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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITYGOLD EDUCATION RESEARCH LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **CITYGOLD EDUCATION RESEARCH LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

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

Opinion

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

Emphasis of Matter

Attention is invited to Note 4 in the financial statements with regards to investment written off in a subsidiary aggregating to ` 27 Crore. As per the information and explanation given to us, the company has lodged a complaint against the Directors of the subsidiary for recovery of amount of investment. However on conservative basis, the company have written off such investments in financial statements.
Our opinion is not qualified with respect to this matter.

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 section 143(11) of the Act, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order;

II. As required by Section143 (3)of the Act, we report that:

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

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

(c) The balance sheet, the statement of profit and loss (including other comprehensive income),the statement of cash flows and the statement ofchanges in equity dealt with by this Report are in agreement with the books of account;

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

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

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

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements, if any;

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

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

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

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

LALIT KOTHARI
Partner
Membership No.: 30917

Place: Mumbai
Date : 11th June, 2018

ANNEXURE"A"REFERRED TO IN OUR REPORT TO THE MEMBERS OF CITYGOLD EDUCATION RESEARCH LIMITEDON THEIND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31stMARCH, 2018;

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

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

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

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

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

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

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

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

(vi) In our opinion, and according to the information and explanation given to us, the Company has not crossed the threshold limit as prescribed by the Central Government under sub-section (1) of section 148 of the Act for maintenance of cost records and hence the provision for maintenance of records are not applicable to the Company;

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Tax deduced at Source and Interest on tax payable, the Company is generally regular in depositing undisputed statutory dues, including Service tax, duty of customs, Value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There was an amount of Service tax of ₹ 94,779, GST of ₹ 4,770 and Interest on tax payable ₹ 10,57,047/- outstanding as at the last day of the financial year for a period exceeding six months from the date they became payable.

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

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

Name of the statute	Nature of dues	Period to which the amount relates (F.Y.)	Amount (₹)	Amount Paid (₹)	Balance Amount (₹)	Forum where the dispute is pending
Income Tax Act, 1961	143 (3)	2009-10	10,17,08,240	Nil	10,17,08,240	Income Tax Appellate tribunal (Preferred by Dept.)
Income Tax Act, 1961	143 (3)	2011-12	12,63,710	Nil	12,63,710	Income Tax Appellate tribunal (Preferred by Dept.)

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

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

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

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

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

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

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

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

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

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

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

LALIT KOTHARI
Partner
Membership No.: 30917

Place: Mumbai
Date : 11th June, 2018

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

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

We have audited the internal financial controls over financial reporting of CITYGOLD EDUCATION RESEARCH LIMITED ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) providereasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

LALIT KOTHARI
Partner
Membership No.: 30917

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

Place: Mumbai
Date : 11th June, 2018

CITYGOLD EDUCATION RESEARCH LIMITED

BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
I ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	3	-	-
(b) Financial assets			
(i) Investments	4	10,000	270,010,000
(ii) Other financial assets	5	10,000	32,866
(c) Current tax assets (Net)	6	1,069,833	1,069,833
(d) Other non-current assets	7	-	53,499,242
Total Non-Current assets		**1,089,833**	**324,611,941**
2. Current assets			
(a) Inventories	8	288,936,428	565,433,223
(b) Financial assets			
(i) Trade Receivables	9	299,579,353	-
(ii) Cash and cash equivalents	10	759,083	96,756
(iii) Other financial assets	5	20,957,066	22,296,843
(c) Other current assets	7	677,237	-
Total Current Assets		**610,909,167**	**587,826,822**
TOTAL ASSETS		**611,999,000**	**912,438,763**
II EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	11	23,050,000	23,050,000
(b) Other equity	12	(8,691,266)	317,273,862
Total Equity		**14,358,734**	**340,323,862**
2. Liabilities			
(i) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	2,693,160	2,448,328
(ii) Other Financial Liabilities	14	-	330,003
Total Non-Current Liabilities		**2,693,160**	**2,778,331**
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	-	107,998
(ii) Trade payables	15	15,222,488	156,395
(iii) Other financial liabilities	14	572,984,909	554,650,692
(b) Other current liabilities	16	6,739,709	14,421,485
Total Current Liabilities		**594,947,106**	**569,336,570**
Total Liabilities		**597,640,266**	**572,114,901**
TOTAL EQUITY AND LIABILITIES		**611,999,000**	**912,438,763**

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 11th June, 2018

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

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

D V PRABHU
Director
DIN: 03142640
Mumbai
Date: 11th June, 2018

CITYGOLD EDUCATION RESEARCH LTD.

CITYGOLD EDUCATION RESEARCH LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

	Particulars	Note No.	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
I	**Income**			
	Revenue from Operations	17	495,882,570	-
	Other Income	18	-	456,250
	Share of Profit / (Loss) of Joint Venture and Firm		(1,583)	3,200
	Total Income		**495,880,987**	**459,450**
II	**Expenses**			
	Costs of Development	19	53,499,242	-
	Changes in Inventories of Land and ancilliary costs	20	276,496,795	-
	Finance Costs	21	276,784	234,539
	Other Expenses	22	491,573,294	14,005,993
	Total Expenses		**821,846,115**	**14,240,532**
III	**Profit / (Loss) before Tax**		**(325,965,128)**	**(13,781,082)**
	Tax Expense			
	Excess / (Short) provision for taxation in respect of earlier years		-	-
IV	**Profit / (Loss) for the Year**		**(325,965,128)**	**(13,781,082)**
V	**Other Comprehensive Income**		-	-
VI	**Total comprehensive income for the year**		**(325,965,128)**	**(13,781,082)**
VII	**Earning per equity share of nominal value of ₹ 10/- each (in ₹)**			
	Basic	23	(6,519)	(276)
	Diluted	23	(6,519)	(276)

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Mumbai
Date: 11th June, 2018

For and on behalf of the Board of Directors

CITYGOLD EDUCATION RESEARCH LTD.

SHRENIK MEHTA
Director
DIN: 03437231

D V PRABHU
Director
DIN: 03142640
Mumbai
Date: 11th June, 2018

CITYGOLD EDUCATION RESEARCH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation as per Statement of Profit and Loss	(325,965,128)	(13,781,082)
Add / (Less) :		
Depreciation	-	-
Share of loss of firm and joint venture	(1,583)	3,200
Finance cost	276,784	234,539
Investment written off	270,000,000	-
	270,275,201	237,739
Operating profit before working capital changes	(55,689,927)	(13,543,343)
Add / (Less) :		
(Increase)/ Decrease in inventories	276,496,795	-
(Increase) / Decrease in trade and other receivebles	(245,393,120)	(2,665,043)
Increase / (Decrease) in trade and other payables	25,388,529	12,908,653
Direct taxes refund/ (paid)	-	3,750,000
	56,492,204	13,993,610
Net cash flow from operating activities	802,277	450,267
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Sale / (Purchase) of fixed assets	-	-
Net cash flow from investing activities	-	-
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Proceeds from borrowings	(107,998)	(615,372)
Finance costs paid	(31,951)	(11,964)
Net cash flow from financing activities	(139,949)	(627,336)
Net increase in cash and cash equivalents (I + II + III)	662,327	(177,069)
Add: Balance at the beginning of the year	96,756	273,825
Cash and cash equivalents at the end of the year	759,083	96,756
Components of cash and cash equivalents (Refer Note 10)		
Cash on hand	61,063	59,978
Balances with Banks		
- in Current accounts	698,020	36,778
Total	759,083	96,756

The accompanying notes are an integral part of the financial statements

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

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 11th June, 2018

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

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

D V PRABHU
Director
DIN: 03142640
Mumbai
Date: 11th June, 2018

CITYGOLD EDUCATION RESEARCH LTD.

CITYGOLD EDUCATION RESEARCH LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018 (in ₹)

	Notes	Amount
A. EQUITY SHARE CAPITAL		
As at 1st April, 2016		23,050,000
Changes in equity share capital		-
As at 31st March, 2017		**23,050,000**
Changes in equity share capital		-
As at 31st March, 2018		**23,050,000**

B. OTHER EQUITY AND CONVERTIBLE INSTRUMENTS

	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance at 1st April, 2016	371,800,000	(40,745,056)	**331,054,944**
Profit / (Loss) for the year	-	(13,781,082)	**(13,781,082)**
Balance at 31st March, 2017	**371,800,000**	**(54,526,138)**	**317,273,862**
Balance at 1st April, 2017	**371,800,000**	**(54,526,138)**	**317,273,862**
Profit / (Loss) for the year	-	(325,965,128)	**(325,965,128)**
Balance at 31st March, 2018	**371,800,000**	**(380,491,266)**	**(8,691,266)**

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

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Mumbai
Date: 11th June, 2018

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

CITYGOLD EDUCATION RESEARCH LTD.

D V PRABHU
Director
DIN: 03142640
Mumbai
Date: 11th June, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 1. Statement of Significant Accounting Policies.

1.1 Company Overview

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

1.2 The financial statements are approved for issue by the Company's Board of Directors on 11th June, 2018.

Note 2. Significant Accounting Policies followed by the Company

I. Basis of preparation of financial Statements

(i) Compliance with Ind AS

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

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

(ii) Historical cost convention

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

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

(iii) Current non-current classification

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

II. Significant accounting judgements, estimates and assumptions

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

a) Judgements

Classification of property

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

b) Estimates and assumptions

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

III. Revenue recognition

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

A. **Revenue from Sale of Land**

i. Revenue from sale of land is recognised on transfer of all significant risks and rewards of ownership of such land, as per the terms of the contracts entered into with buyer/(s), which generally coincides with the firming of the sale contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.

