,97,20,000

Footnotes.

a. The loan of ₹101.97 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 35.

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 36.

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

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

UDIN: 21030917AAAAFG7657
Mumbai
Date: 18th June, 2021

For and on behalf of the Board of Directors

EDUCATION RESEARCH LTD. CITYGOLD

SHRENIK MEHTA
Director
DIN: 03137231

JASMIN RATHOD
Director
DIN: 03147669

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, 2021, 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, 2021, 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 27 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 ACCOUNTANTS

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:

- 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.

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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, 2021 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

Adatia

NIRAJ D. ADATIA
Partner
Membership No.: 120844
UDIN: 21120844AAAABL9235
Place: Mumbai
Date: 23rd June, 2021

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, 2021;

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 ₹ 233,983 and TDS amounting to ₹ 62,006 and interest thereon of ₹36,987 were 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, 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	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	271(1)(c)	2013-14	4,21,052	Commissioner 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, the convertible and redeemable debentures of the Company were due for conversion and redemption on March 30,2020. As per the information and explanation given to us, the tenure of the said debentures has been extended for to March 30, 2022. (Refer footnote to Note 7 and note 9)

(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;

(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
Partner
Membership No.: 120844

UDIN: 21120844AAAABL9235
Place: Mumbai
Date: 23rd June, 2021

"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, 2021 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;

(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 2021, 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

Adatia

NIRAJ D. ADATIA
Partner
Membership No.: 120844
UDIN: 21120844AAAABL9235
Place: Mumbai
Date: 23rd June, 2021

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GUJARAT AKRUTI - TCG BIOTECH LIMITED

BALANCE SHEET AS AT 31ST MARCH 2021

Particulars	Note No.	As at 31st March 2021 ₹	As at 31st March 2020 ₹
ASSETS			
Non-Current Assets			
(a) Property plant and equipment	3	177,284,724	177,612,774
(b) Capital work-in-progress	3	146,419,158	146,419,158
(c) Financial assets			
Other financial assets	4	207,600	207,600
Total Non-Current assets		**323,911,482**	**324,239,532**
Current assets			
Financial assets			
(i) Cash and cash equivalents	5	156,571	162,455
(ii) Other financial assets	4	3,668	1,609
Total Current Assets		**160,239**	**164,064**
TOTAL ASSETS		**324,071,721**	**324,403,596**
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	(40,300,367)	(39,459,540)
Total Equity		**121,726,533**	**122,567,360**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	9	-	166,855,423
(b) Deferred Tax Liabilities (Net)	11	-	-
Total Non-Current Liabilities		-	**166,855,423**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	12	24,781,249	25,041,777
(ii) Other financial liabilities	10	170,415,679	2,866,656
(b) Other current liabilities	13	7,148,260	7,072,380
Total Current Liabilities		**202,345,188**	**34,980,813**
Total Liabilities		**202,345,188**	**201,836,236**
TOTAL EQUITY AND LIABILITIES		**324,071,721**	**324,403,596**

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: 23rd June, 2021

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

RUSHANK SHAH
Director
DIN: 02960155

Mumbai
Date: 23rd June, 2021

GUJARAT AKRUTI - TCG BIOTECH LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2021

Particulars	Note No.	Year ended 31st March 2021 ₹	Year ended 31st March 2020 ₹
INCOME			
Revenue from Operations	14	-	3,295,090
Other Income	15	2,059	3,644
TOTAL INCOME		**2,059**	**3,298,734**
EXPENSES			
Costs Of Construction / Development	16	-	-
Finance Costs	17	72,628	19,238
Depreciation and Amortisation Expenses	18	328,050	328,950
Other Expenses	19	442,208	555,581
TOTAL EXPENSES		**842,886**	**903,769**
Profit/(Loss) before Tax		**(840,827)**	**2,394,965**
Tax Expense			
Deferred tax (charge) / Credit	11	-	41,131,341
Profit/(Loss) for the Year		**(840,827)**	**43,526,306**
Other Comprehensive Income		-	-
Total Comprehensive Income		**(840,827)**	**43,526,306**
Earning per equity share of nominal value of ₹ 10/- each	20		
Basic		(16.82)	870.53
Diluted		(16.82)	2.69

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: 23rd June, 2021

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

RUSHANK SHAH
Director
DIN: 02960155

Mumbai
Date: 23rd June, 2021

GUJARAT AKRUTI - TCG BIOTECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	For the year ended 31st March, 2021 ₹	For the year ended 31st March, 2020 ₹
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(840,827)	2,394,965
Add/(Less) :		
Depreciation/Amortisation/Impairment of Property, Plant and Equipments and Intangible Assets	328,050	328,950
Interest Income	(2,059)	(2,345)
Interest Expenses	72,628	19,238
Provision/Advances/Sundry Balances written back	-	(3,295,090)
Operating Profit/(Loss) before changes in working capital	**(442,208)**	**(554,282)**
Adjustment for (Increase)/Decrease in Operating Assets		
Adjustments for increase (decrease) in trade payables, current	(260,528)	555,604
Adjustments for increase (decrease) in other current liabilities	3,252	117,515
Adjustments for other financial liabilities, current	693,600	612,465
Adjustments for other financial liabilities, non-current	-	(732,391)
Cash flow from operations after changes in working capital	**436,324**	**553,193**
Net Direct Taxes (Paid)/Refunded	-	-
Net Cash Flow from/(used in) Operating Activities	**(5,884)**	**(1,089)**
[B] CASH FLOW FROM INVESTING ACTIVITIES		
Inflow/(Outflow) on account of :		
Interest received	-	6,592
Net Cash Flow from/(used in) Investing Activities	-	**6,592**
[C] CASH FLOW FROM FINANCING ACTIVITIES		
Inflow/(Outflow) on account of:		
Interest paid	-	(19,238)
Net Cash Flow from/(used in) Financing Activities	-	**(19,238)**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**(5,884)**	**(13,735)**
Cash & Cash Equivalents at beginning of period (see Note 1)	**162,455**	**176,190**
Cash and Cash Equivalents at end of period (see Note 1)	**156,571**	**162,455**

Notes:

1 Cash and Cash equivalents comprise of:		
Cash on hand	104	104
Balances with banks		
- On Current accounts	127,689	133,573
- Deposit with maturity of less than three months	28,778	28,778
	156,571	162,455

2 Figures of the previous year have been regrouped / reclassified wherever necessary.

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: 23rd June, 2021

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

GUJARAT AKRUTI - TCG BIOTECH LTD.

RUSHANK SHAH
Director
DIN: 02960155

Mumbai
Date: 23rd June, 2021

GUJARAT AKRUTI - TCG BIOTECH LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

(in ₹)

A. EQUITY SHARE CAPITAL

As at 1st April, 2019	**500,000**
Changes in equity share capital	**-**
As at 31st March, 2020	**500,000**
Changes in equity share capital	**-**
As at 31st March, 2021	**500,000**

B. OTHER EQUITY AND CONVERTIBLE INSTRUMENTS

(in ₹)

Particulars	Convertible Instruments classified as Equity	Retained Earnings	Total
As at 1st April, 2019	**161,526,900**	**(82,985,846)**	**78,541,054**
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	43,526,306	**43,526,306**
As at 1st April, 2020	**161,526,900**	**(39,459,540)**	**122,067,360**
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(840,827)	(840,827)
Balance at 31st March, 2021	**161,526,900**	**(40,300,367)**	**121,226,533**

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR NIRAJ D. ADATIA & ASSOCIATES
Chartered Accountants

NIRAJ ADATIA
Partner
Membership No.: 120844

Mumbai
Date: 23rd June, 2021

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

RUSHANK SHAH
Director
DIN: 02960155

Mumbai
Date: 23rd June, 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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 23rd June, 2021.

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.

CHARTERED ACCOUNTANTS

GUJARAT AKRUTI TCG BIOTECH LTD.

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.

GUJARAT AKRUTI - TCG BIOTECH LTD.

