

NIRAJ D. ADATIA & ASSOCIATES

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED ("the Company")** which comprises the Balance Sheet as at March 31, 2020, 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, 2020, and its loss, 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

As stated in Note 33 to the financial statements, regarding accumulated losses of the company which has resulted in erosion of the net worth of the company. However, the accounts have been drawn under going concern assumptions and the management is of the view that the erosion in net worth is temporary in nature.

Our audit report is not qualified in respect of above matter.



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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

The Ministry of Home Affairs vide Order dated 24-03-2020 notified first ever lockdown in India to contain the outbreak of Covid-19 pandemic. Due to Covid-19 situation, there have been several restrictions imposed by the Central and State Government on travel, goods movement and transportation considering public health and safety measures. In this context, the audit has been done via virtual mode for few documents/locations. Inspection of original or source

document is commonly used tool for the auditor to test controls. In the current scenario this was done based on scanned / screenshot documents that were provided. A reliance has been placed on the management for authenticity of the data provided which is extracted from software and made available. We have applied our professional skepticism in the best possible manner. In the view of current situation, we believe the audit evidences provided were sufficient and appropriate to provide a basis of our opinion.

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.
- 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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, 2020 on its financial position in its financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and



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

FOR NIRAJ D. ADATIA & ASSOCIATES

Firm Registration No.: 129486W

Chartered Accountants



NIRAJ D. ADATIA

Partner

UDIN: 20120844AAAAABJ9437

Membership No.: 120844

Place : Mumbai

Date : 24th December, 2020

ANNEXURE "A" REFERRED TO IN INDEPENDENT AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020;

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

- (i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification;
 - c) As per the information and explanation given to us, lease deed and transfer formalities with respect to lease hold land included in immovable properties are yet to be executed.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships, or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) The Company has not granted any loans or made any investments, or provided any guarantees or any security to the parties covered under section 185 and 186. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company and accordingly paragraph 3(vi) of the Order is not applicable.
- (vii)
 - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including income-tax, sales tax, value added tax, duty of customs, goods and service tax, service tax, cess and other material statutory dues, wherever applicable, with the appropriate authorities. There was an amount of GST of ₹ 32,474 outstanding as at the last day of the financial year for a period exceeding six months from the date they become payable.



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

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

- (viii) The Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) Based on the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has not paid / provided for managerial remuneration during the year and hence, the provisions of Section 197 read with Schedule V to the Act are not applicable. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) The Company has not entered into any related party transactions as covered by the section 188 of the Act. The details of related party transaction have been disclosed in the financial statements as required under IND AS - 24 Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- (xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.



- (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 : 20120844AAAABJ9437

Place : Mumbai

Date : 24th December, 2020

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

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

We have audited the internal financial controls over financial reporting of ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR NIRAJ D. ADATIA & ASSOCIATES

Chartered Accountants

Firm Registration No.: 129486W



NIRAJ D. ADATIA

Partner

Membership No.: 120844

UDIN : 20120844AAAABJ9437

Place : Mumbai

Date : 24th December, 2020

ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	3	2,78,78,855	2,84,88,193
(b) Intangible assets	4	23,09,909	26,73,877
(c) Financial assets			
(i) Other financial assets	6	8,42,868	7,26,169
Total Non-Current assets		3,10,31,632	3,18,88,239
Current assets			
(a) Inventories	7	1,17,39,310	1,25,08,029
(b) Financial assets			
(i) Investments	5	58,73,456	68,12,921
(ii) Trade receivables	8	1,90,268	4,248
(iii) Cash and cash equivalents	9	67,60,987	73,91,014
(iv) Loans	10	14,00,000	14,00,000
(v) Other financial assets	6	26,47,890	59,82,553
(c) Current tax assets (Net)	11	6,61,112	7,18,618
(d) Other current assets	12	21,93,969	32,75,239
Total Current Assets		3,14,66,992	3,80,92,622
TOTAL ASSETS		6,24,98,624	6,99,80,861
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	26,76,000	26,76,000
(b) Other equity	14	(11,46,98,848)	(11,17,29,531)
Total Equity		(11,20,22,848)	(10,90,53,531)
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	15	18,78,081	15,62,723
Total Non-Current Liabilities		18,78,081	15,62,723
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	-	74,880
(ii) Trade payables	17	12,55,067	18,06,096
(iii) Other financial liabilities	15	17,09,08,650	17,42,44,268
(b) Other current liabilities	18	4,79,674	13,46,425
Total Current Liabilities		17,26,43,391	17,74,71,669
Total Liabilities		17,45,21,472	17,90,34,392
TOTAL EQUITY AND LIABILITIES		6,24,98,624	6,99,80,861

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

As per attached report of even date

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

NIRAJ ADATIA
PARTNER
Membership No. 120844

Mumbai
Date: 24th December, 2020



For and on behalf of the Board of Directors



KAMLESH SHAH
Director
DIN: 01317352

PRAPHUL SHINDE
Director
DIN: 03140671

Mumbai
Date: 24th December, 2020

ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	Note No.	Year ended 31st March, 2020 ₹	Year ended 31st March, 2019 ₹
I Income			
Revenue from Operations	19	86,26,938	2,12,50,796
Other Income	20	12,55,093	11,92,530
Share of Profit / (Loss) of Joint Ventures		-	20,563
Total Income		98,82,031	2,24,63,889
II Expenses			
Cost Of Material Consumed	21	6,08,586	80,41,214
Changes in Inventory	22	21,43,949	(48,38,364)
Finance Costs	23	3,33,108	2,99,441
Depreciation and Amortisation Expenses	24	20,81,823	19,51,206
Other Expenses	25	76,83,882	1,09,39,744
Total Expenses		1,28,51,348	1,63,93,241
Profit/(Loss) before Tax		(29,69,317)	60,70,648
Tax Expense			
(1) Current Tax		-	-
(2) Deferred tax (charge) / credit		-	-
(3) Excess / (Short) provision for taxation in respect of earlier years		-	-
Profit/(Loss) for the Year		(29,69,317)	60,70,648
Other Comprehensive Income			
Total Comprehensive Income for the year		(29,69,317)	60,70,648
Earning per equity share of nominal value of ₹ 10/- each	26		
(in Rupees)			
Basic		(59.39)	121.41
Diluted		(59.39)	121.41