B. **Interest and dividend:**

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

C. **Others:**

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

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

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

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IV. Property plant and equipment and depreciation / ammortisation

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

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

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

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

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

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

V. Financial Instruments

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

A. **Investment and Financial Assets**

i. **Initial recognition**

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

ii. **Subsequent measurement**

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

a) **Financial Assets at Amortised Cost**

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

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

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

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

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

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

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

B. **Equity Instruments and Financial Liabilities**

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

i. **Equity Instruments**

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

ii. **Financial Liabilities**

1. Initial Recognition

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

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2. Subsequent Measurement

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

- Financial liabilities at FVTPL

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

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

- Financial liabilities at amortised cost

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

3. De-recognition of Financial Liabilities

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

C. **Offsetting Financial Instruments**

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

VI Derecognition of financial instruments

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

VII. Impairment

a. Financial assets

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

b. Non-financial assets

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

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

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

i. Intangible assets and property, plant and equipment

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

ii. Provisions

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

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VIII. Taxation

i. Current Tax

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

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

ii. Deferred Tax

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

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

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

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

iii. Current and deferred tax for the year

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

IX. Inventories

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

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

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

X. Borrowings and Borrowing costs

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

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

XI. Cash Flow Statement

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

XII. Cash and Cash Equivalents

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

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

XIII. Provisions, contingent liabilities and contingent assets

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

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

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

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XIV. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreigncurrency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company exposure towards foreign currency transation is minimal, hence the impact on the financial statements and effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND AS 115 is expected to be insignificent

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 3. Property, plant and equipment

(in ₹)

	Computers and Laptops	Furniture and Fixtures	Office Equipment	Total
Cost or deemed cost				
Balance at 1st April, 2016	2,580,602	15,396,585	727,762	**18,704,949**
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31st March, 2017	2,580,602	15,396,585	727,762	**18,704,949**
Accumulated depreciation				
Balance at 1st April, 2016	2,580,602	15,396,585	727,762	**18,704,949**
Eliminated on disposal of assets	-	-	-	-
Depreciation expense	-	-	-	-
Balance at 31st March, 2017	2,580,602	15,396,585	727,762	**18,704,949**
Carrying amount as on 31st March, 2017	-	-	-	-

	Computers and Laptops	Furniture and Fixtures	Office Equipment	Total
Cost or deemed cost				
Balance at 1st April, 2017	2,580,602	15,396,585	727,762	**18,704,949**
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31st March, 2018	2,580,602	15,396,585	727,762	**18,704,949**
Accumulated depreciation				
Balance at 1st April, 2017	2,580,602	15,396,585	727,762	**18,704,949**
Eliminated on disposal of assets				-
Depreciation expense	-	-	-	-
Balance at 31st March, 2018	2,580,602	15,396,585	727,762	**18,704,949**
Carrying amount as on 31st March, 2018	-	-	-	-

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	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 4. Investments		
Non Current		
A) Investment in equity instruments (At cost)(Unquoted)		
Fellow Subsidiary		
270,000 Equity shares of face value of ₹ 10/- each		
Jineshwar Multitrade Private Limited (Refer footnote (i))	-	270,000,000
Total	-	**270,000,000**
B) Capital Investment in Partnership Firms and Joint Ventures (At cost)		
M/s Rising Glory Developers (Refer footnote (ii))	10,000	10,000
Total	**10,000**	**10,000**

Footnotes:

The Company had in an earlier year invested Rs. 27 crores in Jineshwar Multitrade Private Limited (Hereinafter referred to as "JMPL"), a body corporate in which, in lieu of the above investment, the Company had been allotted shares constituting approx. 96.43% of the paid-up Equity Share Capital of the said body corporate. Subsequent to payment made in lieu of the above investment and despite multiple representation, reminders and requests made for handover of the Company, JMPL continued to be operated by Mr. Mahaveer Jain & Mr. Mahaveer Chand, the continuing Directors, who not only did not hand over the control of JMPL to the Company but also did not provide any primary and basic documents like share certificates, Financials, Bank books , etc, for any financial year, to the Company either.

During the year, the Company it has come to the knowledge and information of the Company that the directors of JMPL had allegedly indulged in nefarious and fraudulent activities since the last number of years. Considering that the Company has unwittingly become a victim to an apparent fraud, the Company has approached the Economic Offence Wing ("EOW") and Registrar of Companies ("ROC") and has lodged a complaint against the directors of JMPL and have requested a thorough investigation to uncover the true facts of the case so as to enable the Company to recover its investment. Considering the background of the case and the doubtful nature of recoverability of the investment, the company has conservatively, during the year, written off the investments made by it in JMPL.

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

Name of Partners	31st March, 2018 Profit Sharing Ratio	31st March, 2017 Profit Sharing Ratio
Hubtown Limited	20.00%	20.00%
Ackruti Safeguard System Private Limited	5.34%	5.34%
Citygold Education Research Limited	5.34%	5.34%
Citygold Farming Private Limited	5.34%	5.34%
Diviniti Projects Private Limited	5.34%	5.34%
Halitious Developers Limited	5.34%	5.34%
Headland Farming Private Limited	5.33%	5.33%
Heddle Knowledge Private Limited	5.33%	5.33%
Heet Builders Private Limited	5.33%	5.33%
Subhsiddhi Builders Private Limited	5.33%	5.33%
Sunstream City Private Limited	10.66%	10.66%
Upvan lake Resort Private Limited	5.33%	5.33%
Vega Developers Private Limited	5.33%	5.33%
Whitebud Developers Limited	5.33%	5.33%
Yantti Buildcon Private Limited	5.33%	5.33%
Total	**100%**	**100%**
Total Capital of the firm in ₹	**150,000**	**150,000**

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	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 5. Other financial assets		
Non-current		
Petrol deposits	10,000	32,866
Total	**10,000**	**32,866**
Current		
Other Advances and Receivables		
Advances recoverable from related party (Refer Note 24)	-	1,460,885
Advances recoverable from others	20,157,066	18,206,960
Other Receivables	800,000	2,628,998
Total	**20,957,066**	**22,296,843**
Note 6. Current tax assets (Net)		
Advance Tax paid	1,069,833	1,069,833
Less: Provision for tax	-	-
Total	**1,069,833**	**1,069,833**

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

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

Note 7. Other assets		
Non-current		
Advances to land owners (Refer Footnote)	-	53,499,242
Total	-	**53,499,242**
Current		
Other Advances		
- Others	677,237	-
Total	**677,237**	-

Footnote:

No agreement has been entered into for the above advances paid to landowners (farmers) in earlier year's. Advances amounting to ₹5,34,99,242/- has been debited to land cost during the year. Out of the same, an amount of ₹ 2,52,91,915/- is carried as Inventory.

Note 8. Inventories		
Land and ancilliary costs (Refer Footnote to Note 7)	288,936,428	565,433,223
Total	**288,936,428**	**565,433,223**
Note 9. Trade Receivables		
Current		
Unsecured, considered good		
Related Party (Refer Note 24)	299,579,353	-
Total	**299,579,353**	-
Note 10. Cash and cash equivalents		
Balances with banks:		
- in current accounts	698,020	36,778
Cash on hand	61,063	59,978
Total	**759,083**	**96,756**

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	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 11. Equity share capital		
Authorised Share Capital:		
50,000 (P.Y.: 50,000) Equity Shares of ₹ 10/- each	500,000	500,000
2,25,500 (P.Y.: 2,25,000) 8% Non Cumulative Convertible Preference Shares of ₹ 100/- each	22,550,000	22,550,000
1,12,500 (P.Y.: 1,12,500) 10% Non Cumulative Non -Convertible Redeemable Preference Shares of ₹ 100/- each (Refer note. 12)	11,250,000	11,250,000
3,28,700 (P.Y.: 3,28,700) Preference Shares of ₹ 100/- each	32,870,000	32,870,000
Total	67,170,000	67,170,000
Issued and subscribed capital comprises:		
50,000 (P.Y.: 50,000) Equity Shares of ₹ 10/- each	500,000	500,000
2,25,500 (P.Y.: 2,25,000) 8% Non Cumulative Convertible Preference Shares of ₹ 100/- each, fully paid	22,550,000	22,550,000
Total	**23,050,000**	**23,050,000**

Footnotes:

	Number of shares	Share Capital (in ₹)
(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year.		
Balance at 1st April, 2016	50,000	500,000
Add : Issued during the year	-	-
Less : Bought back during the year		-
Balance at 31st March, 2017	50,000	500,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	**50,000**	**500,000**
(ii) Reconciliation of the number of Preference shares outstanding at the beginning and the end of the year		
Balance at 1st April, 2016	225,500	22,550,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2017	225,500	22,550,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	**225,500**	**22,550,000**

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

	As at 31st March, 2018		As at 31st March, 2017	
	No of shares held	% holding of this class of shares	No of shares held	% holding of this class of shares
Fully paid equity shares				
Holding Company of Reporting Company (HCRC): Hubtown Limited with Beneficiary Owners	50,000	100%	50,000	100%
Convertible Preference Shares				
Alken Management and Financial Services Pvt Ltd	20,900	9.27%	20,900	9.63%
Harekrishna Securities Pvt Ltd	20,900	9.27%	20,900	9.63%
Empower India Limited	41,700	18.49%	41,700	19.21%
Signora Finance Pvt Ltd	16,700	7.41%	16,700	7.69%
Lilac Medicines Private Limited	20,900	9.27%	20,900	9.63%
Sonal Cosmetic (Exports) Ltd	20,900	9.27%	20,900	9.63%
Prabhav Industries Ltd	41,700	18.49%	41,700	19.21%
Sonal Sil Chem Limited	12,500	5.54%	12,500	5.76%
Sonal International Ltd	16,700	7.41%	16,700	7.69%

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

Equity Share

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

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

Preference Shares

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

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

CITYGOLD EDUCATION RESEARCH LTD.

CITYGOLD EDUCATION RESEARCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 12. Other Equity		
Securities premium reserve		
Balance at the beginning of the year	371,800,000	371,800,000
Add / (Less) :	-	-
Premium on account of shares allotted during the year	-	-
Balance at the end of the year	**371,800,000**	**371,800,000**
Retained Earnings		
Balance at the beginning of the year	(54,526,138)	(40,745,056)
Profit attributable to the owners of the company	(325,965,128)	(13,781,082)
Balance at the end of the year	**(380,491,266)**	**(54,526,138)**
Total	**(8,691,266)**	**317,273,862**
Note 13. Borrowings		
Non-current		
Liability component of preference shares (At amortised cost)	2,693,160	2,448,328
1,12,500 (P.Y.: 1,12,500,) 10% Non Cumulative Non -Convertible Redeemable Preference Shares of ₹ 100/- each fully paid up		
Total	**2,693,160**	**2,448,328**

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

	Number of shares	Share Capital (in ₹)
Balance at 1st April, 2016	112,500	112,500
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2017	112,500	11,250,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	**112,500**	**11,250,000**

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

Celestial Spaces Private Limited	100%	100%

Note:

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

Current		
Unsecured		
Loans repayable on demand:		
- From Others	-	107,998
Total	-	**107,998**

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

CITYGOLD EDUCATION RESEARCH LTD.