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 measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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. Property, plant and equipment

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.

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.

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI - TCG BIOTECH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

GUJARAT AKRUTI - TCG BIOTECH LTD.

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 27)
Cost or deemed cost					
Balance at 1st April, 2019	171,496,664	10,635,281	17,160	182,149,105	122,469,049
Additions	-	-	-	-	23,950,109
Balance at 31st March, 2020	171,496,664	10,635,281	17,160	182,149,105	146,419,158
Accumulated depreciation and impairment					
Balance at 1st April, 2019	-	4,190,221	17,160	4,207,381	-
Depreciation expense	-	328,950	-	328,950	-
Balance at 31st March, 2020	-	4,519,171	17,160	4,536,331	-
Carrying amount as on 31st March 2020	**171,496,664**	**6,116,110**	-	**177,612,774**	**146,419,158**

	Leasehold land*	Compound Wall	Computers and Laptops	Total	Capital work-in-progress (Refer note 27)
Cost or deemed cost					
Balance at 1st April, 2020	171,496,664	10,635,281	17,160	182,149,105	146,419,158
Additions	-	-	-	-	-
Balance at 31st March 2021	171,496,664	10,635,281	17,160	182,149,105	146,419,158
Accumulated depreciation and impairment					
Balance at 1st April, 2020	-	4,519,171	17,160	4,536,331	-
Depreciation expense	-	328,050	-	328,050	-
Balance at 31st March 2021	-	4,847,221	17,160	4,864,381	-
Carrying amount as at 31st March 2021	**171,496,664**	**5,788,060**	-	**177,284,724**	**146,419,158**

*Refer note 2(IV)C.

	As at 31st March 2021 ₹	As at 31st March, 2020 ₹
4. Other financial assets		
Non-current		
Security deposits	207,600	207,600
Total	**207,600**	**207,600**
Current		
Other Advances and Receivables		
Interest accrued on fixed deposits	3,668	1,609
Total	**3,668**	**1,609**
5. Cash and cash equivalents		
Balances with banks:		
- in current accounts	127,689	133,573
- deposit having maturity less than 3 months	28,778	28,778
Cash on hand	104	104
Total	156,571	162,455

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI-TCG BIOTECH LTD.

	As at 31st March 2021 ₹	As at 31st March, 2020 ₹
6. Equity 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 Share	Share Capital ₹
Balance at 1st April, 2019	50,000	500,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2020	50,000	500,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2021	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, 2021		As at 31st March, 2020	
	No of shares held	% holding	No of shares held	% holding
Hubtown Limited with Benificiary Owners	36,500	73%	36500.00	73%
Total	36,500	73%	36500.00	73%

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

	As at 31st March, 2021		As at 31st March, 2020	
	No of shares held	% holding	No of shares held	% holding
Fully paid equity shares				
Hubtown Limited with Benificiary Owners	36,500	73%	36500.00	73%
TCG Urban Infrastructure Holdings Private Limited	13,000	26%	13000.00	26%

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANTS

GUJARAT AKRUTI - TCG BIOTECH LTD.

	As at 31st March 2021 ₹	As at 31st March, 2020 ₹
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.
The above debentures were due for conversion on March 30, 2020, however in view of accumulated losses and the severe liquidity crunch being faced by the Company, the tenure of the said CCDs be extended by further period of two years from March 30, 2020 to March 30 2022, such that the CCDs shall fall due for conversion in to equity shares of the Company on March 30, 2022.

8. Other Equity		
Retained Earnings		
Balance at the beginning of the year	(39,459,540)	(82,985,846)
Profit attributable to the owners of the company	(840,827)	43,526,306
Items of OCI recognised directly in retained earnings	-	-
Total	**(40,300,367)**	**(39,459,540)**

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI - TCG BIOTECH LTD.

GUJARAT AKRUTI - TCG BIOTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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)	166,855,423	166,855,423
Current maturity of long term borrowings	(166,855,423)	-
	-	**166,855,423**

Footnote :

768,919, 0% Debenture having face value 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.

The above debentures were due for redemption on March 30, 2020, however in view of accumulated losses and the severe liquidity crunch being faced by the Company, the tenure of the said NCDs be extended by further period of two years from March 30, 2020 to March 30 2022, such that the NCDs shall fall due for redemption on March 30, 2022.

10. Other financial liabilities

Current		
Current maturity of long term borrowings	166,855,423	-
Business Advance received from related party(Refer Note 23)	2,798,824	2,143,824
Other payables	761,432	722,832
Total	**170,415,679**	**2,866,656**

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANTS

GUJARAT AKRUTI - TCG BIOTECH LTD.

	As at 31st March 2021 ₹	As at 31st March, 2020 ₹

11. Deferred Tax Liabilities (Net)

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

Deferred Tax Liability	-	-
Deferred Tax (Asset)	-	-
Total	-	-

2019-20	Opening Balance	Recognised in profit or loss	Closing Balance
Deferred tax liabilities / (assets) in relation to :			
On account of Depreciation (WDV)	904,801	(904,801)	-
On account of Capital work-in-progress	(1,734,797)	1,734,797	-
On account of Unamortised Premium on Debentures	(5,239,476)	5,239,476	-
On account of convertible Borrowings	27,813,527	(27,813,527)	-
On account of Premium Payable on Debentures	26,197,378	(26,197,378)	-
On acccount of Other Items	(6,810,093)	6,810,093	-
Total	**41,131,341**	**(41,131,341)**	-

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	290,583	460,493
Due to others	24,490,666	24,581,285
Total	**24,781,249**	**25,041,777**

Footnote

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 principal amounts outstanding to the extent Rs. 2,90,583/- (P.Y- Rs. 4,60,493/-) 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.

13. Other Liabilities

Current		
Advance from customers	5,300,000	5,300,000
Deposits (Unsecured)	1,350,000	1,350,000
Overdrawn bank balances as per books of accounts		
Other payables :		
- Statutory dues	498,260	422,380
Total	**7,148,260**	**7,072,380**

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

GUJARAT AKRUTI - TCG BIOTECH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

	Year Ended 31st March 2021 ₹	Year Ended 31st March, 2020 ₹
14. Revenue from operations		
Other operating revenue :		
Sundry credit balances appropriated	-	3,295,090
Excess Provision Written Back	-	-
Total	**-**	**3,295,090**
15. Other income		
a) Interest Income :		
Bank fixed deposits	2,059	2,345
	2,059	**2,345**
b) Other gains and losses		
Gain on foreign currency fluctuation (Net)	-	1,299
	-	**1,299**
Total	**2,059**	**3,644**
16. Costs of Construction/Development		
Construction costs incurred during the year :		
Approval and consultation expenses	-	-
Total	**-**	**-**
17. Finance Costs		
Interest costs :		
Interest on Debentures	-	23,950,109
Less - Transfer to Capital WIP	-	(23,950,109)
Delayed/penal interest on statutory dues	72,628	19,238
Total	**72,628**	**19,238**
18. Depreciation and Amortisation Expenses		
Depreciation of property, plant and equipment	328,050	328,950
Total	**328,050**	**328,950**
19. Other Expenses		
Legal and professional fees (refer footnote)	23,600	31,885
Security Charges	397,234	394,809
Director sitting fees	15,000	-
Other expenses	6,374	128,887
Total	**442,208**	**555,581**
Footnote:		
Auditors Remuneration (included in Legal and Professional fees) :		
Audit Fees	20,000	20,000
GST on above	3,600	3,600
Total	**23,600**	**23,600**

GUJARAT AKRUTI - TCG BIOTECH LTD.

	Year Ended 31st March, 2021 ₹	Year Ended 31st March, 2020 ₹
20. Earnings Per Share (EPS)		
Basic Earnings Per Share	(16.82)	870.53
Diluted Earnings Per Share **	(16.82)	2.69

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	(840,827)	43,526,306
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	(840,827)	43,526,306
Weighted average number of equity shares for the purposes of diluted earnings per share	50,000	16,202,690

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, 2021, hence are not included in the calculation of diluted earnings per share for F.Y. 2020-21, 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, 2021**	**As at 31st March, 2020**
Claims against the Company, not acknowledged as debts on account of :		
Outstanding legal cases	-	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	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	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.