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

As per attached report of even date

FOR NIRAJ D. ADATIA & ASSOCIATES

Firm Registration No. 129486WA & ASSOCIATES

CHARTERED ACCOUNTANTS

NIRAJ ADATIA

PARTNER

Membership No. 120844

Mumbai

Date: 24th December, 2020

For and on behalf of the Board of Directors



KAMLESH SHAH

Director

DIN: 01317352

PRAPHUL SHINDE

Director

DIN : 03140671

Mumbai

Date: 24th December, 2020

ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	31st March, 2020 ₹	31st March, 2019 ₹
Cash flows arising from operating activities		
Net Profit / (Loss) before tax as per Statement of Profit and Loss	(29,69,317) ✓	60,70,648 ✓
Add / (Less) :		
Interest and Finance Charges	3,33,108	2,99,441
Depreciation and Amortisation	20,81,823	19,51,206
Unwinding of other financial asset	(1,17,199)	(97,520)
Advances and Other Debit Balance Written Off	1,77,944	33,059
Gain on Fair Valuation of Investments in Mutual Funds	(3,79,221)	(3,45,064)
Gain on foreign currency fluctuation (Net)	(16,508)	(30,052)
Loss on redemption of Mutual Fund	45,361	(77,835)
Liabilities written back to the extent no longer required	(96,404)	(2,26,181)
Sundry Credit written back	(5,09,985)	-
Interest Income	(1,13,196)	(4,36,774)
	14,05,722 ✓	10,70,280 ✓
Operating Profit Before Working Capital Changes	(15,63,595) ✓	71,40,928 ✓
Add / (Less) :		
(Increase) / Decrease in Inventories	7,68,719	(39,89,286)
(Increase) / Decrease in Current/Non current financial and other Assets	7,91,821	(47,79,500)
(Increase) / Decrease in Current/Non current financial and other Liabilities	(10,44,634)	5,15,907 ✓
Direct Taxes Paid	-	(2,66,283)
	-	(90,35,069) ✓
I. Net Cash flow in the course of Operating Activities	(10,47,689) ✓	(18,94,141) ✓
Cash flows arising from Investing activities		
Inflow on account of :		
Interest Income	2,52,854	3,56,290
Gain on redemption of Mutual Fund	-	77,835
(Increase) of Investments (net)	13,18,686	-
Deposits with maturity of more than three months but less than twelve months	-	31,26,275
(Outflow) on account of :		
Loss on redemption of Mutual Fund	(45,361)	-
Decrease of Investments (net)	-	(5,42,835)
(Increase)/Decrease of fixed assets	(11,08,517)	(38,147)
II. Net Cash flow in the course of Investing Activities	4,17,662 ✓	29,79,418 ✓
Cash flows arising from Financing activities		
Inflow / (Outflow) on account of :		
Interest and Finance Charges Paid	-	-
III. Net Cash flow in the course of Financing Activities	-	-
Net Increase in cash and cash Equivalents (I + II + III)	(6,30,026) ✓	10,85,277 ✓
Add: Balance at the beginning of the year	73,91,014 ✓	63,05,737
Cash and Cash Equivalents at the end of the year	67,60,987 ✓	73,91,014 ✓
Reconciliation of Cash and Bank Balances given in Note - 9 is as follows :-		
Balances with banks:		
- in current accounts	22,39,134	30,00,676
- in deposit with maturity of less than three months	39,05,989	37,05,402
Cash on hand	6,15,864	6,84,936
Cash and Cash Equivalents at the end of the year	67,60,987 ✓	73,91,014 ✓

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

As per attached report of even date

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

NIRAJ ADATIA
PARTNER
Membership No. 120844
Mumbai
Date: 24th December, 2020



For and on behalf of the Board of Directors



KAMLESH SHAH
Director
DIN: 01317352

PRAPHUL SHINDE
Director
DIN: 03140671

Mumbai
Date: 24th December, 2020

ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 March, 2020

Balance Sheet as at 31st March, 2020

A. EQUITY SHARE CAPITAL

As at 1st April, 2018

Changes in equity share capital

As at 31st March, 2019

Changes in equity share capital

As at 31 March, 2020

Notes

Amount in ₹

13

26,76,000 ₹

-

26,76,000 ₹

-

26,76,000 ₹

B. OTHER EQUITY

Particulars	Reserves and Surplus	Amount in ₹
	Retained Earnings	Total
Balance at 1st April, 2018	(11,78,00,179)	(11,78,00,179)
Profit / (Loss) for the year	60,70,648	60,70,648
Items of Other Comprehensive Income	-	-
Balance at 31st March, 2019	(11,17,29,531)	(11,17,29,531)
Balance at 1st April, 2019	(11,17,29,531)	(11,17,29,531)
Profit / (Loss) for the year	(29,69,317)	(29,69,317)
Items of Other Comprehensive Income	-	-
Balance at 31st March, 2020	(11,46,98,848)	(11,46,98,848)

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

As per attached report of even date

For and on behalf of the Board of Directors

FOR NIRAJ D. ADATIA & ASSOCIATES

Firm Registration No. 129486W

CHARTERED ACCOUNTANTS

NIRAJ ADATIA

PARTNER

MEMBERSHIP NO. 120844



KAMLESH SHAH

Director

DIN: 01317352

PRAPHUL SHINDE

Director

DIN : 03140671

Mumbai

Date: 24th December, 2020

Mumbai

Date: 24th December, 2020

Note 1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES**1.1 Company Overview**

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

1.2 The financial statements are approved for issue by the Company's Board of Directors on 24th December, 2020**Note 2. Significant Accounting Policies followed by the Company****I. Basis of preparation of financial statements****(i) Compliance with Ind AS**

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

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

a) Historical Cost Convention

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

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

b) Current versus non- current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

c) Functional and presentation currency

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

II. Significant accounting judgements, estimates and assumptions

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



Estimates and assumptions

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

2.1 REVENUE RECOGNITION**A. Revenue from contract with customer (Applied from 1 April 2018)**

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

B. Interest and Dividend

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

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

C. Others

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

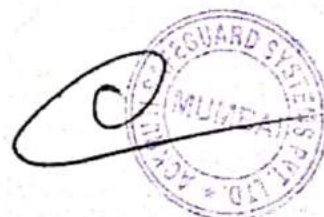
D. Profit / loss from partnership firms:

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

2.2 PROPERTY PLANT AND EQUIPMENT AND DEPRECIATION / AMORTISATION

- A. Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.
- B. Technical Knowhow are classified as intangible assets are stated at cost of acquisition less accumulated depreciation.
- C. Depreciation is provided on the straight line method on the basis of estimated useful life of the asset in the manner specified in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

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



2.3 FINANCIAL INSTRUMENTS**2.3.1 Initial recognition**

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

2.3.2 Subsequent measurement**a. Non-derivative financial instruments****(i) Financial assets carried at amortised cost**

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

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

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

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

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

(iv) Financial liabilities

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

(v) Fair value of financial instruments

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

2.3.3 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the 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.

2.3.4 Impairment**a. Financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case 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

i. Property, plant and equipment

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

ii. Intangible assets

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

2.4 TAXATION

i. Current Tax

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

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

ii. Deferred Tax

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

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

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

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

iii. Current and deferred tax for the year

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

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

2.5 INVENTORIES

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

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

2.6 BORROWING COSTS

Interests and other borrowing costs calculated as per effective interest rate attributable to qualifying assets are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are charged to the Profit and Loss Account.