CITYGOLD EDUCATION RESEARCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 14. Other financial liabilities		
Non-current		
Retention money payable	-	330,003
Total	**-**	**330,003**
Current		
Business Advance from related party (Refer footnote)(Refer Note 24)	266,418,805	451,303,000
Current account balance in firms and joint ventures	12,228	646
Payable to related party (Refer note 24)	301,887,055	91,887,055
Other payables	4,666,821	11,459,991
Total	**572,984,909**	**554,650,692**

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

Note 15. Trade payables

Due to micro and small enterprises (Refer Footnote)	-	-
Due to others	15,222,488	156,395
Total	**15,222,488**	**156,395**

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

Note 16. Other liabilities

Current		
Advance from customers (Related Party)	5,307,769	12,550,000
Overdrawn balance as per books of accounts	-	47,474
Other payables :		
- Statutory dues	1,431,940.00	1,788,456
- Other	-	35,555
Total	**6,739,709.00**	**14,421,485**

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

CITYGOLD EDUCATION RESEARCH LTD. ★

CITYGOLD EDUCATION RESEARCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	Year ended 31st March 2018 ₹	Year ended 31st March 2017 ₹
Note 17. Revenue from operations		
Sale from operations :		
Sale of plot (Refer Note 24)	494,242,348	-
	494,242,348	-
Other operating revenue:		
Liabilities written back to the extent no longer required	1,640,222	-
	1,640,222	-
Total	495,882,570	-
Note 18. Other income		
Interest on income tax refund	-	456,250
Total	-	456,250
Note 19. Costs of Development		
Land cost (Refer Footnote to Note 7)	53,499,242	-
Total	53,499,242	-
Note 20. Changes In Inventories Of Land and Ancilliary costs		
Opening Inventory :	565,433,223	565,433,223
Closing Inventory :	288,936,428	565,433,223
Total	276,496,795	-
Note 21. Finance Costs		
Interest on preference shares	244,833	222,575
Delayed/penal interest on loans and statutory dues	31,951	11,964
Total	276,784	234,539
Note 22. Other Expenses		
Land non utilization charges	4,177,290	12,767,058
Investment written off	270,000,000	-
Professional fees	3,568,412	124,139
Filling Fees	84,041	11,648
Legal Fees	-	488,196
Security Charges	146,501	560,060
Compensation	210,000,000	-
Advances and other debit balance written off	2,901,865	-
Other Expenses (Refer footnote)	695,185	54,892
Total	491,573,294	14,005,993
Footnote A :		
Auditors Remuneration (included in the other expenses)		
Audit fees	35,000	35,000
Total	35,000	35,000

Note 23. EARNINGS PER SHARE (EPS)

Basic earnings per share	(6,519.30)	(276)
Diluted earnings per share*	(6,519.30)	(276)

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	(325,965,128)	(13,781,082)
Weighted average number of equity shares for the purposes of basic earnings per share	50,000	50,000

Diluted EPS

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

Profit/(Loss) for the year attributable to the owners of the Company	(325,965,128)	(13,781,082)
Weighted average number of equity shares for the purposes of diluted earnings per share*	50,000	50,000

Footnote:

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

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

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CITYGOLD EDUCATION RESEARCH LTD.

CITYGOLD EDUCATION RESEARCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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

A. Name of the related parties and related parties relationship

I	**Holding Company**	:	Hubtown Limited
II	**Subsidiary**	:	Jineshwar Multitrade Private Limited (Upto 15th Feb, 2017)
III	**Fellow Subsidiary**	:	Citygold Farming Private Limited Heddle Knowledge Private Limited Vishal Techno Commerce Private Limited
IV	**Other Significant Influence**	:	M/s Rubix trading Private Limited
V	**Firm in which Company is a partner**	:	M/s Rising Glory Developers
VI	**Key Management personnel, their relatives and enterprises**	:	Mr. Hemant M. Shah Mrs. Falguni Vyomesh Shah Mr. Kushal H. Shah Mrs. Lata M Shah Mr. Rushank V Shah Mr. Khilen V Shah Mrs. Kunjal Hemant Shah

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

B. Transaction with Related Parties -

(in ₹)

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiary	Other Significant Influence	Firm in which Company is a partner	Key Management personnel, their relatives and enterprises
i	**Business advances taken/ recovered / adjusted**					
	Hubtown Limited	34,438,220	-	-	-	-
		(79,815,000)	(-)	(-)	(-)	(-)
	Rubix trading Private Limited	-	-	-	-	-
		(-)	(-)	(91,887,055)	(-)	(-)
ii	**Business Advance given/repaid/adjusted**					
	Hubtown Limited	219,840,100	-	-	-	-
		(5,850,000)	(-)	(-)	(-)	(-)
	Citygold Farming Private Limited	-	-		-	-
		(-)	(260,000)		(-)	(-)
iii	**Reimbursement of expenses**					
	Heddle Knowledge Private Limited	-	517,685	-	-	-
		(-)	(-)	(-)	(-)	(-)
iv	**Compensation towards**					
	Heddle Knowledge Private Limited	-	100,000,000	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Citygold Farming Private Limited	-	110,000,000	-	-	-
		(-)	(-)	(-)	(-)	(-)
v	**Share of loss from partnership firm**					
	Rising Glory Developers	-	-	-	1,583	-
		(-)	(-)	(-)	(3,200)	(-)
vi	**Sale of plot**					
	Mr. Hemant M. Shah	-		-	-	155,320,128
		(-)	(-)	(-)	(-)	(-)
	Mrs. Falguni Vyomesh Shah	-	-	-	-	61,579,109
		(-)	(-)	(-)	(-)	(-)
	Mr. Khilen V Shah	-		-	-	31,034,664
		(-)	(-)	(-)	(-)	(-)
	Mrs. Kunjal Hemant Shah	-		-	-	8,206,231
		(-)	(-)	(-)	(-)	(-)
	Mr. Kushal H. Shah	-		-	-	53,448,814
		(-)	(-)	(-)	(-)	(-)
	Mrs. Lata M Shah	-		-	-	144,877,866
		(-)	(-)	(-)	(-)	(-)
	Mr. Rushank V Shah	-		-	-	39,775,536
		(-)	(-)	(-)	(-)	(-)
v	**Corporate guarantee given**					
	Vishal Techno Commerce Limited	-	358,000,000	-	-	-
		(-)	(2,191,300,000)	(-)	(-)	(-)

Note: Previous year figures are given in the brackets

C.	Balance outstanding	As at 31st March, 2018	As at 31st March, 2017
i	**Balance Payables**		
	Hubtown Limited (Holding Company)	265,641,120	451,043,000
	Rising Glory Developers(Firm in which company is a partner)	12,228	646
	Citygold Farming Private Limited (Fellow Subsidiary)	110,260,000	260,000
	Heddle Knowledge Private Limited (Fellow Subsidiary)	100,517,685	-
	Rubix trading Private Limited	91,887,055	-
	Mrs. Kunjal Hemant Shah	5,307,769	-
ii	**Balance Receivable**		
	Mrs. Falguni Vyomesh Shah	61,579,109	-
	Mr. Hemant M. Shah	90,834,029	-
	Mr. Kushal H. Shah	52,198,813	-
	Mrs. Lata M Shah	82,477,866	-
	Mr. Rushank V Shah	12,489,536	-
iii	**Corporate Guarantees given for loans availed by others**		
	Vishal Techno Commerce Private Limited (Refer Footnote)	2,549,300,000	2,191,300,000

Footnote:
The loan of ₹254.93 lakhs taken by Vishal Techno Commerce Pvt. Ltd. has been jointly and severally guaranteed by Citygold Education Pvt. Ltd., Heet Builders Pvt. Ltd., Hubtown Ltd. and Sunstream City Pvt. Ltd. There is no contract determining the ratio of individual guarantees by each party. Since there is a joint guarantee, the entire amount of guarantee has been disclosed.

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

CITYGOLD EDUCATION RESEARCH LTD.

Note 25. Financial Risk Management Objectives

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

1) Market Risk

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

Interest rate risk

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

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

2) Credit Risk

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

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

3) Liquidity risk

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

Note 26. Capital Management

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

Gearing Ratio

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

The gearing ratio at the reporting period was as follows

	As at 31st March, 2018	As at 31st March, 2017
Unsecured Borrowings	2,693,160	2,556,326
Interest accrued	-	-
Total Debt	**2,693,160**	**2,556,326**
Less: Cash and cash equivalents	759,083	96,756
Net Debt (A)	**1,934,077**	**2,459,570**
Equity Share Capital	500,000	500,000
Other Equity	(8,691,266)	317,273,862
Total Equity (B)	**(8,191,266)**	**317,773,862**
Debt Equity Ratio A/B	**(0.236)**	**0.008**

Note 27. Fair Value Measurements (₹)

	31st March, 2018		31st March, 2017	
	FVPL	Amortised Cost	FVPL	Amortised Cost
Financial Assets				
Investment	-	10,000		270,010,000
Other financial assets	-	20,967,066	-	22,329,709
Cash and cash equivalent	-	759,083	-	96,756
Total of Financial Assets	**-**	**21,736,149**	**-**	**292,436,465**
Financial Liabilities				
Borrowings	-	2,693,160	-	2,556,326
Trade payables	-	15,222,488	-	156,395
Other Financial liabilities	-	572,984,909	-	554,980,695
Total of Financial Liabilities	**-**	**590,900,557**	**-**	**557,693,416**

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

CITYGOLD EDUCATION RESEARCH LTD.

CITYGOLD EDUCATION RESEARCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 28.

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

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

Note 29. Contingent Liability

Particulars	As at 31st March, 2018	As at 31st March, 2017
Claims against the Company, not acknowledged as debts on account of:-		
On account of properties purchased pending registration and other formalities under different statutes, for which confirmations are pending, with regards to consideration paid for the purchase of land through aggregator.	Amount not ascertainable at present	Amount not ascertainable at present
Income Tax Matter under Appeal with CIT for the F.Y. 2009-2010 (A.Y. 2010-11)	10,17,08,240	10,17,08,240
Income Tax Matter under Appeal with CIT for the F.Y. 2011-2012 (A.Y. 2012-13)	1,263,710	1,263,710
On account of Corporate Guarantee issued by the Company to ECL Finance Limited on behalf of Vishal Techno Commerce Limited, a fellow subsidary. (Refer footnote a)	2,549,300,000	1,500,000,000

Footnotes.

a. The loan of ₹254.93 lakhs taken by Vishal Techno Commerce Pvt. Ltd. has been jointly and severally guaranteed by Citygold Education Pvt. Ltd., Heet Builders Pvt. Ltd., Hubtown Ltd. and Sunstream City Pvt. Ltd. There is no contract determining the ratio of individual guarantees by each party. Since there is a joint guarantee, the entire amount of guarantee has been disclosed.