CHARTERED ACCOUNTANTS

GUJARAT AKRUTI - TCG BIOTECH LTD.

22. 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.

23. Related Parties Disclosures

A. Names of related parties and description of relationship

Holding Company
Hubtown Limited

Joint Ventures of Holding Company, with whom Transitions have taken place during the year
Hubtown Bus Terminal (Ahmedabad) Private Limited
Hubtown Bus Terminal (Vadodara) 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 ₹	Joint Venture of Holding Company ₹
i.	**Business Advances received/recovered/adjusted**		
	Hubtown Bus Terminal (Ahmadabad) Private Limited	-	100,000
		(-)	(7,34,024)
	Hubtown Bus Terminal (Vadodara) Private Limited	-	
		(-)	(3,456)
	Hubtown Limited	555,000	-
		(-)	(-)
ii.	**Interest Expense Accrued**		
	Hubtown Limited	-	-
		(23,950,109)	(-)

Previous years figures are given in brackets

C. Balance outstanding payables/receivables

	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
a) Unsecured Non- Convertible Debenture		
Hubtown Limited	166,855,423	166,855,423
b) Business Advances payable		
Hubtown Limited	1,676,219	1,121,219
Hubtown Bus Terminal (Ahmedabad) Private Limited	1,119,149	1,019,149
Hubtown Bus Terminal (Vadodara) Private Limited	3,456	3,456

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANTS

GUJARAT AKRUTI - TCG BIOTECH LTD.

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 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, 2021	As at 31st March, 2020
Secured Debentures	166,855,423	166,855,423
Less: Cash and Bank Balances	(156,571)	(162,455)
Net Debt (A)	**166,698,852**	**166,692,968**
Equity Share Capital	500,000	500,000
Convertible Instruments classified as Equity	161,526,900	161,526,900
Other Equity	(40,300,367)	(39,459,540)
Total Equity (B)	**121,726,533**	**122,567,360**
Debt Equity Ratio A/B	137%	136%

25. 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 is not exposed to interest rate risk as the borrowings of the Company are to be reedeemed at fixed premium.

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 ACCOUNTANTS

GUJARAT AKRUTI-TCG BIOTECH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

26. Fair Value measurement of Financial Instruments

(in ₹)

	31st March 2021			31st March 2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Other financial assets	-	-	211,268		-	209,209
Cash and cash equivalent	-	-	156,571	-	-	162,455
Total of Financial Assets	-	-	**367,839**	-	-	**371,664**
Financial Liabilities						
Borrowings		-	-		-	166,855,423
Trade payables	-	-	24,781,249	-	-	25,041,777
Other Financial liabilities	-	-	170,415,679	-	-	2,866,656
Total of Financial Liabilities	-	-	**195,196,928**	-	-	**194,763,856**

27. 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.

28. 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: 23rd June, 2021

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

GUJARAT AKRUTI - TCG BIOTECH LTD.

RUSHANK SHAH
Director
DIN: 02960155

Mumbai
Date: 23rd June, 2021

Independent Auditor's Report
To the Members of Joynest Premises Private Limited
Report on the Audit of the Standalone Financial Statements

1) Opinion:
We have audited the accompanying standalone financial statements of Joynest Premises Private Limited ('the Company'), which comprise the balance sheet as at 31st March 2021, 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, 2021 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) Other Information
The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

A D SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
M. N. : 148196
FRN : 134274W
MUMBAI

4) Management's and Board of Director's Responsibility for the Ind AS Financial Statements:
The Company's Management and 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:

- 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.

ADSHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
M. N.: 148106
FRN: 134274W
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- 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 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.

- 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.

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CHARTERED ACCOUNTANTS
M. No. 148106
FRN : 134274W
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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;
   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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 Ind AS 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 A.D. Sheth & Associates
Chartered Accountants
FRN: 134274W

A D SHETH & ASSOCIATES CHARTERED ACCOUNTANTS M. N.: 148106 FRN 134274W MUMBAI

Amit Sheth
Proprietor
M. No.: 148106

Place: Mumbai
Date: 5th August, 2021

UDIN: 21148106AAAADR5231

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 Joynest Premises 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 2021, 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 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 Maharashtra Value Added Tax (MVAT) and Employees State Insurance Corporation (ESIC) 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 and the details of outstanding as follows:

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CHARTERED ACCOUNTANTS
M. N.: 148196
FRN : 134274W
MUMBAI

Sr. No.	Particulars	Amount in INR
1.	ESIC Payable	26,590/-
2.	Maharashtra Value Added Tax (MVAT) Liability	23,60,026/-
3.	Interest on above Statutory Liability	52,11,970/-
	Total Statutory Liability	75,98,586/-

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, Value Added Tax and Service Tax as at the Balance Sheet date which have not been deposited on account of a dispute are as follows:

Name of Statue	Nature of Dues	Amount not deposited on account of demand (In INR)*	Financial Year	Details of Pending Proceedings
Income Tax Act, 1961	Income Tax	100,02,800/-	2016-17	The Commissioner of Income Tax (Appeals)

* Net of amount deposited under protest

(viii) In our opinion and according to the information and explanations given to us, The Company taken has loans or borrowings from any financial institution, banks, and government or debenture holders during the year.

(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.

(xiv) According to the information and explanations given 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, 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.

AD SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
M. N. : 148196
FRN : 134274W
MUMBAI

(xvi) 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 A.D. Sheth & Associates
Chartered Accountants
FRN: 134274W

Amit Sheth
Proprietor
M. No.: 148106

Place: Mumbai
Date: 5th August, 2021

UDIN: 21148106AAAADR5231

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 Joynest Premises 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")

1) Opinion:

We have audited the internal financial controls over financial reporting of Joynest Premises Private Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 2021, 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 (the "Guidance Note")

2) 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.

3) 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.

A D SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
M. N.: 148106
FRN: 134274W
MUMBAI

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.

4) 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.

5) 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.

For A.D. Sheth & Associates
Chartered Accountants
FRN: 134274W

Amit Sheth
Proprietor
M. No.: 148106

A D SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
M. N.: 148106
FRN: 134274W
MUMBAI

Place: Mumbai
Date: 5th August, 2021

UDIN: 21148106AAAADR5231

JOYNEST PREMISES PRIVATE LIMITED
CIN: U45202MH2008PTC183715
BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
1 ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	4	80,41,374	68,25,990
(b) Capital work-in-progress	4	2,29,47,133	2,25,69,817
(c) Financial assets			
(i) Other financial assets	5	52,06,750	52,06,750
(d) Current tax assets (Net)	6	1,14,71,079	1,58,99,175
Total Non-Current assets		**4,76,66,336**	**5,05,01,732**
2 Current assets			
(a) Inventories	7	3,19,22,00,607	2,43,38,25,340
(b) Financial assets			
(i) Cash and cash equivalents	8	34,73,28,819	1,00,62,492
(ii) Bank balances other than (i) above	9	12,13,70,051	12,06,20,051
(iii) Other financial assets	5	24,78,69,956	30,50,32,240
(c) Other current assets	10	16,64,84,329	14,15,30,258
Total Current Assets		**4,07,52,53,763**	**3,01,10,70,381**
TOTAL ASSETS		**4,12,29,20,099**	**3,06,15,72,113**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	11	1,04,71,94,550	1,04,71,94,550
(b) Other equity	12	(20,11,15,304)	(18,47,18,547)
Total Equity		**84,60,79,246**	**86,24,76,003**
2 Liabilities			
i Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	1,22,82,20,614	40,27,96,067
(ii) Other Financial Liabilities	14	2,36,28,470	1,71,81,288
(b) Provisions	15	29,033	28,624
Total Non-Current Liabilities		**1,25,18,78,118**	**42,00,05,980**
ii Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	16	16,42,37,506	19,42,65,907
(ii) Other financial liabilities	14	64,66,47,494	43,77,92,470
(b) Other current liabilities	17	1,21,40,43,483	1,14,70,12,430
(c) Provisions	15	34,252	19,324
Total Current Liabilities		**2,02,49,62,735**	**1,77,90,90,131**
Total Liabilities		**3,27,68,40,853**	**2,19,90,96,110**
TOTAL EQUITY AND LIABILITIES		**4,12,29,20,099**	**3,06,15,72,113**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For A.D. Sheth & Associates
Firm Registration No: 0134274W
Chartered Accountants