2.7 CASH FLOW STATEMENT

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

2.8 FOREIGN CURRENCY TRANSACTIONS

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

2.9 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

Contingent liability is disclosed for:

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

2.10. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES**a. Fair value measurements and valuation processes**

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

b. Property, plant and equipment / Intangible assets

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

c. Recent accounting pronouncements**Ind AS 116**

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

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

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

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



ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March, 2020

Note 3. Property, plant and equipment

						in ₹
Leasehold land	Building	Plant & Machinery	Computers & Laptops	Furniture & Fixtures	Office Equipment	Total
1,03,04,642	1,86,35,052	1,41,99,351	16,66,840	2,20,779	5,50,458	4,55,77,122
-	-	-	25,847	-	12,300	38,147
-	-	-	-	-	-	-
1,03,04,642	1,86,35,052	1,41,99,351	16,92,687	2,20,779	5,62,758	4,56,15,269
25,92,837	39,50,562	67,83,363	16,64,412	1,48,406	4,00,257	1,55,39,838
-	-	-	-	-	-	-
1,51,212	5,97,335	8,06,408	2,792	15,205	14,286	15,87,238
27,44,049	45,47,897	75,89,771	16,67,204	1,63,611	4,14,543	1,71,27,076
75,60,593	1,40,87,155	66,09,580	25,483	57,168	1,48,215	2,84,88,193
Leasehold land	Building	Plant & Machinery	Computers & Laptops	Furniture & Fixtures	Office Equipment	Total
1,03,04,642	1,86,35,052	1,41,99,351	16,92,687	2,20,779	5,62,758	4,56,15,269
-	-	10,77,500	25,000	-	6,016	11,08,516
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,03,04,642	1,86,35,052	1,52,76,851	17,17,687	2,20,779	5,68,774	4,67,23,785
27,44,049	45,47,897	75,89,771	16,67,204	1,63,611	4,14,543	1,71,27,075
-	-	-	-	-	-	-
1,51,212	5,97,335	8,69,700	11,849	15,205	72,554	17,17,855
28,95,261	51,45,232	84,59,471	16,79,053	1,78,816	4,87,097	1,88,44,930
74,09,381	1,34,89,820	68,17,380	38,634	41,963	81,677	2,78,78,855



ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Note 4. Intangible assets

	Technical Knowhow
Cost or deemed cost	
Balance at 31 March, 2018	74,55,350
Additions	-
Disposals	-
Balance at 31 March, 2019	74,55,350 ₹
Accumulated depreciation	
Balance at 31 March, 2018	44,17,505
Eliminated on disposal of assets	-
Depreciation expense	3,63,968
Balance at 31 March, 2019	47,81,473 ₹
Net Carrying value as at 31 March, 2019	26,73,877 ₹
Cost or deemed cost	
Balance at 31 March, 2019	74,55,350 ₹
Additions	-
Disposals	-
Balance at 31 March, 2020	74,55,350 ₹
Accumulated depreciation	
Balance at 31 March, 2019	47,81,473 ₹
Eliminated on disposal of assets	-
Depreciation expense	3,63,968 ₹
Balance at 31 March, 2020	51,45,441 ₹
Net Carrying value as at 31 March, 2020	23,09,909 ₹



	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
Investments in Mutual Funds	49,90,479	15,02,483
IDFC Super Saver IF MT Plan		
1,20,128.6100 Units (As at 31st March, 2019, 39,470.9840 units)		13,11,838
L&T Income Opportunities Fund		
(Nil units, (As at 31st March, 2019, 62,228.4580 units)		
L & T Short Term Income Fund Growth	3,30,943	8,16,470
(15,772.3400 units, (As at 31st March, 2019, 40,772.3400 units)		
Templeton Short Term Income Plan -Growth	5,52,034	31,82,130
(144.076 units, (As at 31st March, 2019, 796.076 units)		
Total	58,73,456	68,12,921



	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
Note 6. Other financial assets		
Non-current		
Security deposit	8,42,868	7,26,169
Total	8,42,868	7,26,169
Current		
Security deposits	26,00,000	26,00,000
Interest accrued on fixed deposits	29,967	1,69,625
Other Receivables	17,923	32,12,928
Total	26,47,890	59,82,553
Note 7. Inventories		
Inventories (lower of cost or net realisable value)		
Raw Material at Site	34,59,318	20,84,088
Inventories of Number Plates	82,79,992	1,04,23,941
Total	1,17,39,310	1,25,08,029
Note 8. Trade Receivables		
Current		
Trade Receivables	1,90,268	4,248
Trade Receivables from related parties	-	-
Trade receivable which have significant increase in credit risk	13,82,490	-
Trade receivables - credit impaired	-	-
	15,72,758	4,248
	(13,82,490)	-
Less - Loss Allowances	1,90,268	4,248
Total	1,90,268	4,248
Note 9. Cash and cash equivalents		
Balances with banks:		
- In current accounts	22,39,134	30,00,676
- in deposit with maturity of less than three months	39,05,989	37,05,402
Cash on hand	6,15,864	6,84,936
Total	67,60,987	73,91,014
Footnote: Balances with bank as deposits are kept as security for guarantees / other facilities.		
Note 10. Loans		
Current		
Loans to related parties (Refer Note 27)		
Unsecured, considered good	14,00,000	14,00,000
Total	14,00,000	14,00,000
Note 11. Current tax assets		
Income tax Asset	6,61,112	7,18,618
Total	6,61,112	7,18,618
Note 12. Other assets		
Current		
Advance to Suppliers	2,17,718	9,33,448
Other Advances		
Input Tax Credit	19,76,251	23,41,791
Total	21,93,969	32,75,239



ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Note 13. Equity share capital

Authorised Share Capital:

Class A

7,500,000 (As at 31st March, 2019: 75,00,000;) Equity Shares of ₹ 10/- each

As at
31st March, 2020
₹

7,50,00,000

As at
31st March, 2019
₹

7,50,00,000

Class B

1,500,000 (As at 31st March, 2019: 15,00,000;) Equity Shares of ₹ 10/- each

1,50,00,000

1,50,00,000

Preference Shares

100,000 (As at 31st March, 2019: 1,00,000;) Preference Shares of ₹ 100/- each

1,00,00,000

1,00,00,000

Issued and subscribed capital comprises:

Class A

50,000 (As at 31st March, 2019: 50,000;) Equity Shares of ₹ 10/- each fully paid up

5,00,000

5,00,000

Class B

17,600 (As at 31st March, 2019: 17,600;) Equity Shares of ₹ 10/- each fully paid up

1,76,000

1,76,000

Preference Shares

20,000 (As at 31st March, 2019: 20,000;) 9% Cumulative Convertible Preference Shares of ₹ 100 each

20,00,000

20,00,000

Total

26,76,000 ✓

26,76,000 ✓

(a) Reconciliation of the number of Equity shares outstanding at the beginning

Class A

Balance at 1st April, 2018

Number of shares
(Nos)