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

Note 30.

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Mumbai
Date: 11th June, 2018

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

D V PRABHU
Director
DIN: 03142640

CITYGOLD EDUCATION RESEARCH LTD.

Mumbai
Date: 11th June, 2018

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITYGOLD FARMING PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **CITYGOLD FARMING PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the

L. J. KOTHARI & CO. * CHARTERED ACCOUNTANTS * MEMBERSHIP No. 30917 auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances . An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

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

Emphasis of Matter

Attention is invited to Note 4 in the financial statements with regards to investment written off in a subsidiary aggregating to ` 15 Crore. As per the information and explanation given to us, the company has lodged a complaint against the Directors of the subsidiary for recovery of amount of investment. However on conservative basis, the company have written off such investments in financial statements.
Our report is not qualified in respect of this matter.

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 section 143(11) of the Act, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order;

II. As required by Section143 (3)of the Act, we report that:

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

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

(c) The balance sheet, the statement of profit and loss (including other comprehensive income),the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

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

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

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements, if any;

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

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

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

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

LALIT KOTHARI
Partner
Membership No.: 30917

Place: Mumbai
Date : 11th June, 2018

ANNEXURE"A"REFERRED TO IN OUR REPORT TO THE MEMBERS OF CITYGOLD FARMING PRIVATE LIMITED ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31stMARCH, 2018;

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

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

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

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

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

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

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

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

(vi) In our opinion, and according to the information and explanation given to us, the Company has not crossed the threshold limit as prescribed by the Central Government under sub-section (1) of section 148 of the Act for maintenance of cost records and hence the provision for maintenance of records are not applicable to the Company;

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Tax deduced at Source, Service tax and Interest on tax payable, the Company is generally regular in depositing undisputed statutory dues, including Value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There was an amount of Goods and Service Tax of ₹ 1,39,431/-, Service tax of ₹ 6,56,750/- and Interest on tax payable ₹ 7,15,986/- is outstanding as at the last day of the financial year for a period exceeding six months from the date they became payable.

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

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

Name of the statute	Nature of dues	Period to which the amount relates (F.Y.)	Amount (₹)	Amount Paid (₹)	Balance Amount (₹)	Forum where the dispute is pending
Income Tax Act, 1961	143 (3)	2012-13	97,070	-	97,070	Commissioner of Income Tax (Appeals)

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

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

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

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

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

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

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

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

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

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

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

LALIT KOTHARI
Partner
Membership No.: 30917

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

Place: Mumbai
Date : 11th June, 2018

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

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

We have audited the internal financial controls over financial reporting of CITYGOLD FARMING PRIVATE LIMITED ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

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

LALIT KOTHARI
Partner
Membership No.: 30917

Place: Mumbai
Date : 11th June, 2018

CITYGOLD FARMING PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	3	-	41,131
(b) Financial assets			
(i) Investments	4	10,000	150,010,000
(c) Current tax assets (Net)	5	24,518,894	22,002,393
(d) Other non-current assets	6	-	12,472,000
Total Non-Current assets		**24,528,894**	**184,525,524**
Current assets			
(a) Inventories	7	111,800,007	1,030,582,241
(b) Financial assets			
(i) Trade receivables	8	694,248,705	5,111,766
(ii) Cash and cash equivalents	9	11,501,765	2,968,740
(iii) Loans	10	15,800,000	-
(iv) Other financial assets	11	156,959,237	94,705,224
(c) Other current assets	12	-	150,315,012
Total Current Assets		**990,309,714**	**1,283,682,983**
TOTAL ASSETS		**1,014,838,608**	**1,468,208,507**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	25,975,000	25,975,000
(b) Other equity	14	(32,957,724)	184,144,650
Total Equity		**(6,982,724)**	**210,119,650**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	15	2,083,486	1,916,867
Total Non-Current Liabilities		**2,083,486**	**1,916,867**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	16	5,673,894	4,401,116
(ii) Other financial liabilities	17	950,340,977	1,124,454,082
(b) Other current liabilities	18	63,722,975	127,316,792
Total Current Liabilities		**1,019,737,846**	**1,256,171,990**
Total Liabilities		**1,021,821,332**	**1,258,088,857**
TOTAL EQUITY AND LIABILITIES		**1,014,838,608**	**1,468,208,507**

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 11th June, 2018

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

Citygold Farming Private Limited

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 11th June, 2018

CITYGOLD FARMING PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

Particulars	Note No.	Year Ended 31st March, 2018 ₹	Year Ended 31st March, 2017 ₹
I INCOME			
Revenue from Operations	19	1,037,039,865	35,585,394
Other Income	20	2,516,501	200,000
Share of Profit / (Loss) of Joint Ventures		(1,583)	4,435
TOTAL INCOME		**1,039,554,783**	**35,789,829**
II Expenses			
Costs of Construction / Development	21	141,429,005	3,954,558
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	22	757,495,572	43,302,583
Finance Costs	23	1,279,610	329,981
Depreciation and Amortisation Expenses	24	41,131	41,132
Other Expenses	25	356,411,839	7,322,861
TOTAL EXPENSES		**1,256,657,157**	**54,951,115**
Profit before Tax		**(217,102,374)**	**(19,161,286)**
Tax Expense			
Excess / (Short) provision for taxation in respect of earlier years		-	-
		-	-
Profit / (Loss) for the year		**(217,102,374)**	**(19,161,286)**
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		**(217,102,374)**	**(19,161,286)**
Earning per equity share of nominal value of ₹ 10/- each (in Rupees)	26		
Basic		(21,710.24)	(1,916.13)
Diuted		(21,710.24)	(1,916.13)

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Mumbai
Date: 11th June, 2018

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

Citygold Farming Private Limited

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 11th June, 2018

CITYGOLD FARMING PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation as per Statement of Profit and Loss	(217,102,374)	(19,161,286)
Add / (Less) :		
Depreciation and amortisation	41,131	41,132
Liabilities written back	(1,177,830)	(20,610)
Interest paid	-	-
Share of loss from Partnership Firm and Joint venture	1,583	(4,435)
Investment written off	150,000,000	-
Advances and other debit balance written off	-	-
	148,864,884	**16,087**
Operating profit before working capital changes	**(68,237,490)**	**(19,145,199)**
Add / (Less) :		
(Increase)/ Decrease in inventories	918,782,234	48,681,069
(Increase) / Decrease in trade and other receivebles	(588,603,941)	(15,957,381)
Increase / (Decrease) in trade and other payables	(235,089,694)	692,640
Increase / (Decrease) in provisions		
Current taxes paid	(2,516,501)	(12,644,956)
	92,572,098	**20,771,372**
Net cash flow from operating activities	**24,334,608**	**1,626,173**
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Sale / (Purchase) of fixed assets	-	-
Decrease/ (increase) in loans given	(15,800,000)	1,251,067
Share of loss from Partnership Firm and Joint venture	(1,583)	4,435
Acquisition of current investment	-	6,000
Net cash flow from investing activities	**(15,801,583)**	**1,261,502**
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Finance costs paid	-	-
Net cash flow from financing activities	-	-
Net increase in cash and cash equivalents (I + II + III)	**8,533,025**	**2,887,675**
Add: Balance at the beginning of the year	**2,968,740**	**81,065**
Cash and cash equivalents at the end of the year	**11,501,765**	**2,968,740**
Components of cash and cash equivalents (Refer Note 9)		
Cash on hand	67,717	83,740
Balances with Banks		
- in Current accounts	11,434,048	2,885,000
TOTAL	**11,501,765**	**2,968,740**

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

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

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

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

LALIT KOTHARI
Proprietor
Membership No. 30917

Mumbai
Date: 11th June, 2018

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

Citygold Farming Private Limited

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 11th June, 2018

CITYGOLD FARMING PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018		(in ₹)
	Notes	**Amount**
A. EQUITY SHARE CAPITAL (Ref Note 13)		
As at 1st April, 2016		25,975,000
Changes in equity share capital		-
As at 31st March, 2017		**25,975,000**
Changes in equity share capital		-
As at 31st March, 2018		**25,975,000**

B. OTHER EQUITY

₹

	Reserves and Surplus		Total
	Securities Premium Reserve	**Retained Earnings**	
Balance at 1st April, 2016	**284,625,000**	**(81,319,064)**	**203,305,936**
Profit / (Loss) for the year	-	(19,161,286)	**(19,161,286)**
Other Comprehensive Income	-	-	-
Balance at 31st March, 2017	**284,625,000**	**(100,480,350)**	**184,144,650**
Profit / (Loss) for the year	-	(217,102,374)	**(217,102,374)**
Other Comprehensive Income	-	-	-
Balance at 31st March, 2018	**284,625,000**	**(317,582,724)**	**(32,957,724)**

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date

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

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

LALIT KOTHARI
Proprietor
Membership No. 30917

SHRENIK MEHTA
Director
DIN: 03137231

Citygold Farming Private Limited

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 11th June, 2018

Mumbai
Date: 11th June, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 1. Statement of Significant Accounting Policies.

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

1.2 The financial statements are approved for issue by the Company's Board of Directors on 11th June, 2018.

Note 2. Significant Accounting Policies followed by the Company

I. Basis of preparation of financial Statements

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

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

(ii) Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:
1) certain financial assets and liabilities that are measured at fair value;
2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
3) defined benefit plans - plan assets measured at fair value;

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

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

a) Judgements
Classification of property
The company determines whether a property is classified as investment property or inventory property. Investment property comprises land and buildings that are not occupied substantially for use by, or in the operations of, the company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Inventory comprises property that is held for sale in the ordinary course of business. Principally, these are properties that the company develops and intends to sell before or on completion of construction.
b) Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

A. **Revenue from Sale of Land**
i. Revenue from sale of land is recognised on transfer of all significant risks and rewards of ownership of such land, as per the terms of the contracts entered into with buyer/(s), which generally coincides with the firming of the sale contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.

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

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

D. **Profit / loss from partnership firms / association of persons:**
Share of profit / loss from partnership firms / association of persons (AOP) is accounted 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.