AMIT SHETH
Proprietor
Membership No.: 148106

For and on behalf of the board of Directors

KHILEN V SHAH
Director
DIN : 03134932

KAMAL MATALIA
Director
DIN : 00009695

SADANAND LAD
Company Secretary

SHIVARAMA GOWDA
Chief Financial Officer

SANJIV AMBERKAR
Chief Executive Officer

Place: Mumbai
Date: 05th August, 2021

Place: Mumbai
Date: 05th August, 2021

JOYNEST PREMISES PRIVATE LIMITED
CIN: U45202MH2008PTC183715
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	Year ended 31st March, 2021 ₹	Year ended 31st March, 2020 ₹
I INCOME			
Revenue from Operations	18	3,26,76,019	3,46,16,123
Other Income	19	1,16,82,142	91,96,601
Total Income		**4,43,58,161**	**4,38,12,724**
II Expenses			
Costs Of Construction / Development	20	31,55,83,118	14,15,77,203
Purchase of Stock-in-Trade		1,14,93,298	1,55,33,149
Changes in Inventories of Incomplete Project	21	(75,93,09,697)	(19,28,66,680)
Employee Benefits Expense	22	2,18,23,090	5,88,69,526
Finance Costs	23	44,03,90,100	9,30,980
Depreciation and Amortisation Expenses	24	13,38,598	9,35,518
Other Expenses	25	2,94,43,147	5,13,28,613
Total Expenses		**6,07,61,654**	**7,63,08,310**
III Profit before Tax		**(1,64,03,493)**	**(3,24,95,586)**
IV Tax Expense			
Current Tax		-	-
Profit / (Loss) for the Year		**(1,64,03,493)**	**(3,24,95,586)**
V Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeseaurement of the net defined benefit liability / asset		**6,736**	**(13,168)**
VI Total comprehensive income / (loss) for the year		**(1,63,96,757)**	**(3,25,08,754)**
VII Earning per equity share of nominal value of ₹ 10/- each			
Basic and Diluted Earning Per Share	26		
Class - A		(0.90)	(1.79)
Class - B		(8.14)	(16.12)
Class - C		(0.31)	(0.62)
Ordinary		(1,640.35)	(3,249.56)

The accompanying notes are an integral part of the financial statements

As per our report of even date

For A.D. Sheth & Associates
Firm Registration No: 0134274W
Chartered Accountants

AMIT SHETH
Proprietor
Membership No.: 148106

SADANAND LAD
Company Secretary

For and on behalf of the board of Directors

KHILEN V SHAH
Director
DIN : 03134932

KAMAL MATALIA
Director
DIN : 00009695

SHIVARAMA GOWDA
Chief Financial Officer

SANJIV AMBERKAR
Chief Executive Officer

Place: Mumbai
Date: 05th August, 2021

Place: Mumbai
Date: 05th August, 2021

JOYNEST PREMISES PRIVATE LIMITED
CIN: U45202MH2008PTC183715
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
I CASH FLOW ARISING FROM OPERATING ACTIVITIES :		
Net profit/(loss) before taxation as per Statement of Profit and Loss	**(1,64,03,493)**	**(3,24,95,586)**
Add / (Less) :		
Finance costs	44,03,90,100	9,30,980
Depreciation and amortisation	13,38,598	9,35,518
Remeseaurement of the net defined benefit liability / asset	6,736	(13,168)
Interest income	(1,16,82,142)	(91,58,295)
	43,00,53,292	**(73,04,965)**
Operating profit before working capital changes	**41,36,49,800**	**(3,98,00,551)**
Add / (Less) :		
Increase / (Decrease) in Trade payables	(3,00,28,401)	(4,87,60,436)
Increase / (Decrease) in Provisions	15,337	26,264
Increase / (Decrease) in Other Non Current / Current Liabilities and Provisions	28,22,77,184	34,00,27,204
(Increase) / Decrease in Inventories	(75,83,75,268)	(19,31,79,169)
(Increase) / Decrease in Other Non Current / Current Assets	3,22,64,288	(6,43,77,658)
Direct taxes paid	44,28,096	(68,82,700)
	(46,94,18,763)	**2,68,53,504**
Net Cash flow from Operating Activities	**(5,57,68,963)**	**(1,29,47,046)**
II CASH FLOW ARISING FROM INVESTING ACTIVITIES :		
Inflow / (Outflow) on account of :		
Purchase of Tangible / Intangible Assets	(25,53,982)	(44,87,238)
(Increase) / Decrease in Capital Work in Progress	(3,77,316)	-
(Increase) / Decrease in Bank balance	(7,50,000)	(5,00,000)
Interest Received	1,16,82,142	91,58,295
Net cash flow from investing activities	**80,00,844**	**41,71,057**
III CASH FLOW ARISING FROM FINANCING ACTIVITIES :		
Inflow / (Outflow) on account of :		
Proceeds from Long Term Borrowings	82,54,24,547	18,10,198
Finance costs paid	(44,03,90,100)	(9,30,980)
Net Cashflow from Financing Activities	**38,50,34,447**	**8,79,218**
Net increase in cash and cash equivalents (I + II + III)	33,72,66,327	(78,96,771)
Add: Balance at the beginning of the year	1,00,62,492	1,79,59,263
Cash and Cash Equivalents at the close of the year	**34,73,28,819**	**1,00,62,492**
Components of cash and cash equivalents (Refer Note 8)		
Cash on hand	27,479	31,863
Balances with Banks (including Fixed Deposits having maturities less than three months)	34,73,01,340	1,00,30,629
	34,73,28,819	**1,00,62,492**

The accompanying notes are an integral part of the financial statements

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.

As per our attached report of even date

For A.D. Sheth & Associates
Firm Registration No: 0134274W
Chartered Accountants

A D SHETH & ASSOCIATES CHARTERED ACCOUNTANTS M. N. : 148106 FRN : 134274W MUMBAI

AMIT SHETH
Proprietor
Membership No.: 148106

JOYNEST PREMISES PVT LTD MUMBAI

For and on behalf of the board of Directors

KHILEN V SHAH
Director
DIN : 03134932

KAMAL MATALIA
Director
DIN : 00009695

SADANAND LAD
Company Secretary

SHIVARAMA GOWDA
Chief Financial Officer

SANJIV AMBERKAR
Chief Executive Officer

Place: Mumbai
Date: 05th August, 2021

Place: Mumbai
Date: 05th August, 2021

JOYNEST PREMISES PRIVATE LIMITED
CIN: U45202MH2008PTC183715
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

	Notes No	Amount ₹	Amount ₹
A. EQUITY SHARE CAPITAL			
		Equity Shares	**Preference Shares**
As at 1st April, 2019	11	**72,71,94,550**	**32,00,00,000**
Changes in share capital		-	-
As at 31st March, 2020		**72,71,94,550**	**32,00,00,000**
Changes in share capital		-	-
As at 31st March, 2021		**72,71,94,550**	**32,00,00,000**

B. OTHER EQUITY

	Reserves and Surplus	
	Retained Earnings	Total
Balance at 1st April, 2019	(15,22,09,794)	89,49,84,756
Total Comprehensive Income for the year	(13,168)	(13,168)
Transfer to Retained Earnings	(3,24,95,586)	(3,24,95,586)
Balance at 31st March, 2020	**(18,47,18,547)**	**86,24,76,003**
Total Comprehensive Income for the year	6,736	6,736
Transfer to Retained Earnings	(1,64,03,493)	(1,64,03,493)
Balance at 31st March, 2021	**(20,11,15,304)**	**84,60,79,246**

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For A.D. Sheth & Associates
Firm Registration No: 0134274W
Chartered Accountants

AMIT SHETH
Proprietor
Membership No.: 148106

For and on behalf of the board of Directors

KHILEN V SHAH
Director
DIN : 03134932

KAMAL MATALIA
Director
DIN : 00009695

SADANAND LAD
Company Secretary

SHIVARAMA GOWDA
Chief Financial Officer

SANJIV AMBERKAR
Chief Executive Officer

Place: Mumbai
Date: 05th August, 2021

Place: Mumbai
Date: 05th August, 2021

Note 1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Company Overview

Joynest Premises Private Limited is a Private Limited Company domiciled in India, incorporated under the Companies Act, 1956. Company is engaged in the real estate business of construction and development of residential project at Chembur and other similar works.