50,000

Share Capital
₹

5,00,000

Add : Issued during the year

-

-

Less : Bought back during the year

-

-

Balance at 31st March, 2019

50,000

5,00,000

Add : Issued during the year

-

-

Less : Bought back during the year

-

-

Balance at 31st March, 2020

50,000 ✓

5,00,000 ✓

Class B

Balance at 1st April, 2018

17,600

176000

Add : Issued during the year

-

-

Less : Bought back during the year

-

-

Balance at 31st March, 2019

17,600

176000

Add : Issued during the year

-

-

Less : Bought back during the year

-

-

Balance at 31st March, 2020

17,600 ✓

176000 ✓

Preference Shares

Balance at 1st April, 2018

20,000

2000000

Add : Issued during the year

-

-

Less : Bought back during the year

-

-

Balance at 31st March, 2019

20,000

2000000

Add : Issued during the year

-

-

Less : Bought back during the year

-

-

Balance at 31st March, 2020

20,000 ✓

2000000 ✓



Equity (Class 'A') :

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

Equity (Class 'B') :

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

9% Cumulative Convertible Preference shares :

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

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

	As at 31st March 2020		As at 31st March, 2019	
	No of shares held	% holding	No of shares held	% holding
Equity (Class 'A')				
Hubtown Limited	36,215	72.43%	36,215	72.43%
Kushal H. Shah	3,438	6.88%	3,438	6.88%
Khilen V. Shah	3,438	6.88%	3,438	6.88%
Rushank V. Shah	3,437	6.87%	3,437	6.87%

	As at 31st March 2020		As at 31st March, 2019	
	No of shares held	% holding	No of shares held	% holding
Equity (Class 'B')				
Samar't S.A.	17,600	100%	17,600	100%
Total	17,600	100%	17,600	100%

	As at 31st March 2020		As at 31st March, 2019	
	No of shares held	% holding	No of shares held	% holding
Preference Shares				
Hubtown Limited	20,000	100%	20,000	100%
Total	20,000	100%	20,000	100%

As at	As at
31st March 2020	31st March 2019
₹	₹

Note 14. Other Equity**Retained Earnings:**

Balance at the beginning of the year
Profit attributable to the owners of the company
Balance at the end of the year

(11,17,29,531)	(11,78,00,179)
(29,69,317)	60,70,648
(11,46,98,848)	(11,17,29,531)

Nature and purpose of the reserves:

Retained Earnings represents Surplus/ accumulated earnings of the Company and are available for distribution to the shareholders.



ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Note 15. Other financial liabilities

Non-current

Security deposits (Refundable)

Total

As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
18,78,081	15,62,723
18,78,081 ✓	15,62,723 ✓

Current

Business Advances from related party (Refer Note 27 and Footnote)

Total

17,09,08,650	17,42,44,268
17,09,08,650 ✓	17,42,44,268 ✓

Footnote:

The Company has received interest free advances from its Parent Company, considering the nature of business in which the Company operates, 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. Current borrowings

Unsecured

Loans repayable on demand:

From Others

Total

-	74,880
- ✓	74,880 ✓

Note 17. Trade payables

Dues to MSME (Refer Footnote)

Dues to others

Total

-	-
12,55,067	18,06,096
12,55,067 ✓	18,06,096 ✓

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 current liabilities

Current

Advance from customers

Other payables :

Others

Statutory Dues

Total

2,68,418	4,22,255
1,63,555	8,17,472
47,701	1,06,698
4,79,674 ✓	13,46,425 ✓



Note 19. Revenue from operations

Sale from operations :

Income from Security Plates

Other operating revenue :

Liabilities written back to the extent no longer required

Scrap Sales

Total

Year Ended 31st March, 2020 ₹	Year Ended 31st March, 2019 ₹
85,30,534	2,09,59,900
85,30,534 ✓	2,09,59,900 ✓
96,404.00	2,26,181
-	64,715
96,404	2,90,896
86,26,938 ✓	2,12,50,796 ✓

Note 20. Other income

Interest Income:

-Interest Received on Bank Fixed Deposits

- Interest Received on Income Tax refund

-On Unwinding of other financial asset

- Others

VAT Refund Received

Other gains and losses :

- Gain on Investments classified at FVTPL

- Gain on foreign currency fluctuation (Net)

- Gain on redemption of Mutual Fund

Miscellaneous income

Total

1,13,196	4,36,774
3,596	3,793.00
1,17,199	97,520
1,15,387	21,608
3,49,378 ✓	5,59,695 ✓
-	1,79,884
3,79,221	3,45,064
16,508	30,052
-	77,835
3,95,729 ✓	4,52,951 ✓
5,09,985	-
12,55,093 ✓	11,92,530 ✓

Note 21. Cost of Material Consumed

Opening Stock

Raw Material Purchases

Other Expenses related to purchase of Materials :

Carriage Inward

Custom Clearance Charges

Clearing and Forwarding charges

Custom Duty

C
TOTAL (A+B+C)

Closing Stock Of Raw Material

Raw Materials Consumed

TOTAL (A+B+C-D)

A	20,84,088	29,33,166
B	19,33,201	67,36,662
	3,000	9,000
	23,603	79,617
	6,450	32,789
	17,562	3,34,068
C	50,615 ✓	4,55,474 ✓
TOTAL (A+B+C)	40,67,904	1,01,25,302
D	34,59,318	20,84,088
	6,08,586 ✓	80,41,214 ✓



	Year Ended 31st March, 2020 ₹	Year Ended 31st March, 2019 ₹
Note 22. Changes In Inventory		
Finished Stock:		
Opening Stock Of Number Plates	1,04,23,941	55,85,577
Less: Closing Stock Of Number Plates	82,79,992	1,04,23,941
Total	21,43,949	(48,38,364)
Note 23. Finance Costs		
Interest costs:-		
Unwinding of Security Deposit	3,15,358	2,62,404
Delayed and Penal Interest	17,750	37,037
Total	3,33,108	2,99,441
Note 24 Depreciation and Amortisation Expenses		
Depreciation of property, plant and equipment	17,17,855	15,87,238
Amortization of intangible assets	3,63,968	3,63,968
Total	20,81,823	19,51,206
Note 25. Other Expenses		
Royalty Charges	6,08,532	20,95,675
Bank Charges	1,588	4,220
Travelling Expenses	76,616	28,098
Security Charges	3,57,150	2,41,500
Rates and Taxes	30,440	31,278
Carriage Outward	3,85,979	3,91,855
Repairs & Maintenance (Machinery)	10,000	57,507
Repairs & Maintenance (Others)	25,100	69,734
Professional Fees	16,02,800	19,79,694
Fitting Charges	12,15,217	37,64,965
Provision for Doubtful Debts	13,82,490	-
Loss on redemption of Mutual Fund	45,361	-
Advances and Other Debit Balance Written Off	1,77,944	33,059
Other expenses (refer footnote)	17,64,665	22,42,160
Total	76,83,882	1,09,39,744

Footnote :

Auditor's Remuneration (Included in other expenses above)

- Audit fees

Total

75,000	75,000
75,000	75,000

Note 26. Earnings per share (EPS)

Basic Earnings Per Share	(59.39)	121.41
Diluted Earnings Per Share *	(59.39)	121.41

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	(29,69,317) ₹	60,70,648 ₹
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	50,000 ₹	50,000 ₹

Diluted EPS

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

Profit/(Loss) for the year attributable to the owners of the Company	(29,69,317) ₹	60,70,648 ₹
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	50,000 ₹	50,000 ₹

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

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



Note 27. Related Party Disclosures (As per IND AS - 24)