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

Citygold Farming Private Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

IV. Property plant and equipment and depreciation / ammortisation

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

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

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

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

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

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

V. Financial Instruments

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

A. Investment and Financial Assets

i. Initial recognition

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

ii. Subsequent measurement

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

a) Financial Assets at Amortised Cost

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

b) Financial Assets Measured at Fair Value

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

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

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2015 of its investments in subsidiaries, associates and joint ventures and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1st April, 2015.

iii. De-recognition of Financial Assets:

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

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

B. Equity Instruments and Financial Liabilities

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

i. Equity Instruments

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

ii. Financial Liabilities

1. Initial Recognition

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

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

Citygold Farming Private Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

2. Subsequent Measurement

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

- Financial liabilities at FVTPL

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

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

- Financial liabilities at amortised cost

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

3. De-recognition of Financial Liabilities

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

C. **Offsetting Financial Instruments**

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

VI Derecognition of financial instruments

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

VII. Impairment

a. Financial assets

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

b. Non-financial assets

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

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

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

i. Intangible assets and property, plant and equipment

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

ii. Provisions

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

VIII. Taxation

i. Current Tax

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

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

ii. Deferred Tax

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

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

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

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

iii. Current and deferred tax for the year

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

IX. Inventories

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

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

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

X. Borrowings and Borrowing costs

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are de-recognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

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

XI. Cash Flow Statement

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

XII. Cash and Cash Equivalents

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

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

XIII. Provisions, contingent liabilities and contingent assets

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

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

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

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XIV. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreigncurrency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company exposure towards foreign currency transation is minimal, hence the impact on the financial statements and effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND AS 115 is expected to be insignificent

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 3. Property, plant and equipment

	Furniture and Fixtures	Office Equipment	Total
Cost or deemed cost			
Balance at 1st April, 2016	517,500	630,000	1,147,500
Additions	-	-	-
Disposals	-	-	-
Balance at 31st March, 2017	517,500	630,000	1,147,500
Accumulated depreciation			
Balance at 31st March, 2016	435,238	630,000	1,065,238
Eliminated on disposal of assets			-
Depreciation expense	41,132	-	41,132
Balance at 31st March, 2017	476,369	630,000	1,106,369
Carrying amount as at 31st March, 2017	**41,131**	**-**	**41,131**

	Furniture and Fixtures	Office Equipment	Total
Cost or deemed cost			
Carrying amount as at 31st March 2017	517,500	630,000	1,147,500
Additions	-	-	-
Disposals	-	-	-
Balance at 31st March, 2018	517,500	630,000	1,147,500
Accumulated depreciation			
Balance at 31st March, 2018	476,370	630,000	1,106,370
Eliminated on disposal of assets			-
Depreciation expense	41,131	-	41,131
Balance at 31st March, 2018	517,500	630,000	1,147,500
Carrying amount as at 31st March, 2018	-	-	-

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	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 4. Investments		
(Trade, unless otherwise specified)		
A) Investment in equity instruments (Unquoted)		
150,000 Equity shares of face value of ₹10/- each	-	150,000,000
Asha Multitrade Private limited (Refer footnote)		

Footnote:

The Company had in an earlier year invested Rs. 15 crores in Asha Multitrade Private limited (Hereinafter referred to as "AMPL"), a body corporate in which, in lieu of the above investment, the Company had been allotted shares constituting approx. 93.75% of the paid-up Equity Share Capital of the said body corporate. Subsequent to payment made in lieu of the above investment and despite multiple representation, reminders and requests made for handover of the Company, AMPL continued to be operated by Mr. Mahaveer Jain & Mr. Mahaveer Chand, the continuing Directors, who not only did not hand over the control of AMPL to the Company but also did not provide any primary and basic documents like share certificates, Financials, Bank books , etc, for any financial year, to the Company either.

During the year, the Company it has come to the knowledge and information of the Company that the directors of AMPL had allegedly indulged in nefarious and fraudulent activities since the last number of years. Considering that the Company has unwittingly become a victim to an apparent fraud, the Company has approached the Economic Offence Wing ("EOW") and Registrar of Companies("ROC") and has lodged a complaint against the directors of AMPL and have requested a thorough investigation to uncover the true facts of the case so as to enable the Company to recover its investment. Considering the background of the case and the doubtful nature of recoverability of the investment, the company has conservatively, during the year, written off the investments made by it in AMPL.

B) Capital Investment in Partnership Firms and Joint Venture		
a) Capital Investment in Partnership Firm		
M/s Rising Glory Developers	10,000	10,000
TOTAL	**10,000**	**150,010,000**

Details of Investments made in capital of Partnership firm and Joint Venture:

a) Partnership Firm
M/s Rising Glory Developers

	Particulars	31st March, 2018 Profit Sharing Ratio	31st March, 2017 Profit Sharing Ratio
1	Hubtown Limited	20.00%	20.00%
2	Ackruti Safeguard System Private Limited	5.34%	5.34%
3	Citygold Education Research Limited	5.34%	5.34%
4	Citygold Farming Private Limited	5.34%	5.34%
5	Diviniti Projects Private Limited	5.34%	5.34%
6	Halitious Developers Limited	5.34%	5.34%
7	Headland Farming Private Limited	5.33%	5.33%
8	Heddle Knowledge Private Limited	5.33%	5.33%
9	Heet Builders Private Limited	5.33%	5.33%
10	Subhsiddhi Builders Private Limited	5.33%	5.33%
11	Sunstream City Private Limited	10.66%	10.66%
12	Upvan lake Resort Private Limited	5.33%	5.33%
13	Vega Developers Private Limited	5.33%	5.33%
14	Whitebud Developers Limited	5.33%	5.33%
15	Yantti Buildcon Private Limited	5.33%	5.33%
	Total	**100.00%**	**100.00%**
	Total Capital of the firm in ₹	**150,000**	**150,000**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 5. Current Tax assets and liabilities		
Advance Tax paid	25,950,927	23,434,426
Less: Provision for Tax	(1,432,033)	(1,432,033)
TOTAL	**24,518,894**	**22,002,393**
Note 6. Other non current assets		
Non-current		
Advances to land owners (Refer Note 31)	-	12,472,000
TOTAL	-	**12,472,000**
Note 7. Inventories		
Inventories (lower of cost or net realisable value)		
- Incomplete projects (Refer Footnote to Note 12)	111,800,007	1,030,582,241
TOTAL	**111,800,007**	**1,030,582,241**
Note 8. Trade Receivables		
Current		
Unsecured, considered good		
- Other trade receivables	10,963,405	5,111,766
- Related Party (Refer Note 27)	683,285,300	-
TOTAL	**694,248,705**	**5,111,766**
Note 9. Cash and cash equivalents		
Balances with banks:		
- in current accounts	11,434,048	2,885,000
Cash on hand	67,717	83,740
TOTAL	**11,501,765**	**2,968,740**
Note 10. Loans		
Current		
Loan to others (Unsecured, considered good)	15,800,000	-
TOTAL	**15,800,000**	-

Footnote:-

The Company has not charged interest on loan given by it to certain group entities developing real estate projects, in which the Company has a commercial and business interest.

Note 11. Other financial assets		
Current		
Project Advances to related parties (Refer Note 27)	154,334,384	2,341,000
Current Account Balances in Partnership Firms	1,987,092	1,999,635
Advances for Projects	-	88,334,500
Other Advances and Receivables:		
- Advances recoverable From others	-	479,169
- Other receivables (Other than Trade receivables)	637,761	1,550,920
TOTAL	**156,959,237**	**94,705,224**
Note 12. Other current assets		
Current		
Advances to land owners (Refer Note 31)	-	150,315,012
TOTAL	-	**150,315,012**

Footnote:

No agreement has been entered into for the above advances paid to landowners (farmers) in earlier year's. Advances amounting to ₹15,03,15,012/- has been debited to land cost during the year. Out of the same, an amount of ₹ 3,30,37,837/- is carried as Inventory.

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	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 13. Equity share capital		
Authorised Share Capital:		
10,000 (P.Y.: 10,000) Equity Shares of ₹ 10/- each)	100,000	100,000
9,99,000 (P.Y.: 9,99,000) 8% Non Cumulative Convertible Preference Shares of ₹ 100/- each	99,900,000	99,900,000
TOTAL	**100,000,000**	**100,000,000**
Issued and subscribed capital comprises:		
10,000 (P.Y.: 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
2,58,750 (P.Y.: 2,58,750) 8% Non Cumulative Convertible Preference Shares of ₹ 100/- each	25,875,000	25,875,000
TOTAL	**25,975,000**	**25,975,000**

Footnotes:

(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year

	Number of shares Nos.	Share Capital ₹
Balance at 1st April, 2016	10,000	100,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2017	10,000	100,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	**10,000**	**100,000**

(ii) Reconciliation of the number of Preference shares outstanding at the beginning and the end of the year

	Number of shares Nos.	Share Capital ₹
Balance at 1st April, 2016	258,750	25,875,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2017	258,750	25,875,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	**258,750**	**25,875,000**

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

	As at 31st March, 2018		As at 31st March, 2017	
	No of shares held	% holding	No of shares held	% holding
Fully paid equity shares				
Hubtown Limited with Beneficiary Owners	10,000	100%	10,000	100%
TOTAL	**10,000**	**100%**	**10,000**	**100%**

	As at 31st March, 2018		As at 31st March, 2017	
	No of shares held	% holding	No of shares held	% holding
Fully paid preference shares				
Hormony Energy Pvt. Ltd.	20,900	8.08%	20,900	8.08%
Alken Management and Financial Services Pvt. Ltd.	20,900	8.08%	20,900	8.08%
Priority Traders Pvt.Ltd.	20,900	8.08%	20,900	8.08%
Shree Ganesh Spinners Ltd.	29,200	11.29%	29,200	11.29%
Tac Technosoft Private Limited	16,700	6.45%	16,700	6.45%
Azure Exim ServicesLtd. (Hindustan Continental Limited)	37,500	14.49%	37,500	14.49%
Epson Trading Pvt. Ltd.	33,400	12.91%	33,400	12.91%
Lilac Medicines Private Ltd.	16,700	6.45%	16,700	6.45%
Harekrishna Securities Pvt. Ltd.	41,700	16.12%	41,700	16.12%

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

Equity Share

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

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

Preference Shares

8% Non cumulative convertible Preference Shares of ₹100 each. The Preference Shares of the Company shall be converted into fully paid equity shares of the Company on or after 1st April, 2012 or on such other date as may be decided by Board of Directors of the Company by exercising a call option vested in the Company for conversion of the Preference Shares on such terms and conditions as the Board of Directors may deem fit. However the Board of Directors has not exercise a call option as on 31st March ,2018.