1.2 The financial statements are approved for issue by the Company's Board of Directors on 05th August, 2021

Note 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.

Note 3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act , 2013 ('Act') (to the extent notified) 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.

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.

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.

b) Current and 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:

i. It is expected to be realised or intended to sold or consumed in normal operating cycle
ii. It is held primarily for the purpose of trading
iii. It is expected to be realised within twelve months after the reporting period, or
iv. It is 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:

i. It is expected to be settled in normal operating cycle
ii. It is held primarily for the purpose of trading
iii. It is due to be settled within twelve months after the reporting period, or
iv. 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.

Operating cycle for the business activities of the company covers the duration of the specific project / contract / service and extends upto the realisation of receivables within the agreed credit period normally applicable to the respective project.

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.

D SHETH & ASSOCIATES CHARTERED ACCOUNTANTS M. N. : 148106 FRN : 134274W MUMBAI

JOYNEST PREMISES PVT. LTD. MUMBAI

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:

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 fit outs 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.

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 for goods or services that the company has transferred to the customer are classified as receivables.

iv. 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 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. 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.

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 / 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)
Computer	3
Office Equipment's	5
Furniture and Fixture	10
Vehicles	8

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.

A D SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
M. N.: 148106
FRN: 131274W
MUMBAI

JOYNEST PREMISES PVT. LTD.
MUMBAI

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.

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

Intangible assets and property, plant and equipment

Intangible assets and 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.

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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 INVENTORIES

All inventories are stated at Cost or Net Realizable Value, whichever is lower.
Stock of material at Site' includes cost of purchase, other costs incurred in bringing them to their respective present location and condition. Cost formula used is average cost.

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 directly 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.

Inventory value includes costs incurred upto the completion of the project viz. cost of land / rights, value of floor space index (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

Defined benefit plans:

3.6.1 Gratuity

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.
Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Short-term employee benefits:

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Other Long Term employee Benefits:

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of discounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to
statement of profit and loss in the year in which such gains or losses are determined.
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

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 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.

3.11 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.

3.12 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 3.12.1. 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.

3.12.1 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 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.

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Note 4. Property, plant and equipment and capital work in progress

	Computers and Laptops	Furniture and Fixtures	Vehicles	Office Equipment	Total	Capital work-in-progress
Cost or deemed cost						
Balance at 1st April, 2019	38,687	11,48,117	39,93,141	42,26,702	94,06,647	2,25,69,817
Additions	-	6,74,690	38,12,548	-	44,87,238	-
Transfers	-	-	-	-	-	-
Balance at 31st March, 2020	38,687	18,22,807	78,05,689	42,26,702	1,38,93,885	2,25,69,817
Accumulated depreciation and impairment						
Balance at 1st April, 2019	38,687	9,89,421	11,25,898	39,78,371	61,32,377	-
Depreciation expense	-	39,893	6,99,726	1,95,899	9,35,518	-
Balance at 31st March, 2020	38,687	10,29,314	18,25,624	41,74,270	70,67,895	-
Carrying amount as at 31st March, 2020	**-**	**7,93,493**	**59,80,065**	**52,432**	**68,25,990**	**2,25,69,817**

	Computers and Laptops	Furniture and Fixtures	Vehicles	Office Equipment	Total	Capital work-in-progress
Cost or deemed cost						
Balance at 31st March, 2020	38,687	18,22,807	78,05,689	42,26,702	1,38,93,885	2,25,69,817
Additions	29,000	-	24,94,227	30,755	25,53,982	3,77,316
Disposals	-	-	-	-	-	-
Balance at 31st March, 2021	67,687	18,22,807	1,02,99,916	42,57,457	1,64,47,867	2,29,47,133
Accumulated depreciation and impairment						
Balance at 31st March, 2020	38,687	10,29,314	18,25,624	41,74,270	70,67,895	-
Depreciation expense	2,675	98,930	11,90,080	46,913	13,38,598	-
Balance at 31st March, 2021	41,362	11,28,244	30,15,704	42,21,183	84,06,493	-
Carrying amount as at 31st March, 2021	**26,325**	**6,94,563**	**72,84,212**	**36,274**	**80,41,374**	**2,29,47,133**

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		As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Note 5. Other financial assets			
Non-current			
Bank balances			
- Deposits with maturity of more than twelve months		50,00,000	50,00,000
Security deposits		2,06,750	2,06,750
	Total	**52,06,750**	**52,06,750**
Current			
Project Advances			
- Related parties		3,65,23,106	9,72,67,184
- Others		14,75,65,754	14,64,65,754
Interest accrued on fixed deposits		34,06,493	9,84,696
Other receivables (Other than Trade Receivables)		-	-
- Related parties		60,27,386	50,85,838
- Others		5,43,47,217	5,52,28,768
	Total	**24,78,69,956**	**30,50,32,240**
Note 6. Current Tax assets and liabilities			
Advance Tax paid		1,14,71,079	1,58,99,175
	Total	**1,14,71,079**	**1,58,99,175**
Note 7. Inventories			
Inventories (lower of cost or net realisable value)			
- Stock of material at site		6,87,971	16,22,400
- Stock in trade (Acquired for trading)		6,47,101	-
- Incomplete projects		3,19,08,65,535	2,43,22,02,939
	Total	**3,19,22,00,607**	**2,43,38,25,340**
Note 8. Cash and cash equivalents			
Balances with banks:			
- in current accounts		55,59,028	97,86,600
- in escrow accounts		4,17,42,313	2,44,029
- in deposit with maturity of less than three months		30,00,00,000	-
Cash on hand		27,479	31,863
	Total	**34,73,28,819**	**1,00,62,492**
Note 9. Other bank balances			
Other bank deposits		9,47,00,000	9,34,50,000
Margin money deposits		2,66,70,051	2,71,70,051
	Total	**12,13,70,051**	**12,06,20,051**

Foot Note:
Balances with bank in margin money and fixed deposits are kept as security for guarantees / other facilities.