- A. Name of the related parties and related parties relationship
- I Holding Company : Hubtown Limited ✓
- II Fellow Subsidiary Companies : Citygold Education Research Limited (Hedde Knowledge Private Limited)
: Hubtown Bus Terminal - Mehsana ✓
- III Key Managerial Personnel : Kamlesh Shah ✓
- IV Firm In Which Company Is A Partner : M/s. Rising Glory Developers(Upto 31st July, 2018). ✓

Footnote:

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

B. Transaction with Related Parties -

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiary Companies	Key Management Personnel of the Entity	Firm in which Company is a partner
i	Business Advance given/repaid/adjusted				
	Hubtown Limited	33,35,818 (15,00,000)	(-)	(-)	(-)
	Hubtown Bus Terminal - Mehsana	(-)	(11,95,005)	(-)	(-)
ii	Business Advance taken/received back/adjusted				
	Hubtown Bus Terminal - Mehsana	(-)	11,95,005	(-)	(-)
iii	On behalf payments made (including reimbursement of expenses)				
	Kamlesh Shah	(-)	(-)	4,22,292 (4,09,900)	(-)
iv	On behalf payments received/adjusted				
	Kamlesh Shah	(-)	(-)	4,68,607 (3,76,772)	(-)
v	Share of Profit of Joint Venture				
	M/s Rising Glory Developers	(-)	(-)	(-)	(20,563)
vi	Sale of Investment of Joint Venture				
	M/s Rising Glory Developers	(-)	(-)	(-)	(10,000)

Footnote:

Previous Year figures are given in brackets

Balances outstanding

	As at 31st March, 2020	As at 31st March, 2019
i Balance Payables		
Hubtown Limited	17,09,08,650 ✓	17,42,44,268 ✓
Kamlesh Shah	7,000 ✓	53,315 ✓
Balance Receivables		
Citygold Education Research Limited (Hedde Knowledge Private Limited)	14,00,000 ✓	14,00,000 ✓
Hubtown Bus Terminal - Mehsana	- ✓	31,95,005 ✓
Rising Glory Developers	17,923 ✓	17,923 ✓



Note 28. Contingent Liability

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

Sr. No.	Particulars	As at 31st March 2020 ₹	As at 31st March, 2019 ₹
1	Tripura Value Added Tax matters pending u/s 31(1) (Refer Footnote)	11,78,323	11,78,323

Footnote:

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

Assessment Year	Tax Liability
2013-14	1,89,457
2014-15	5,14,663
2015-16	2,74,994
2016-17	1,99,409
TOTAL	11,78,523

Further interest / penalty that may accrue on original demands are not ascertainable, at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice, are not sustainable.

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

Note 29. Disclosure Of Derivatives**FOREIGN CURRENCY ON HAND**

	As at 31st March 2020	As at 31st March, 2019
USD	2,750	2,750
Equivalent INR	2,07,144	1,90,636

Note 30. Capital Management

The entity manages its capital to ensure that the entity will be able to continue as a going concern while maximising the return to stakeholders through optimisation of debt equity ratio.

The capital structure of the entity consists of net debt (Borrowings offset by cash and bank balances) and total equity of the company.

Note 31. Financial Risk Management Objectives

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

i) Market Risk**Interest rate risk**

Company has received interest free advances and it receives interest free funds for its operating cash flow from its holding company as and when required (Refer note 15), hence the Company is not exposed to interest risk.

ii) Credit Risk

Credit risk arises from the possibility that the counterparty may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets.

iii) Liquidity risk

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

Note 32. Loans and advances, other receivables, Trade receivables, Trade payables and other current liability are subject to confirmations and are considered receivable / payable as the case may be.

Note 33. The accumulated losses of the company have resulted in complete erosion of the net worth of the company. The Company's management is however of the view that the same erosion is temporary in nature as the company shall recover the same in future years.

Note 34. In the opinion of the Board of Directors of the Company, all items of Current Assets, Inventories and Loans and Advances continues to have a realizable value of at least the amounts at which they are stated in the Balance Sheet.



ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2020

Balance Sheet as at 31st March, 2020

Note 35. Categories of Financial Instruments

Fair Value measurement

(₹)

Particulars	31st March 2020		31st March 2019	
	FVPTL	Amortised Cost	FVPTL	Amortised Cost
Financial Assets				
Investment	58,73,456	-	68,12,921	-
Loans	-	14,00,000	-	14,00,000
Trade Receivables	-	1,90,268	-	4,248
Other financial assets	-	34,90,758	-	67,08,722
Cash and cash equivalent	-	67,60,987	-	73,91,014
Total of Financial Assets	58,73,456	1,18,42,013	68,12,921	1,55,03,984
Financial Liabilities				
Borrowings	-	-	-	74,880
Trade payables	-	12,55,067	-	18,06,096
Other Financial liabilities	-	17,27,86,731	-	17,58,06,991
Total of Financial Liabilities	-	17,40,41,798	-	17,76,87,967

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

Fair Value hierarchy

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

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31st March, 2020				
Financial Assets				
Financial Investments at FVPL				
Investments in Mutual Fund	58,73,456	-	-	58,73,456
Total Financial Assets	58,73,456	-	-	58,73,456
At 31st March, 2019				
Financial Assets				
Financial Investments at FVPL	68,12,921	-	-	68,12,921
Investments in Mutual Fund				
Total Financial Assets	68,12,921	-	-	68,12,921

Level 1

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

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

As per attached report of even date

FOR NIRAJ D. ADATIA & ASSOCIATES

Firm Registration No. 129486W

CHARTERED ACCOUNTANTS

NIRAJ ADATIA

PARTNER

Membership No. 120844



For and on behalf of the Board of Directors



KAMLESH SHAH

Director

DIN: 01317352

PRAPHUL SHINDE

Director

DIN : 03140671

Mumbai

Date: 24th December, 2020

Mumbai

Date: 24th December, 2020



L. J. KOTHARI

B.COM, F.C.A.

9920424040

L. J. KOTHARI & CO.

CHARTERED ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Diviniti Projects Private Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of M/s. Diviniti Projects Private Limited ("**the Company**") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2020, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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



Responsibility of Management for the Ind AS Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

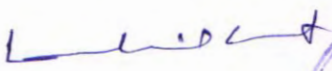


- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements, if any;
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR L.J. KOTHARI & CO

Firm Registration No. 105313W

Chartered Accountants


LALIT KOTHARI

Proprietor

Membership No.: 30917



Place: Mumbai

Date: 26th June, 2020

UDIN: 20030917AAAACQ4038

ANNEXURE "A"REFERRED TO IN OUR REPORT TO THE MEMBERS OF DIVINITI PROJECTS PRIVATE LIMITED ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020;

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

- (i) According to the information and explanations given to us and based on our examination of the records of the Company, the Company does not have any fixed assets during the year. Accordingly, paragraph 3(i) of the Order is not applicable.
- (ii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company does not have any inventory during the year. Accordingly, paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships, or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public during the year within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing, undisputed statutory dues, including income-tax and other material statutory dues, wherever applicable, with the appropriate authorities.
b) According to the information and explanations given to us and the records of the Company examined by us, there were no disputed dues in respect of Income Tax as at the Balance Sheet date.
- (viii) On the basis of records examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- (ix) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (x) Based on the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