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	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 14. Other Equity		
Securities premium reserve		
Balance at the beginning of the year	284,625,000	284,625,000
Add / (Less) :	-	-
Premium on account of shares alloted during the year	-	-
Balance at the end of the period	**284,625,000**	**284,625,000**
Retained Earnings		
Balance at the beginning of the year	(100,480,350)	(81,319,064)
Profit attributable to the owners of the company	(217,102,374)	(19,161,286)
Balance at the end of the period	**(317,582,724)**	**(100,480,350)**
TOTAL	**(32,957,724)**	**184,144,650**
Note 15: Other non current liabilities		
Non-current		
Security Deposits	1,524,507	1,629,104
Advance rentals-Non Current	558,979	287,763
TOTAL	**2,083,486**	**1,916,867**
Note 16. Trade payables		
Dues to MSME (Refer Footnote)	-	-
Dues to Others	5,673,894	4,401,116
TOTAL	**5,673,894**	**4,401,116**

Footnote:

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

Note 17: Other Financial Liabilities		
Current		
Advances received from body corporates for projects	-	150,000,000
Advance received from others	600,000,000	600,000,000
Business advances from related party (Refer Note 27)	347,501,000	361,508,295
Security deposits (Refundable)	1,000,000	1,500,000
Other payables :		
- Related Party	806,231	-
- Others	1,033,746	11,445,787
TOTAL	**950,340,977**	**1,124,454,082**
Note 18. Other Liabilities		
Current		
Advance from customers	61,480,000	124,933,500
Other payables :	-	-
- Statutory dues	2,242,975	2,383,292
TOTAL	**63,722,975**	**127,316,792**

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	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 19. Revenue from operations		
Sale from operations :		
Sale of Properties	918,779,800	26,828,750
	918,779,800	**26,828,750**
Other operating revenue :		
Lease rentals	6,682,676	8,505,000
Amortisation of Advance Lease rentals	399,559	138,566
Liabilities written back to the extent no longer required	1,177,830	20,610
Provision for doubtful debts written back	-	92,468
Compensation / surrender of Rights	110,000,000	-
	118,260,065	**8,756,644**
TOTAL	**1,037,039,865**	**35,585,394**
Note 20. Other income		
Miscellaneous income	2,516,501	200,000
TOTAL	**2,516,501**	**200,000**
Note 21. Costs of Construction / Development		
Land cost (Refer Footnote to Note 12)	141,429,005	3,954,558
TOTAL	**141,429,005**	**3,954,558**
Note 22. Changes In Inventories Of Incomplete Projects, Finished Properties And FSI		
Opening Inventory incomplete projects	1,030,582,241	1,079,263,310
Less:		
Purchase Return (Land)	2,350,000	2,609,500
Plot cost and Expenses incurred on procurement written off (Refer Note 25)	158,936,662	2,768,986
	869,295,579	1,073,884,824
Closing Inventory incomplete projects	111,800,007	1,030,582,241
TOTAL	**757,495,572**	**43,302,583**
Note 23. Finance Costs		
Interest costs:		
Unwinding of security deposit	566,178	48,807
Delayed/penal interest on loans and statutory dues	713,432	281,174
TOTAL	**1,279,610**	**329,981**
Note 24. Depreciation and Amortisation Expenses		
Depreciation of property plant and equipment	41,131	41,132
TOTAL	**41,131**	**41,132**
Note 25. Other Expenses		
Brokerage	2,445,975	523,662
Bad Debts written off	-	92,468
Municipal Taxes & Land non utilization charges	954,225	2,943,444
Investment Written off (Refer footnote to Note 4)	150,000,000	-
Legal and professional fees	2,761,513	611,735
Advances and other debit balances written off	40,475,000	-
Work in progess written off (Land expenses) (Refer Note 22)	158,936,662	2,768,986
Other expenses (Refer footnote)	838,464	382,566
TOTAL	**356,411,839**	**7,322,861**
Foot Note:		
Auditor Remuneration (Included in the other expenses)		
Audit Fees	35,000	35,000
	35,000	**35,000**

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

Citygold Farming Private Limited

CITYGOLD FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	Year Ended 31st March, 2018 ₹	Year Ended 31st March, 2017 ₹
Note 26. Earnings per share (EPS)		
Basic earning per share	(21,710.24)	(1,916.13)
Diluted earnings per share*	(21,710.24)	(1,916.13)
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	(217,102,374)	(19,161,286)
Weighted average number of equity shares for the purposes of basic earnings per share	10,000	10,000
Diluted EPS		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit/(Loss) for the year attributable to the owners of the Company	(217,102,374)	(19,161,286)
Weighted average number of equity shares for the purposes of diluted earnings per share*	10,000	10,000

Footnote:

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

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

Note 27. Related party disclosure

A) Names of Related Parties and description of Relationships

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

Footnote:

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

B) Transactions with Related party

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiary	Others Significant Influence	Firm in which Company is a partner	Key Management Personnel of the Entity
1	**Business Advances Received/ Recovered/ Adjusted**					
	Hubtown Limited	320,000	-	-	-	-
		(69,849,372)	(-)	(-)	(-)	(-)
	Rubix Trading Private Limited	-	-	-	-	-
		(-)	(-)	(347,501,000)	(-)	(-)
2	**Business Advances given/ Repaid/ Adjusted**					
	Hubtown Limited	166,936,931	-	-	-	-
		(89,330,000)	(-)	(-)	(-)	(-)
	Citygold Education Research Limited	-	-	-	-	-
		(-)	(1,300,000)	(-)	(-)	(-)
	Heddle Knowledge Private Limited	-	-	-	-	-
		(-)	(1,040,500)	(-)	(-)	(-)
	Joynest Premises Private Limited	-	152,200,000	-	-	-
		(-)	(-)	(-)	(-)	(-)
3	**On behalf payments made (including reimbursment of expenses)**					
	Hubtown Limited	735,252	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Heddle Knowledge Private Limited	-	1,846,731	-	-	-
		(-)	(-)	(-)	(-)	(-)
4	**Compensation / surrender of Rights**					
	Citygold Education Research Limited	-	110,000,000	-	-	-
		(-)	(-)	(-)	(-)	(-)
5	**Share of loss from Partnership Firm**					
	Rising Glory Developers	-	-	-	1,583	-
		(-)	(-)	(-)	(365)	(-)
6	**Contribution to Current Account**					
	Rising Glory Developers	-	-	-	-	-
		(-)	(-)	(-)	(2,000,000)	(-)
7	**Sale of Properties**					
	Mr. Vyomesh M. Shah	-	-	-	-	171,789,750
		(-)	(-)	(-)	(-)	(-)
	Mr. Khilen V Shah	-	-	-	-	142,026,000
		(-)	(-)	(-)	(-)	(-)
	Mr. Kushal H. Shah	-	-	-	-	151,273,500
		(-)	(-)	(-)	(-)	(-)
	Mr. Rushank V Shah	-	-	-	-	286,442,050
		(-)	(-)	(-)	(-)	(-)

i.	**Balances Outstanding**	As at 31st March, 2018	As at 31st March, 2017
	Hubtown Limited	-	14,007,295
	Joynest Premises Private Limited	-	150,000,000
	Rubix Trading Private Limited	347,501,000	347,501,000
	Heddle Knowledge Private Limited	806,231	-

ii.	**Balances Receivable**	As at 31st March, 2018	As at 31st March, 2017
	Citygold Education Research Limited	110,260,000	1,300,500
	Rising Glory Developers	1,987,092	1,999,635
	Heddle Knowledge Private Limited	-	1,040,500
	Hubtown Limited	151,874,384	-
	Joynest Premises Private Limited	2,200,000	-
	Mr. Vyomesh M. Shah	146,872,250	-
	Mr. Khilen V Shah	89,526,000	-
	Mr. Kushal H. Shah	136,907,500	-
	Mr. Rushank V Shah	199,979,550	-

Footnotes:

Previous year figures are given in brackets.

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

Citygold Farming Private Limited

Note 28. Financial Risk Management Objectives

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

1) Market Risk

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

Interest rate risk

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

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

2) Credit Risk

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

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

3) Liquidity risk

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

Note 29. Capital Management

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

Note 30. Categories of Financial Instruments

Fair Value measurement

(₹)

	31st March, 2018		31st March, 2017	
	FVPL & FVOCI	Amortised Cost	FVPL & FVOCI	Amortised Cost
Financial Assets				
Investment	-	10,000	-	150,010,000
Loans	-	15,800,000	-	-
Trade receivables	-	694,248,705	-	5,111,766
Cash and cash equivalent	-	11,501,765	-	2,968,740
Other financial assets	-	156,959,237	-	94,705,224
Total of Financial Assets	-	**878,519,707**	-	**252,795,730**
Financial Liabilities				
Trade payables	-	5,673,894	-	4,401,116
Other Financial liabilities	-	950,340,977	-	1,124,454,082
Total of Financial Liabilities	-	**956,014,871**	-	**1,128,855,198**

Note 31. The permission under Bombay Tenancy and Agricultural Land Act (BTAL) from Revenue Department for acquiring Agricultural Land in excess of ceiling limit are subject to conditions imposed by Government which state that the approvals/ permissions under MLR Code, Restoration of Land to ST Act, BTAL Act, Forests Acts, CRZ, NDZ and other similar laws wherever applicable are necessary.

Note 32.

(in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advance paid to farmers for which no agreement have been entered	-	12,472,000
Advances paid to farmers for which agreements have been executed in the name of Company and nominee of Company	-	150,315,012

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

Citygold Farming Private Limited

CITYGOLD FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 33. Contingent Liability (not acknowledged as debt)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Claims against the Company, not acknowledged as debts on account of:		
Income Tax Matter under u/s 143(3) with CIT for the F.Y. 2009-2010 (A.Y. 2010-11)	-	122,434,628
Income Tax Matter under u/s 143(3) with CIT for the F.Y. 2012-2013 (A.Y. 2013-14)	97,070	97,070
On account of properties purchased pending registration and other formalities under different statutes, for which confirmations are pending, with regards to consideration paid for the purchase of land through	Nil	Nil

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

Note 34. In the opinion of the board of Directors of the Company, all the items of current assets, current liabilities & loans and advances continue to have a realisable value of atleast the amount at which they are stated in the balance sheet.

Note 35. The Company is in the process of acquisition of land / properties. Some of the Land purchased standing in the name of nominees of Company pending for necessary permissions from the Revenue Department.

Note 36. Debtors, Creditors and Loans and advances include confirmations, reconciliation and adjustments and are considered payable/ realizable, as the case may be.