Note 10. Other assets			
Current			
Advances to land owners		1,00,00,000	1,00,00,000
Advance recoverable in cash or in kind		14,04,17,567	12,82,57,680
Prepaid Expenses		9,64,890	5,76,534
Balance with statutory authorities		1,51,01,872	26,83,717
Plan Assets		-	12,327
	Total	**16,64,84,329**	**14,15,30,258**

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	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Note 11. Equity share capital		
Equity share capital	72,71,94,550	72,71,94,550
Preference share capital	32,00,00,000	32,00,00,000
Total	**1,04,71,94,550**	**1,04,71,94,550**
Authorised Share Capital:		
100,00 (P.Y. - 100,00) Ordinary Equity Shares of ₹ 10 each	1,00,000	1,00,000
1,81,34,450 (P.Y. - 1,81,34,450) Class A Equity Shares of ₹ 10 each	18,13,44,500	18,13,44,500
20,16,050 (P.Y. - 20,16,050)Class B Equity Shares of ₹ 10 each	2,01,60,500	2,01,60,500
5,25,58,955 (P.Y. - 5,25,58,955) Class C Equity Shares of ₹ 10 each	52,55,89,550	52,55,89,550
3,20,00,000 (P.Y. - 3,20,00,000), 17.75% Cumulative Compulsory Convertible Preference Shares of ₹ 10 each	32,00,00,000	32,00,00,000
Total	**1,04,71,94,550**	**1,04,71,94,550**
Issued and subscribed capital comprises:		
Ordinary Equity Shares		
100,00 (P.Y. - 100,00) Ordinary Equity Shares of ₹ 10 each	1,00,000	1,00,000
Class A Equity Shares		
1,81,34,450(P.Y. - 1,81,34,450) Class A Equity Shares of ₹ 10 each	18,13,44,500	18,13,44,500
Class B Equity Shares		
20,16,050 (P.Y. - 20,16,050)Class B Equity Shares of ₹ 10 each	2,01,60,500	2,01,60,500
Class 'C' Equity Shares		
5,25,58,955 (P.Y. - 5,25,58,955) Class C Equity Shares of ₹ 10 each	52,55,89,550	52,55,89,550
Preference Shares		
3,20,00,000 (P.Y. - 3,20,00,000), 17.75% Cumulative Compulsory Convertible Preference Shares of ₹ 10 each	32,00,00,000	32,00,00,000
Total	**1,04,71,94,550**	**1,04,71,94,550**

a) Reconciliation of Number of shares outstanding at the beginning and at the end of the year

	Number of shares	Share Capital ₹
Ordinary Equity Shares		
Balance at 1st April, 2019	10,000	1,00,000
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2020	10,000	1,00,000
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2021	**10,000**	**1,00,000**
Class A Equity Shares		
Balance at 1st April, 2019	1,81,34,450	18,13,44,500
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2020	1,81,34,450	18,13,44,500
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2021	**1,81,34,450**	**18,13,44,500**
Class B Equity Shares		
Balance at 1st April, 2019	20,16,050	2,01,60,500
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2020	20,16,050	2,01,60,500
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2021	**20,16,050**	**2,01,60,500**
Class C Equity Shares		
Balance at 1st April, 2019	5,25,58,955	52,55,89,550
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2020	5,25,58,955	52,55,89,550
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2021	**5,25,58,955**	**52,55,89,550**
Preference Shares		
Balance at 1st April, 2019	3,20,00,000	32,00,00,000
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2020	3,20,00,000	32,00,00,000
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2021	**3,20,00,000**	**32,00,00,000**

b) Terms / rights attached to Equity Shares:

Equity Shares (Class 'A') :	Class A equity shares have no voting rights.
Equity Shares (Class 'B') :	Class B equity shares shall be entitled to 76% of the total voting rights in the Company.
Equity Shares (Class 'C') :	Class C equity shares shall be entitled to 24% of the total voting rights in the Company.
Ordinary Shares :	Ordinary Equity shares have no voting and distributions rights.

c) Terms of Conversion of Preference Shares

The Company has issued 17.75%, 3,20,00,000, cumulative compulsorily convertible preference shares of Rs. 10 each (CCPS) on 26th February, 2014. Each CCPs shall be compulsorily convertible into Class "B " Equity Share at fair value, which is equivalent to the subscription amount of the CCPS in one or more tranches on or after February 27, 2029. The Company has not paid any dividend since date of issue of the above preference shares.

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

I. Equity Share Capital

	As at 31st March, 2021		As at 31st March, 2020	
	No of shares held	% holding of this class of shares	No of shares held	% holding of this class of shares
Ordinary Equity Shares				
Hubtown Limited	7,400	74.00%	7,400	74.00%
Shree Naman Developers	2,600	26.00%	2,600	26.00%
	10,000	**100.00%**	**10,000**	**100.00%**
Class 'A' Equity Shares				
Hubtown Limited	1,24,31,045	68.55%	1,24,31,045	68.55%
High Scale Trading Private Limited	20,16,050	11.12%	20,16,050	11.12%
Grayline Real Estate Private Limited	11,08,827	6.11%	11,08,827	6.11%
Eknath Infraprojects Private Limited	16,71,306	9.22%	16,71,306	9.22%
J.P. Vaastu Nirman Private Limited	9,07,222	5.00%	9,07,222	5.00%
	1,81,34,450	**100.00%**	**1,81,34,450**	**100.00%**
Class 'B' Equity Shares				
Citygold Investments Private Limited	20,16,050	100	-	-
SIREF I Residential A Limited	0	-	20,16,050	100
	20,16,050	**100%**	**20,16,050**	**100%**
Class 'C' Equity Shares				
Hubtown Limited	5,25,58,955	100	5,25,58,955	100
	5,25,58,955	**100%**	5,25,58,955	**100%**
Preference Shares				
Citygold Investments Private Limited	3,20,00,000	100%	-	-
SIREF I Residential A Limited	-	-	3,20,00,000	100%
	3,20,00,000	**100%**	**3,20,00,000**	**100%**

		As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Note 12. Other Equity			
Retained Earning		(20,11,15,304)	(18,47,18,547)
	Total	**(20,11,15,304)**	**(18,47,18,547)**
Retained Earnings			
Balance at the beginning of the year		(18,47,18,547)	(15,22,09,794)
Profit attributable to the owners of the company		(1,63,96,757)	(3,25,08,754)
Balance at the end of the year	**Total**	**(20,11,15,304)**	**(18,47,18,547)**

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		As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Note 13. Borrowings			
Non-current			
(i)	**Debentures (Unsecured)** 22,50,000 (P.Y. - 40,00,000) Compulsorily convertible debentures of the face value of ₹100/- each (Refer footnote a)	22,50,00,000	40,00,00,000
	Debentures (Secured) 1,000 (P.Y. - Nil) Redeemable Non convertible debentures of the face value of ₹1000000/- each (Refer footnote b)	1,00,00,00,000	-
(ii)	**Vehicle Loans (Secured)**		
	- From banks (Refer Foot Note c & d)	21,92,510	9,85,870
	- From others (Refer Foot Note e)	23,82,460	29,27,224
(iii)	**Other Loans (Unsecured)**		
	- Loan from Companies	24,75,96,573	24,75,96,573
		1,47,71,71,543	**65,15,09,667**
Less: Transferred to Current Maturities			
	Of Vehicle Loan from banks	(7,67,568)	(5,72,263)
	Of Vehicle Loan from others	(5,86,788)	(5,44,764)
	Of Loan from Companies	(24,75,96,573)	(24,75,96,573)
		(24,89,50,929)	**(24,87,13,600)**
	Total	**1,22,82,20,614**	**40,27,96,067**

Foot Note :

a. During the year the Company has redeemed 17.75% 17,50,000 nos. of Debenture aggregating to ₹ 17,50,00,000 out of the total 40,00,000 nos. of Debenture aggregating to ₹ 40,00,00,000 having a term of 84 months from issue date (20,00,000 debentures issued on 01/02/2013 and 20,00,000 debentures issued on 10/06/2013) same can be converted into Class "B" Shares in whole or in part at the option of the investor but not before expiry of 36 months. The term has been further extended for a period of 36 months.

b. During the year the Company has issued 1000 Secured Redeemable Non-Convertible Debentures of Face Value of ₹ 10,00,000/- on the following terms:
Redemption Premium 20% p.a. IRR calculated on the face value of the debentures
Tenure: 42 months from the date of allotment
Redemption date: 42 months from the Series I date of allotment

Security: All right title interest benefits, entitlements including substitutions rights in the Project being constructed on all those part and parcel of land admeasuring 1,13,924 sq mts on plot bearing CTS No 469-A, Village Chembur, Mumbai - 400071

c. - Secured Vehicle loans from banks, which carry interest rate @ 9.76% p.a and are repayable by November,2021
- Vehicle loans secured against the assets of the Company

d. - Secured Vehicle loans from banks, which carry interest rate @ 7.74% p.a and are repayable by July,2025
- Vehicle loans secured against the assets of the Company

e. - Secured Vehicle loans from financial institution, which carry interest rate @ 7.45 % p.a and are repayable by November,2024

- Vehicle loans secured against the assets of the Company

f. **Guarantees / Security given for Secured loans taken by the company**
- Personal guarantee of Mr. Hemant Shah and Mr. Vyomesh Shah, the promoter directors of Hubtown Limited
- Corporate guarantee of Hubtown Limited
- The promoters of Hubtown Limited have pledged the shares of Hubtown Limited held by them as security for the loan.