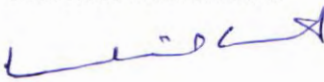


- (xi) The Company has not paid / provided managerial remuneration during the year and hence, the provisions of Section 197 read with Schedule V to the Act are not applicable. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) The Company has not entered into any related party transactions as covered by the section 188 of the Act. The details of related party transaction have been disclosed in the financial statements as required under IND AS - 24 Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- (xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debenture during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

FOR L.J. KOTHARI & CO

Firm Registration No. 105313W

Chartered Accountants



LALIT KOTHARI

Proprietor

Membership No.: 30917



Place: Mumbai

Date: 26TH June, 2020

UDIN: 20030917AAAACQ4038

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

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

We have audited the internal financial controls over financial reporting of DIVINITI PROJECTS PRIVATE LIMITED ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

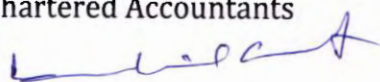
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020
, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR L.J. KOTHARI & CO

Firm Registration No. 105313W

Chartered Accountants



LALIT KOTHARI

Proprietor

Membership No.: 30917

Place: Mumbai

Date: 26th June, 2020

UDIN: 20030917AAAACQ4038



DIVINITY PROJECTS PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
ASSETS			
Non-Current Assets			
(a) Financial assets			
(i) Investments	3	2,839,342	2,814,652
(b) Current tax assets (Net)	4	938,186	655,283
Total Non-Current assets		3,777,528	3,469,935
Current assets			
Financial assets			
(i) Cash and cash equivalents	5	118,232	108,828
(ii) Other financial assets	6	47,371,529	47,457,242
Total Current Assets		47,489,761	47,566,070
TOTAL ASSETS		51,267,289	51,036,005
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	7	500,000	500,000
(b) Other equity	8	50,117,603	49,968,466
Total Equity		50,617,603	50,468,466
Liabilities			
Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	9	465,828	504,839
Total Non-Current Liabilities		465,828	504,839
Current Liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	10	183,858	62,700
Total Current Liabilities		183,858	62,700
Total Liabilities		649,686	567,539
TOTAL EQUITY AND LIABILITIES		51,267,289	51,036,005

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

FOR L. J. KOTHARI & CO.
Firm Registration No.105313W
CHARTERED ACCOUNTANTS

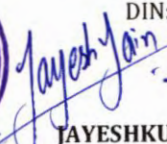


LALIT KOTHARI
Proprietor
Membership No. 30917






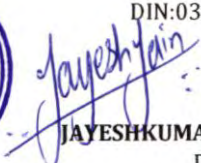

RAJEEVAN PARAMBAN
Director
DIN:03141200




JAYESHKUMAR JAIN
Director
DIN:08157112

Mumbai
Date: 26th June, 2020

Mumbai
Date: 26th June, 2020

DIVINITI PROJECTS PRIVATE LIMITED			
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020			
Particulars	Note No.	Year ended 31st March, 2020 ₹	Year ended 31st March, 2019 ₹
I INCOME			
Other Income	11	87,051	1,213,128
Share of Profit / (Loss) of Joint Ventures		149,377	(6,119)
TOTAL INCOME		236,428	1,207,009
II EXPENSES			
Other Expenses	12	138,884	132,722
TOTAL EXPENSES		138,884	132,722
III Profit/(Loss) before Tax		97,544	1,074,287
IV Tax Expense			
(i) Current Tax		-	(220,542)
(ii) Deferred tax (charge) / credit		39,011	(292,944)
(iii) Excess / (Short) provision for taxation in respect of earlier years		12,582	2,929
		51,593	(510,557)
V Profit/(Loss) for the year		149,137	563,730
VI Other Comprehensive Income		-	-
VII Total Comprehensive Income		149,137	563,730
VIII Earning per equity share of nominal value of ₹10/- each			
Basic and Diluted	13	2.98	11.27
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	
FOR L. J. KOTHARI & CO. Firm Registration No.105313W CHARTERED ACCOUNTANTS   LALIT KOTHARI Proprietor Membership No. 30917 Mumbai Date: 26th June, 2020		 RAJEEVAN PARAMBAN Director DIN:03141200  JAYESHKUMAR JAIN Director DIN:08157112 Mumbai Date: 26th June, 2020	
			

DIVINITI PROJECTS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	31st March, 2020 ₹	31st March, 2019 ₹
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before taxation as per Statement of Profit and Loss	149,137	1,074,287
Add/ (Less) :		
Share of (Profit)/Loss from investment in partnership firms and JVs	(149,377)	6,119
Interest Income	(62,360)	-
	(211,737)	6,119
Operating profit before working capital changes	(62,600)	1,080,406
Add / (Less) :		
(Increase) / Decrease in trade and other receivables	85,713	11,061,361
Increase / (Decrease) in trade and other payables	231,525	(999,998)
Direct Taxes paid	(282,904)	(292,944)
	34,334	9,768,419
Net cash flow from operating activities	(28,266)	10,848,825
II. Cash flows arising from investing activities		
Inflow / (Outflow) on account of :		
Interest income received	62,360	-
Purchase of Long term / Current investments	(24,690)	(1,213,670)
Net cash flow from investing activities	37,670	(1,213,670)
III. Cash flows arising from financing activities		
Inflow / (Outflow) on account of :		
Repayment of Long Term Borrowing	-	(9,760,999)
Net cash flow from financing activities	-	(9,760,999)
Net increase in cash and cash equivalents (I + II + III)	9,404	(125,844)
Add: Balance at the beginning of the year	108,828	234,672
Cash and cash equivalents at the end of the year	118,232	108,828
Components of cash and cash equivalents (refer note 5)		
Cash and cash equivalents:		
Cash on hand	9,801	11,015
Balances with banks	108,431	97,813
- On Current accounts	118,232	108,828

Footnote:

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

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

As per our report of even date

FOR L. J. KOTHARI & CO.
Firm Registration No.105313W
CHARTERED ACCOUNTANTS

[Signature]

LALIT KOTHARI
Proprietor
Membership No. 30917



For and on behalf of the board

[Signature]
RAJENDRA PARLAMBAN
Director
DIN:0314 1200



[Signature]
JAYESHKUMAR JAIN
Director
DIN:0815 7112

Mumbai
Date: 26th June, 2020

Mumbai
Date: 26th June, 2020

DIVINITY PROJECTS PRIVATE LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

			Amount ₹
A. EQUITY SHARE CAPITAL			
As at 1st April, 2018			500,000
Changes in equity share capital			-
As at 31st March, 2019			500,000
Changes in equity share capital			-
As at 31st March, 2020			500,000
B. OTHER EQUITY			
Reserves and Surplus (Amount 3)			
	General reserve	Retained Earnings	Total
Balance at 1st April, 2018	121,000	49,283,736	49,404,736
Profit / (Loss) for the period	-	563,730	563,730
Other Comprehensive Income for the period	-	-	-
Total Comprehensive Income for the period	-	563,730	563,730
Balance at 31st March, 2019	121,000	49,847,466	49,968,466
Balance at 1st April, 2019	121,000	49,847,466	49,968,466
Profit / (Loss) for the period	-	149,137	149,137
Other Comprehensive Income for the period	-	-	-
Total Comprehensive Income for the period	-	149,137	149,137
Balance at 31st March, 2020	121,000	49,996,603	50,117,603

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

FOR L. J. KOTHARI & CO.