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Mumbai
Date: 11th June, 2018

For and on behalf of the Board of Directors

SHRENIK MEHTA
Director
DIN: 03137231

Citygold Farming Private Limited

D V PRABHU
Director
DIN: 03142640

Mumbai
Date: 11th June, 2018

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

1) **Report on the Standalone Ind AS Financial Statements:**
We have audited the accompanying standalone Ind AS financial statements of Citywood Builders Private Limited ('the Company'), which comprise the balance sheet as at 31st March, 2018 the statement of profit and loss (including other comprehensive income) and the statement of changes in equity and statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

2) **Management's Responsibility for the Standalone 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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

3) **Auditor's Responsibility**:
Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

4) Opinion:

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

5) Emphasis of Matter:

1. Attention is invited to Note No. 3.1(A) of the financial statements with regarding recognition of expense and income for ongoing projects which is based upon estimated project costs, as per the judgement of the management, which have been relied upon by us, these being technical Matters.
2. Attention is invited to Note No. 7 of the financial statements with regard to inventory including value of incomplete projects transfer from M/s Shreenath Realtors (the partnership firm) during the financial year.
3. Attention is invited to Note No. 15 of the financial statements with regard to non current borrowings interest not charged on non convertible debenture from during the year.
4. Attention is invited to Note No. 35 of the financial statements with regard to reliance placed by the auditors on certification received from the management with regard to the disclosure of contingent liabilities given by the Company.
5. Attention is invited to Note No. 37 of the financial statements with regards to balances that are subject to confirmations, reconciliation and adjustments if any.
6. The Company has not charged interest on loans and advances given to various entities in which the Company has a business interest.

6) Report on Other Legal and Regulatory Requirements:

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

2. As required by Section 143(3) of the Act, we report that:
   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

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

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

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

    i. the Company has no pending litigations on its financial position in its standalone Ind AS financial statements;

    ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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

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

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

Sanket Shah
Proprietor
M. No.: 152369

Place: Mumbai
Date: 20th June, 2018

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

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

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

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

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

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

(iii) In our opinion, and according to the information and explanations given to us, the Company has not granted any secured or unsecured loans to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013;

a. The above loan is interest free and repayable on demand; and

b. As the loan repayable on demand, the question of overdue amount does not arise;

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public.

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

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. However, there were outstanding interest dues of statutory liability and the details of outstanding as follows:

Sr. No.	Particulars	Amount in INR
1.	Tax Deducted at Source (TDS) Liability	6,51,128/-
2.	Maharashtra Value Added Tax (MVAT) Liability	4,74,497/-
3.	Interest on above Statutory Liability	7,05,303/-
	Total Statutory Liability	**18,30,928/-**

(b) On the basis of our examination of documents and records of the Company, and explanation provided to us, there were no disputed dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty or Cess;

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

(viii) The Company have taken loans or borrowings from any financial institution, banks, government or debenture holders during the year. On the basis of records examined by us the Company default in repayment of foreign loan taken from bank.

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

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

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

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

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

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

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

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

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

Sanket Shah
Proprietor
M. No.: 152369

Place: Mumbai
Date: 20th June, 2018

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Citywood Builders Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

2) **Auditor's Responsibility**:
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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.

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

3) Meaning of Internal Financial Controls over Financial Reporting:

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

4) Inherent Limitations of Internal Financial Controls Over Financial Reporting:

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

5) Opinion:

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

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

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

Sanket Shah
Proprietor
M. No.: 152369

Place: Mumbai
Date: 20th June, 2018

BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	4	232,837	352,368
(b) Current tax assets (Net)	5	2,508,461	1,763,712
(c) Other non-current assets	6	26,990,194	26,990,194
Total Non-Current assets		**29,731,492**	**29,106,274**
Current assets			
(a) Inventories	7	1,067,135,063	860,698,775
(b) Financial assets			
(i) Investments	8	-	15,196,923
(ii) Trade receivables	9	110,279,865	103,145,472
(iii) Cash and cash equivalents	10	12,097,401	24,491,531
(iv) Bank balances other than (iii) above	11	640,000	640,000
(v) Other financial assets	12	17,355,479	100,448,503
(c) Other current assets	6	103,869,027	106,795,889
Total Current Assets		**1,311,376,835**	**1,211,417,093**
Total assets		**1,341,108,327**	**1,240,523,367**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	100,000	100,000
(b) Other equity	14	(143,805,816)	(138,652,597)
Total Equity		**(143,705,816)**	**(138,552,597)**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	15	312,408,138	351,399,338
(ii) Other Financial Liabilities	16	6,599,966	7,094,757
Total Non-Current Liabilities		**319,008,104**	**358,494,095**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	6,993,319	7,197,539
(ii) Trade payables	18	213,778,782	116,807,593
(iii) Other financial liabilities	16	876,482,615	849,666,962
(b) Other current liabilities	19	68,551,323	46,315,182
(c) Current tax Liabilities (Net)	20	-	594,592
Total Current Liabilities		**1,165,806,039**	**1,020,581,869**
Total Liabilities		**1,484,814,143**	**1,379,075,964**
Total Equity and Liabilities		**1,341,108,327**	**1,240,523,367**

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

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

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

SANKET SHAH
PROPRIETOR
Membership No. 152369

CITYWOOD BUILDERS PVT. LTD.

JASMIN RATHOD
DIRECTOR
DIN: 03147669

PRAPHUL SHINDE
DIRECTOR
DIN: 03140671

Place: Mumbai
Date: 20th June, 2018

CITYWOOD BUILDERS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

Particulars	Note No.	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
INCOME			
Revenue from Operations	21	105,970,146	65,457,189
Other Income	22	3,931,042	586,505
Total Income		**109,901,188**	**66,043,694**
EXPENSES			
Costs Of Construction / Development	23	275,860,149	136,574,279
Purchase of Stock-in-Trade		2,047,110	370,321
Changes in Inventories	24	(204,655,257)	(167,291,562)
Employee Benefits Expense	25	10,906,539	300,316
Finance Costs	26	7,647,024	76,810,870
Depreciation and Amortisation Expenses	27	119,531	109,529
Other Expenses	28	23,129,311	14,215,083
Total Expenses		**115,054,407**	**61,088,836**
Profit / (Loss) before exceptional items and Tax (I - II)		**(5,153,219)**	**4,954,858**
Exceptional Items		-	-
Profit / (Loss) before Tax		**(5,153,219)**	**4,954,858**
Tax Expense			
Current Tax		-	(594,592)
Deferred tax		-	-
		-	(594,592)
Profit / (Loss) After Tax		**(5,153,219)**	**4,360,266**
Earning per equity share of nominal value of ₹ 10/- each	29		
Basic and Diluted		(515)	436

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

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

SANKET SHAH
PROPRIETOR
Membership No. 152369

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

FOR AND ON BEHALF OF THE BOARD

JASMIN RATHOD
DIRECTOR
DIN: 03147669

CITYWOOD BUILDERS PVT. LTD.

PRAKHUL SHINDE
DIRECTOR
DIN: 03140671

Place: Mumbai
Date: 20th June, 2018

CITYWOOD BUILDERS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Year Ended 31st March, 2018 ₹	Year Ended 31st March, 2017 ₹
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit/(loss) before taxation as per Statement of Profit and Loss	(5,153,219)	4,954,858
Add / (Less) :		
Finance costs	7,647,024	76,810,870
Depreciation and amortisation	119,531	109,529
Other gains and losses	(3,339,709)	(177,761)
	(726,373)	**81,697,494**
Operating profit before working capital changes		
Add / (Less) :		
(Increase)/Decrease in inventories	(206,436,288)	(166,373,741)
(Increase)/Decrease in Trade Receivables and Other Receivables (Including Current Investment)	91,155,554	46,770,266
Increase /(Decrease)in trade and other payables	123,292,051	151,928,822
Increase/(Decrease) in Other Financial Liabilities (Current)	21,641,548	(59,459,179)
Direct taxes paid	(744,749)	(372,248)
	28,908,116	**(27,506,080)**
Net cash flow from operating activities	**28,181,743**	**54,191,415**
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Other gains and losses(miscellaneous income)	3,339,709	177,761
(Increase)/Decrease in Loans and advances	2,926,863	(53,399,331)
Net cash flow from investing activities	**6,266,572**	**(53,221,570)**
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Proceeds from Long Term Borrowing	(39,195,420)	20,016,552
Finance costs paid	(7,647,024)	(77,549,344)
Net cash flow from financing activities	**(46,842,444)**	**(57,532,792)**
Net increase in cash and cash equivalents (I + II + III)	(12,394,130)	(56,562,946)
Add: Balance at the beginning of the year	24,491,531	81,054,478
Cash and cash equivalents at the end of the year	**12,097,401**	**24,491,531**
Components of cash and cash equivalents (Refer Note 10)		
Cash on hand	673,045	603,304
Balances with banks		
- in Current accounts	8,914,650	(1,006,516)
- in Deposits with maturity of less than six months	2,509,706	24,894,743
	12,097,401	**24,491,531**

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

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

SANKET SHAH
PROPRIETOR
Membership No. 152369

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

Place: Mumbai
Date: 20th June, 2018

FOR AND ON BEHALF OF THE BOARD

JASMIN RATHOD
DIRECTOR
DIN: 03147669

CITYWOOD BUILDERS PVT. LTD.

PRAPHUL SHINDE
DIRECTOR
DIN: 03140671

CITYWOOD BUILDERS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

in ₹

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

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

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

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

SANKET SHAH
PROPRIETOR
Membership No. 152369

Place: Mumbai
Date: 20th June, 2018

FOR AND ON BEHALF OF THE BOARD

CITYWOOD BUILDERS PVT. LTD.

JASMIN RATHOD
DIRECTOR
DIN: 03147669

PRAPHUL SHINDE
DIRECTOR
DIN: 03140671

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1. Company Overview and Significant Accounting Policies

Company Overview

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

The financial statements are approved for issue by the Company's Board of Directors on 20th June 2018.

2. Standards, not yet effective and have not been adopted early by the Company

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

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

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

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

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

3. Basis of preparation of financial statements

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

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

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

a) Historical Cost Convention

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

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

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

c) Foreign currency translation

Functional and presentation currency

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

3.1 REVENUE RECOGNITION

A. Revenue from Construction Activity

a. The company has adopted the principles of revenue recognition on the basis of " Guidance note on Accounting for Real Estate Transactions " issued by the Institute of Chartered Accountants of India, for the entities to whom IndAS is applicable.