Note 14. Other financial liabilities

		31st March, 2021	31st March, 2020
Non-current			
Retention money payable		2,36,28,470	1,71,81,288
	Total	**2,36,28,470**	**1,71,81,288**
Current			
Current maturities of long-term debts		24,89,50,929	24,87,13,600
Interest accrued and due on borrowings		-	6,11,066
Interest Accrued & Due on Other Loan		22,47,228	22,47,228
Interest accrued but not due on borrowings		1,32,970	1,32,970
Retention money payable		21,97,228	27,46,535
Security deposits (Refundable)		11,17,576	6,17,576
Other payables			
- Related parties		10,39,508	16,69,508
- Others		39,09,62,055	18,10,53,987
	Total	**64,66,47,494**	**43,77,92,470**

Foot Note :

Retention Money liability to the contractors which are not due for payment as at 31st March, 2021 have been shown under the head "Other Financial Liabilities" as per Ind AS-32. As per the management, the retention liability is in the nature of holding the amount as guarantee towards performance and does not relate to credit period given by the contractor. Further in the opinion of the management, there has not been any authoritative clarification / interpretation with regard to measurement of fair value in respect of above item hence retention liability has not been discounted as on 31st March, 2021.

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		As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Note 15. Provisions			
Non-current			
Employee Benefits			
Provision for leave benefit		29,033	28,624
	Total	29,033	28,624
Current			
Employee Benefits			
Provision for Gratuity (Net of plan assets Rs. 1,11,887)		14,923	-
Provision for leave benefit		19,329	19,324
	Total	34,252	19,324

Note 16. Trade payables

Due to MSME (Refer footnote)		72,05,655	70,80,416
Due to Others		15,70,31,851	18,71,85,491
	Total	16,42,37,506	19,42,65,907

Foot Note :

Details of dues to Micro, Small and Medium Enterprises as defined under Micro Small Medium Enterprises Development Act, 2006 : 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 ₹ 72,05,655/- (P.Y- ₹ 70,80,416) are payable to such vendors at the Balance Sheet date and the same has been relied upon by the auditors.

Note 17. Other current liabilities

Current			
Advance from customers		1,16,88,07,919	1,11,79,33,565
Overdrawn bank balances as per books of accounts		19,40,165	-
Other payables :			
- Statutory dues		4,32,95,399	2,90,78,865
	Total	1,21,40,43,483	1,14,70,12,430

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	Year ended 31st March, 2021 ₹	Year ended 31st March, 2020 ₹
Note 18. Revenue from operations		
Sale from operations :		
Revenue from sale of Trading Materials	99,44,098	1,71,56,597
	99,44,098	**1,71,56,597**
Other operating revenue :		
Excess/Short provision for expenses	97,28,784	27,96,864
Sundry Creditor Balances Written Back	1,26,28,943	1,09,87,662
Others	3,74,194	36,75,000
	2,27,31,921	**1,74,59,526**
Total	**3,26,76,019**	**3,46,16,123**

Note 19. Other income		
a) Interest Income:		
- Loans	-	-
- Bank fixed deposits	1,13,14,231	75,07,523
- On income tax refund	3,64,762	-
- Others	3,149	16,50,772
	1,16,82,142	**91,58,295**
b) Other gains and losses		
Miscellaneous income	-	38,306
	-	**38,306**
Total	**1,16,82,142**	**91,96,601**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

EXPENSES

		Year ended 31st March, 2021 ₹	Year ended 31st March, 2020 ₹
Note 20. Costs Of Construction / Development			
Construction costs incurred during the year:			
Land / rights acquired		13,24,59,500	3,17,94,534
Material and labour costs		11,57,04,516	7,67,36,627
Approval and consultation expenses		6,62,95,297	3,08,14,374
Other direct development expenses		11,23,805	22,31,668
	Total	**31,55,83,118**	**14,15,77,203**
Note 21. Changes in Inventories of incomplete projects			
Opening Inventory of Incomplete projects		2,43,22,02,939	2,23,93,36,260
Closing Inventory of Incomplete projects		3,19,15,12,636	2,43,22,02,939
	Total	**(75,93,09,697)**	**(19,28,66,680)**
Note 22. Employee Benefits Expense			
Salaries, bonus, etc.		2,07,31,927	5,68,27,469
Contribution to provident and other funds		9,48,674	19,01,438
Staff welfare expenses		66,758	27,991
Other fund expenses		75,731	1,12,628
	Total	**2,18,23,090**	**5,88,69,526**
Note 23. Finance Costs			
Interest on Debentures		43,73,93,758	6,78,962
Other interest expense		3,78,604	2,02,018
Delayed/penal interest on loans and statutory dues		12,65,538	-
		43,90,37,900	**8,80,980**
Other borrowing costs		13,52,200	50,000
	Total	**44,03,90,100**	**9,30,980**
Note 24. Depreciation and Amortisation Expenses			
Depreciation of property, plant and equipment		13,38,598	9,35,518
	Total	**13,38,598**	**9,35,518**
Note 25. Other Expenses			
Insurance		10,86,682	9,02,435
Rent		-	30,00,000
Rates and taxes		4,55,795	1,29,508
Advertisement expenses		8,96,410	2,18,47,553
Bad Debts		1,510	79,949
Brokerage		65,00,000	-
Repairs and society maintenance charges		35,928	20,610
Legal and professional fees		63,39,830	33,37,991
Other expenses (Refer Foot Note)		1,41,26,994	2,20,10,567
	Total	**2,94,43,147**	**5,13,28,613**

Foot Note :

Audit Fees		50,000	50,000
	Total	**50,000**	**50,000**

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	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Note 26. Earnings per share (EPS)		
Basic Earnings Per Share		
Class - A	(0.90)	(1.79)
Class - B	(8.14)	(16.12)
Class - C	(0.31)	(0.62)
Ordinary	(1,640.35)	(3,249.56)
Diluted Earnings Per Share		
Class - A	(0.90)	(1.79)
Class - B	(0.84)	(1.75)
Class - C	(0.31)	(0.62)
Ordinary	(1,640.35)	(3,249.56)

Basic EPS

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

Profit for the year attributable to the owners of the Company		
Earnings used in the calculation of basic earnings per share	**(1,64,03,493)**	**(3,24,95,586)**
Weighted average number of equity shares for the purposes of basic earnings per share		
Class - A	1,81,34,450	1,81,34,450
Class - B	20,16,050	20,16,050
Class - C	5,25,58,955	5,25,58,955
Ordinary	10,000	10,000
Total	**7,27,19,455**	**7,27,19,455**

Diluted EPS

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as
Profit for the year attributable to the owners of the Company

Earnings used in the calculation of diluted earnings per share	**(1,64,03,493)**	**(3,24,95,586)**
Weighted average number of equity shares for the purposes of basic earnings per share		
Class - A	1,81,34,450	1,81,34,450
Class - B	7,40,16,050	7,40,16,050
Class - C	5,25,58,955	5,25,58,955
Ordinary	10,000	10,000
Total	**14,47,19,455**	**14,47,19,455**

For the purpose of diluted EPS convertible instruments 17.75% Debentures are deemed to be converted on the first day of the previous year. The conversion ratio has been arrived at on face value basis.