Firm Registration No.105313W
CHARTERED ACCOUNTANTS



LALIT KOTHARI

Proprietor
Membership No. 30917



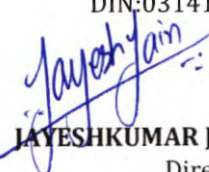


RAJEEVAN PARAMBAN

Director

DIN:03141200





JAYESHKUMAR JAIN

Director

DIN:08157112

Mumbai

Date: 26th June, 2020

Mumbai

Date: 26th June, 2020

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**1.1 Company Overview**

Diviniti Projects Private Limited is a Private Limited Company domiciled in India, incorporated under the Companies Act, 1956. The Company is engaged to acquire by purchase, lease, exchange, hire, or otherwise land and property of any tenure or any interest in the same and to erect and construct houses, building or work of every description on any land of the company or upon any other lands of property and to pull down, rebuild, enlarge, alter and improve existing, houses, building or work thereon to convert and appropriate any such land into and for roads, streets, squares, garden, and any other conveniences and generally to deal with and improve the property of the company or any other property, and to act as earthmovers, contractors, developers of land, government contractor, construction of road, bridges, earth work, sewers, tanks drains, culvert, channels, sewage, or other works.

1.2 The financial statements are approved for issue by the Company's Board of Directors on 26th June 2020

Note 2. Significant Accounting Policies followed by the Company**I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS****(i) Compliance with Ind AS**

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

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

(ii) Historical cost convention

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

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

(iii) Current non-current classification

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

II Significant accounting judgements, estimates and assumptions

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

a) Judgements**Classification of property**

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

b) Estimates and assumptions

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



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Jayesh Jain

III REVENUE RECOGNITION

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

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

IV FINANCIAL INSTRUMENTS

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

Investments and Financial Assets**i. Initial recognition**

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

ii. Subsequent measurement

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

a) Financial Assets at Amortised Cost

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

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**2. Subsequent Measurement**

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

- Financial liabilities at FVTPL

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

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

- Financial liabilities at amortised cost

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

3. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the 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.

C. Offsetting Financial Instruments

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

V Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the 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

VI IMPAIRMENT**a. Financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case 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

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

ii. Provisions

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



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Jayesh Jain

VII TAXATION**i. Current Tax**

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

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

ii. Deferred Tax

Deferred tax is recognized on temporary 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.

VIII TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

IX BORROWINGS AND BORROWING COSTS

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

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised in the statement of profit and loss as finance cost.

Interests and other borrowing costs calculated as per effective interest rate attributable to qualifying assets are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are charged to the Profit and Loss Account.

X EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



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XI CASH FLOW STATEMENT

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

XII CASH AND CASH EQUIVALENT

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

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

XIII PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

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

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



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Jayesh Jain

DIVINITI PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
3. Investments		
Non-Current		
A) Investment in other equity instruments (Unquoted) (Refer footnote)		
(At fair value through profit and loss)		
a) 125 Equity shares of ₹ 25/- each (PY: 125)		
The Shamrao Vithal Co-operative Bank Limited	61,887	58,383
b) 2,000 Equity shares of ₹ 10/- each (PY: 2,000)		
Suraksha Realty Limited	2,739,955	2,718,769
Total	2,801,842	2,777,152

Footnote:

Investments in Shamrao Vithal Co-operative Bank Limited & Suraksha Realty Limited are measured at fair value as at 31st March 2020.

B) Capital Investment in Partnership Firms and Joint Ventures (Refer footnote)

M/s Rising Glory Developers

	37,500	37,500
	37,500	37,500
Total	2,839,342	2,814,652

Footnote :

Details of Investments made in capital of Partnership Firm :

Sr. No.	Name of Partners	31st March, 2020 Profit Sharing Ratio	31st March, 2019 Profit Sharing Ratio
1	Hubtown Limited	25.00%	25.00%
2	Citygold Education Research Limited	25.00%	25.00%
3	Diviniti Projects Private Limited	25.00%	25.00%
4	Heet Builders Private Limited	25.00%	25.00%
	Total Capital of the firm in ₹	150,000	150,000

4. Current tax assets (Net)

Advance Tax paid for the Current Year

Less : Provision for Income Tax

	950,781	655,283
	12,595	-
Total	938,186	655,283

5. Cash and cash equivalents

Balances with banks:

- in current accounts

Cash on hand

	108,431	97,813
	9,801	11,015
Total	118,232	108,828

6. Other financial assets
Current

Other Advances and Receivables

Advances recoverable

- Others

Current Account Balances in Partnership Firms and Joint Ventures (Refer note 16)

	850,000	850,000
	46,521,529	46,607,242
Total	47,371,529	47,457,242



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DIVINITI PROJECTS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	As at 31st March, 2020	As at 31st March, 2019
	₹	₹
7. Equity share capital		
Authorised Share Capital :		
50,000 (PY : 50,000) Equity Shares of ₹ 10/- each	500,000	500,000
Issued and subscribed capital comprises :		
50,000 (PY : 50,000) Equity Shares of ₹ 10/- each fully paid up	500,000	500,000
Total	500,000	500,000

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

Fully paid equity shares

	Number of shares	Share Capital ₹
Balance at 1st April, 2018	50,000	50,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2019	50,000	50,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2020	50,000	50,000

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

b) Equity Shares held by its holding company or its ultimate holding company, subsidiaries or associates of the holding company or the ultimate holding company

	As at 31st March, 2020		As at 31st March, 2019	
	No of shares held	% holding	No of shares held	% holding
Hubtown Limited with Beneficiary owners	50,000	100%	50,000	100%
	50,000	100%	50,000	100%

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

	As at 31st March, 2020		As at 31st March, 2019	
	No of shares held	% holding	No of shares held	% holding
Fully paid equity shares				
Hubtown Limited with Beneficiary owners	50,000	100%	50,000	100%
	50,000	100%	50,000	100%

d) Terms / Right attached to Ordinary Equity Shares :

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



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DIVINITI PROJECTS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
8. Other equity		
General reserve		
Balance at the beginning of the year	121,000	121,000
Balance at the end of the year	121,000	121,000
Retained Earnings		
Balance at the beginning of the year	49,847,466	49,283,736
Profit attributable to the owners of the company	149,137	563,730
Balance at the end of the year	49,996,603	49,847,466
Total	50,117,603	49,968,466

9. Deferred Tax balances

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

Deferred Tax Liability	(465,828)	(504,839)
Total	(465,828)	(504,839)

2019-20	Opening Balance	Recognise in Profit & Loss Account	Closing Balance
Deferred tax (liabilities) / assets in relation to :			
On account of fair valuation of investments	(504,839)	39,011	(465,828)
Total	(504,839)	39,011	(465,828)

2018-19	Opening Balance	Recognise in Profit & Loss Account	Closing Balance
Deferred tax (liabilities) / assets in relation to :			
On account of fair valuation of investments	(211,895)	(292,944)	(504,839)
Total	(211,895)	(292,944)	(504,839)

10. Other financial liabilities

Current

Other payables	183,858	62,700
Total	183,858	62,700

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.