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Note 27. Related Parties Disclosures

A. Names of related parties and description of relationship

Parent/ Holding Company
Hubtown Limited

Others - Joint Ventures Of Holding Company (with Whom transactions have taken place)
Rising Glory Developers

Key Management personnel their relatives & enterprises (with Whom transactions have taken place)
Citygold Management Services Pvt Ltd

Note: Related party relationships are as identified by the Company and relied upon by the Auditor.

B. Related party transactions and balance as at year end:

Sr. No.	Nature of transaction	Holding Company	Fellow Subsidiary companies	Joint Ventures of Holding company	Key Management personnel, their relatives & enterprises
a.	**Transactions with Related parties**				
i.	**Loans and Advances received \ recovered \ adjusted**				
	Hubtown Limited	9,68,41,666	-	-	-
		(14,86,21,000)	-	-	-
	Rising Glory Developers	-	-	8,61,28,000	-
		-	-	(1,99,21,000)	-
ii	**Loans and Advances given/ repaid/adjusted**				
	Hubtown Limited	8,83,90,834	-	-	-
		(28,33,59,832)	-	-	-
	Rising Glory Developers	-	-	8,12,50,000	-
		-	-	(3,41,91,000)	-
	Swapanranjan Infrastructure Private Limited (Proprietor: Sunstone Developers JV)	-	-	-	-
		-	-	(83,562)	-
iii	**Others - given/ repaid/adjusted**				
	Ackruti Jay Chandan JV	-	-	-	-
		-	-	(17,27,622)	-
iv	**Transfer of Steel / Other Materials (Expenses)**				
	Hubtown Limited	39,060	-	-	-
		(6,67,088)	-	-	-
v	**Advertisement & Other Income (Income)**				
	Hubtown Limited	4,53,194	-	-	-
		(44,67,370)	-	-	-
vi	**Sitting Fees (Expenses)**				
	Khilen Shah	-	-	-	-
		-	-	-	(12,500)
	Kamal Matalia	-	-	-	-
		-	-	-	(12,500)

C. Balance outstanding

Sr. No.	Nature of Balance outstanding	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
I	**Balance outstanding Receivables :**		
	Akruti GM JV	4,500	4,500
	Swapanranjan Infrastructure Private Limited (Proprietor: Sunstone Developers JV)	40,33,562	40,33,562
	Hubtown Bus Terminal (Mehsana) Private Limited	5,60,857	5,60,857
	Hubtown Bus Terminal (Adajan) Private Limited	61,327	61,327
	Hubtown Bus Terminal (Ahmadabad) Private Limited	61,327	61,327
	Hubtown Bus Terminal (Vadodara) Private Limited	61,327	61,327
	M/s Rising Glory Developers	50,17,000	98,95,000
	Hubtown Limited	3,27,50,592	8,76,75,122
II	**Balance outstanding payables :**		
	Citygold Management Services Pvt Ltd	2,64,508	8,94,508
	Khilen Shah (Sitting Fees payable)	12,500	12,500
	Kamal Matalia (Sitting Fees payable)	12,500	12,500

Note 28. Contingent Liability

Sr. No.	Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
	Claim against Company not acknowledge as debt on accounts of:-		
i	**Commissioner of Income Tax (Appeals):**		
	F.Y. 2016-17	1,25,12,800	1,25,12,800.00

The Company does not have any contingent liability as at the balance sheet date, other than as stated above, as certified by the management and relied by the auditors.

Note 29.
In the opinion of the Board of Directors of the Company, all the items of current assets, current labilities & loans and advances continue to have a realisable value of at least the amount at which they are stated in the balance sheet.

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Note 30. 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.

Gearing Ratio

The gearing ratio at the reporting period was as follows

	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Unsecured Loan	22,50,00,000	40,00,00,000
Secured Loan	1,00,21,92,510	9,85,870
Interest accrued and due/and but not due	1,32,970	7,44,036
Less: Cash and Bank Balance	(34,73,28,819)	(1,00,62,492)
Total Debt (A)	**87,99,96,661**	**39,16,67,414**
Equity Share Capital	1,04,71,94,550	1,04,71,94,550
Retained Earnings	(20,11,15,304)	(18,47,18,547)
Total Equity (B)	**84,60,79,246**	**86,24,76,003**
Debt Equity Ratio A/B	104.01%	45.41%

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	Year ended 31st March, 2021 ₹	Year ended 31st March, 2020 ₹
Note 31. Post Retirement Benefit Plans		
The Principal assumptions used for the purpose of the actuarial valuations were as follows,		
Gratuity:		
Discount Rate	6.79%	6.80%
Expected rate of salary increase	5%	5%
Expected average remaining service	23.56	24.29
Service cost		
Current service cost	34,825	22,346
Past service cost and (gain)/loss from settlement	-	-
Net interest expense	(839)	(3,396)
Component of define benefit cost recognised in profit or loss	**33,986**	**18,950**
Actuarial (gains) / losses for the period	(6,736)	13,168
Component of defined benefit cost recognised in other comprehensive income	**(6,736)**	**13,168**
Total	27,250	32,118
Present value of funded defined benefit obligation	1,26,810	92,419
Fair value of plan assets	(1,11,887)	(1,04,746)
Funded status	**(2,38,697)**	**(1,97,165)**
Movement in PV of defined benefit obligation		
Opening define benefit obligation	92,419	53,119
Current service cost	34,825	22,346
Interest cost	6,284	4,058
Actuarial (gains) and losses arising from changes in financial assumption	264	14,865
Actuarial (gains) and losses arising from changes in experience adjustment	(6,982)	(1,969)
closing define benefit obligation	**1,26,810**	**92,419**
Movements in fair value of plan assets		
Opening fair value of plan assets	1,04,746	97,564
Interest income	7,123	7,454
Return on plan assets (excluding amounts included in net interest expense)	18	(272)
Contribution from employer	-	-
closing fair value of plan assets	**1,11,887**	**1,04,746**
Asset Information:	**Total Amount**	**Target Allocation %**
Gratuity Fund	1,11,887	100%
Expected Payout:	**PVO Payout**	
Expected Outgo First Year	1,512	
Expected Outgo Second Year	1,581	
Expected Outgo Third Year	1,881	
Expected Outgo Fourth Year	2,319	
Expected Outgo Fifth Year	2,535	
Expected Outgo Sixth to Tenth Years	14,706	

Sensitivity Analysis:

As of 31st March, 2021, every percentage point increase in discount rate will affect our gratuity benefit obligation ₹ 1,03,458 /-

As of 31st March, 2021, every percentage point decrease in discount rate will affect our gratuity benefit obligation ₹ 1,56,768 /-

As of 31st March, 2021, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation ₹ 1,56,774 /-

As of 31st March, 2021, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation ₹ 1,03,099 /-

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, 2021 is ₹ 35,943 /-

Narrations:

1 **Analysis of Defined Benefit Obligation**
The number of members under the scheme have remained same.
The total salary has remained unchanged during the accounting period
The resultant liability at the end of the period over the beginning of the period has increased by 37.21%

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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.

4 **Investment / Interest Risk**
The Company is exposed to Investment / Interest risk if the return on the invested fund fails below the discount rate used to arrive at present value of the benefit

5 **Longevity Risk**
The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

6 **Risk of Salary Increase**
The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

7 **Discount Rate**
The discount rate has decreased from 6.80% to 6.79% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.

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Note 32. Financial Risk Management Objectives

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.

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.

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.

Liquidity risk

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

Note 33. Previous year figures have been regrouped or reclassified whereever necessary.

As per our report of even date

For A.D. Sheth & Associates
Firm Registration No: 0134274W
Chartered Accountants

AMIT SHETH
Proprietor
Membership No.: 148106

Place: Mumbai
Date: 05th August, 2021

KHILEN V SHAH
Director
DIN : 03134932

KAMAL MATALIA
Director
DIN : 00009695

SADANAND LAD
Company Secretary

SHIVARAMA GOWDA
Chief Financial Officer

SANJIV AMBERKAR
Chief Executive Officer

Place: Mumbai
Date: 05th August, 2021