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DIVINITI PROJECTS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	Year Ended 31st March, 2020 ₹	Year Ended 31st March, 2019 ₹
11. Other income		
Interest on Income tax Refund	62,360	-
Excess Provision written Back	-	16,534
Creditors Balance written Back	-	10,424
Gain on fair valuation of Investment	24,691	1,186,170
Total	87,051	1,213,128

12. Other expenses		
Legal and professional fees	80,540	94,155
Other expenses	58,344	38,567
Total	138,884	132,722

Footnote :

Auditor's Remuneration (included in other expenses) :

Audit Fees	17,500	17,500
GST / Service Tax on above	3,150	3,150
Total	20,650	20,650

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
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13. Earnings Per Share (EPS)

Basic and Diluted Earnings Per Share	2.98	11.27
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Basic and Diluted EPS

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

Earnings used in the calculation of basic earnings per share	149,137	563,730
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Weighted average number of equity shares for the purposes of basic and diluted earnings per share	50,000	50,000
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14. Contingent Liabilities (Not Provided For:)

The Company does not have any contingent liability as on balance sheet date, as certified by the management and relied upon by the auditors.

15. In the opinion of the Board of Directors of the Company, all items of current assets, non current assets, non current liabilities and current Liabilities continues to have a realizable value of at least the amounts at which they are stated in the Balance Sheet.



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DIVINITY PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
16. Related Party Disclosure
A. Name of related parties and description of relations

- (i) **HOLDING COMPANY** : Hubtown Ltd
- (ii) **ENTITIES UNDER THE JOINT CONTROL OF HOLDING COMPANY** : Twenty Five South Realty Limited
- (iii) **JOINT VENTURE OF THE COMPANY** : Rising Glory Developers

Footnote:

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

B. Transactions with related parties

Sr. No.	Nature of Transaction	Holding Company	Entities Under The Joint Control Of Holding Company	Joint Venture of the company
i	Loans given /repaid Hubtown Limited	(14,31,532)	- (-)	- (-)
ii	Share of loss from Partnership Firm: Rising Glory Developers	- (-)	- (-)	(149377) (6119)
iii	Investment in Current Account of Partnership Firm Rising Glory Developers	- (-)	- (-)	(235090) (-)
iv	Investment in Capital Account of Partnership Firm Rising Glory Developers	- (-)	- (-)	- (27,500)
v	Debit Balances received Twenty Five South Realty Limited (Refund received)	- (-)	- (17,64,105)	- (-)
	Rising Glory Developers	- (-)	- (-)	- (86,61,000)

Footnote:

Previous Year figures are given in brackets.

Balance outstanding payables/receivable:

	Nature of Transaction	As at 31st March, 2020	As at 31st March, 2019
a.	Receivable Joint Venture of Holding Company Rising Glory developers - Current Ac Rising Glory developers - Capital Ac	46,521,529 37,500	46,607,242 37,500



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DIVINITI PROJECTS PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****17. Capital Management**

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

The capital structure of the entity consists of net debt (borrowings and offset by cash and bank balances) and total equity of the company. There are no borrowings from banks/financial institutions or corporates other than the equity shareholders and their group companies.

Gearing Ratio

The gearing ratio at the reporting period was as follows:

	As at 31st March, 2020	As at 31st March, 2019
Unsecured Loan	-	-
Less: Cash and Bank Balances	(118,232)	(108,828)
Net Debt (A)	(118,232)	(108,828)
Equity Share Capital	500,000	500,000
Retained Earnings	50,117,603	49,968,466
Total Equity (B)	50,617,603	50,468,466
Debt Equity Ratio A/B	0%	0%

18. Financial Risk Management Objectives

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

1) Market Risk

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

a) Interest rate risk

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

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

2) Credit Risk

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

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

3) Liquidity risk

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



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DIVINITI PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
19. Fair Value measurement of Financial Instruments

	31st March 2020			31st March 2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments	2,801,842		37,500	2,777,152	-	37,500
Cash and cash equivalents			118,232	-	-	108,828
Other financial assets			47,371,529	-	-	47,457,242
Total of Financial Assets	2,801,842	-	47,527,261	2,777,152	-	47,603,570
Financial Liabilities						
Borrowings			-	-	-	-
Trade payables			-	-	-	-
Other Financial liabilities			183,858	-	-	62,700
Total of Financial Liabilities	-	-	183,858	-	-	62,700

i) Fair Value hierarchy

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

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31st March, 2020				
Financial Assets				
Investments as at 31st March, 2020	-	-	2,801,842	2,801,842
Total Financial Assets	-	-	2,801,842	2,801,842
At 31st March, 2020				
Financial Assets				
Investments as at 31st March, 2020	-	-	2,777,152	2,777,152
Total Financial Assets	-	-	2,777,152	2,777,152



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DIVINITI PROJECTS PRIVATE LIMITED**Level 3**

If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3. During the year ended 31st March 2020, the company has fair valued its investments. Since valuation of investments are not based on inputs from observable market data, same has been classified in Level 3.

ii) Valuation technique and process used to determine fair value

The fair value of the financial instrument is determined using book value method.

Changes in Level 3 items for the year ended 31st March, 2019 and 31st March, 2020

	Investments	Total
As at 1st April, 2018	2,777,152	2,777,152
Gain/(loss) recognised in profit or loss	24,690	24,690
As at 31st March, 2019	2,801,842	2,801,842
Gain/(loss) recognised in profit or loss	-	-
As at 31st March, 2020	2,801,842	2,801,842

Footnote :

Investments in Shamrao Vithal Co-operative Bank Limited and Suraksha Realty Limited have been measured at fair value using the book value method in the financial year 2018 and 2019. However, the balance sheet of these entities were not available for fair valuation for the financial year 2020 Hence, fair value for the financial year 2019 has been carried forward to the financial year 2020 as the management is of the opinion that there is no significant change.

As per our report of even date

FOR L. J. KOTHARI & ASSOCIATES

Firm Registration No.105313W

CHARTERED ACCOUNTANTS



LALIT KOTHARI

Proprietor

Membership No. 30917

Mumbai

Date: 26th June, 2020

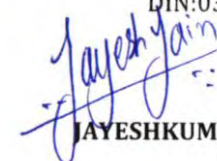
For and on behalf of the board



RAJEEVAN PARAMBAN

Director

DIN:03141200



JAYESHKUMAR JAIN

Director

DIN:08157112

Mumbai

Date: 26th June, 2020