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M. No. 132369
Chartered Accountants

CITYWOOD BUILDERS PVT. LTD.

b. Revenue from sale of 'finished properties / buildings / rights' is recognised on transfer of all significant risks and rewards of ownership of such properties / building / rights, as per the terms of the contracts entered into with buyer/(s), which generally coincides with the firming of the sales contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.

c. Revenue from sale of incomplete properties / projects is recognized on the basis of percentage of completion method only if the following thresholds have been met;

1. All critical approvals necessary for the commencement of the project have been obtained;
2. The expenditure incurred on construction and development costs, excluding land costs, is not less than 25% of the total estimated construction and development costs of the project;
3. Atleast 25% of the saleable project area is secured by agreements with the buyers; and
4. Atleast 10% of the sale consideration of each sold unit has been received at the reporting date in respect of such contracts with the buyers.

Further, revenue recognized in the aforesaid manner and related costs are both restricted to 90% until the construction activity and related formalities are substantially completed. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfillment of obligations / conditions imposed on the Company by statutory authorities is postponed till such obligations are substantially discharged.

Estimated costs relating to construction / development are charged to the statement of profit and loss in proportion with the revenue recognized during the year. The balance costs are carried as part of 'Incomplete Projects' under inventories under current assets. Amounts receivable / payable are reflected as Trade Receivables / Unbilled Receivables or Advances from Customers, respectively, after considering income recognized in the aforesaid manner.

d. Losses expected to be incurred on projects under construction, are charged in the statement of profit and loss in the period in which the losses are known.

B. Interest Income

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

C. Others

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

3.2 PROPERTY PLANT AND EQUIPMENT AND DEPRECIATION / AMORTISATION

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

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

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

3.3 FINANCIAL INSTRUMENTS

3.3.1 Initial recognition

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

3.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

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

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

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

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

CITYWOOD BUILDERS PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

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

(iv) Financial liabilities

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

(v) Fair value of financial instruments

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

3.3.3 Derecognition of financial instruments

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

3.3.4 Impairment

a. Financial assets

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

b. Non-financial assets

Intangible assets and property, plant and equipment

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

3.4 Taxation

i. Current Tax

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

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

ii. Deferred Tax

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

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

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

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

iii. Current and deferred tax for the year

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

3.5 INVENTORIES

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

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

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

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

CITYWOOD BUILDERS PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3.6 EMPLOYEE BENEFITS

Post-Employment Benefits

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

3.7 BORROWING COSTS

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

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

3.8 Cash Flow Statement

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

3.9 FOREIGN CURRENCY TRANSACTIONS

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

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

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

3.10 Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

3.11 Use of estimates

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

3.11.1 Critical accounting judgements and estimates

a. Revenue recognition

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

b. Property, plant and equipment

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

c. Fair value measurements and valuation processes

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

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

CITYWOOD BUILDERS PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

		As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
4. Property, plant and equipment			
Carrying amounts of:			
Computers and Laptops		-	-
Furniture and Fixtures		232,839	232,839
Office Equipment		-	-
	Total	**232,839**	**232,839**
Capital work-in-progress		-	-
		232,839	232,839

	Computers and Laptops	Furniture and Fixtures	Office Equipment	Total
4. Property, Plant and Equipment				
Cost or deemed cost				
Balance at 1st April, 2016	6,814	1,299,827	1,159,710	2,466,351
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
Balance at 31st March, 2017	**6,814**	**1,299,827**	**1,159,710**	**2,466,351**
Accumulated depreciation and impairment				
Balance at 1st April, 2016	6,814	847,930	1,149,710	2,004,454
Eliminated on disposal of assets	-	-	-	-
Depreciation expense	-	109,529	-	109,529
Balance at 31st March, 2017	**6,814**	**957,459**	**1,149,710**	**2,113,983**
Carrying amount as on 31st March 2017	-	**342,368**	**10,000**	**352,368**

	Computers and Laptops	Furniture and Fixtures	Office Equipment	Total
Cost or deemed cost				
Balance at 31st March, 2017	-	1,299,827	1,159,710	2,459,537
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31st March, 2018	-	**1,299,827**	**1,159,710**	**2,459,537**
Accumulated depreciation and impairment				
Balance at 31st March, 2017	-	957,459	1,149,710	2,107,169
Eliminated on disposal of assets		-	-	-
Depreciation expense	-	109,529	10,000	119,529
Balance at 31st March, 2018	-	1,066,988	1,159,710	2,226,698
Carrying amount as at 31st March 2018	-	**232,839**	-	**232,836**

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

CITYWOOD BUILDERS PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

		As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
5. Current tax assets (Net)			
Advance Tax paid		25,08,461	17,63,712
Less : Provision for Tax		-	-
Curent Tax Asset / (Liability)		**25,08,461**	**17,63,712**
6. Other assets			
Non-current			
Advances to land owners		2,69,90,194	2,69,90,194
	Total	**2,69,90,194**	**2,69,90,194**
Current			
Project Advances		1,02,27,855	-
Advances to Suppliers, Contractors and Professionals		31,70,739	2,11,93,528
Balance with statutory authorities		36,66,501	50,26,788
Unbilled revenue		2,37,11,199	5,52,43,599
Other Advances			
- Others.		6,28,91,722	2,51,00,000
- Prepaid Expense		2,01,010	2,31,974
	Total	**10,38,69,027**	**10,67,95,889**
7. Inventories			
Inventories (lower of cost or net realisable value)			
- Stock of material at site		43,10,145	25,29,114
- Incomplete projects (Refer footnote)		1,06,42,08,902	85,81,69,661
Reversal of Loan Processing Fees /Last Year		(13,83,984)	-
	Total	**1,06,71,35,063**	**86,06,98,775**

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

8. Investments			
Current Investments			
Investment in Mutual Funds (Quoted)			
(At Fair Value) (Other than Trade)			
a) **L & T Short Term Opportunities Fund - Growth** Current Year: Nil (Previous Year: 649173.824 units) (NAV as on 31st March, 2017 ₹ 15.65)		-	1,01,59,376
b) **Canara Robeco Plus Fund - Regular Daily Dividend** Current Year: Nil (Previous Year: 490988.9410 units) (NAV as on 31st March, 2017 ₹ 10.26)		-	50,37,547
	Total	-	**1,51,96,923**
Aggregate amount of quoted investments		-	1,51,96,923

Note:

Quoted investment in Mutual Funds (Quoted) are fair valued at their closing NAV.

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

CITYWOOD BUILDERS PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

		As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
9. Trade Receivables			
Current			
Trade Receivables			
Unsecured, considered good			
Others		110,279,864	103,145,472
	Total	**110,279,864**	**103,145,472**
10. Cash and cash equivalents			
Balances with banks:			
- in current accounts		8,914,650	(1,006,516)
- in escrow accounts		2,509,706	24,894,743
Cash on hand		673,045	603,304
	Total	**12,097,401**	**24,491,531**
11. Other bank balances			
Deposits with maturity of more than three months but less than twelve months(Refer footnote)		640,000	640,000
	Total	**640,000**	**640,000**

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

12. Other financial assets			
Current			
Security deposits		185,500	185,500
Advances recoverable from others		16,478,030	99,022,825
Reimbursement			
- Related parties		499,530	1,097,964
Interest accrued on fixed deposits		192,420	142,214
	Total	**17,355,479**	**100,448,503**

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

CITYWOOD BUILDERS PVT. LTD. ★

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
13. Equity Share Capital		
Authorised Share Capital:		
50,000 (As at 31st March, 2017: 50,000;) Equity Shares of ₹ 10/- each fully paid up	5,000,000	5,000,000
Issued and subscribed capital comprises:		
10,000 (As at 31st March, 2017: 10,000) Equity Shares of ₹ 10/- each fully paid up	100,000	100,000

Footnotes:

(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year.	Number of shares	Share Capital ₹
Balance at 1st April , 2016	10,000	100,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2017	10,000	100,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	**10,000**	**100,000**

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

	31st March, 2018		31st March, 2017	
	No of shares held	% holding	No of shares held	% holding
Fully paid equity shares				
Hubtown Limited	9,994	99.94%	9,994	99.94%
Maya Vaidya / Hubtown Limited	1	0.01%	1	0.01%
D.V Prabhu / Hubtown Limited	1	0.01%	1	0.01%
Kamal Matalia / Hubtown Limited	1	0.01%	1	0.01%
Nancy Pereira / Hubtown Limited	1	0.01%	1	0.01%
Anil Ahluwalia / Hubtown Limited	1	0.01%	1	0.01%
Chetan Mody / Hubtown Limited	1	0.01%	1	0.01%
Total	**10,000**	**100%**	**10,000**	**100%**

(iii) Terms / rights attached to Equity Shares :

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

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

CITYWOOD BUILDERS PVT. LTD. ★

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
14. Other Equity		
Retained Earnings		
Balance at the beginning of the year	(138,652,597)	(143,012,863)
Profit attributable to the owners of the company	(5,153,219)	4,360,266
Balance at the end of the year	**(143,805,816)**	**(138,652,597)**
15. Non-current borrowings		
Secured		
Debentures		
300 (Previous Year 300) 0% Redeemable		
non-convertible debentures of the face value of ₹ 10,00,000 each	312,408,138	351,399,338
Total	**312,408,138**	**351,399,338**

Footnote:

i. Debentures are to be redeemed on 6th May, 2019.

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

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

iv. The debentures are secured by:
   a) Personal gurantee of the promoters of Hubtown Limited.
   b) Unconditional and irrevocable Corporate Guarantee of Hubtown Limited.
   c) Pledge of unencumbered equity shares valued at INR 50 million of Hubtown Limited.

v. No Interest charged on debenture during the Financial Year.

16. Other financial liabilities		
Non-current		
Retention money payable	6,599,966	7,094,757
Total	**6,599,966**	**7,094,757**
Current		
- From related parties (Refer Footnote)	719,655,057	652,843,615
- From others	69,289,071	69,289,071
Other payables	87,538,487	127,534,276
Total	**876,482,615**	**849,666,962**

Footnote :

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

SANKET R. SHAH & ASSOCIATES M. No. 152369

CITYWOOD BUILDERS PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
17. Current borrowings		
- From Companies (Refer footnote 2)	6,993,319	7,197,539
Total	**6,993,319**	**7,197,539**

Footnotes:

Unsecured loans from Companies carry interest rates within range of nil .

18. Trade payables		
Trade Payables (Refer Footnote)		
- Others	213,778,782	116,807,593
Total	**213,778,782**	**116,807,593**

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.

19. Other current liabilities		
Current		
Advance from customers	66,826,257	44,959,719
Statutory dues	1,725,066	1,355,464
Total	**68,551,323**	**46,315,182**
20. Current Tax assets liability		
Provision for Tax	-	594,592
Total	-	**594,592**
21. Revenue from operations		
Sale from operations :		
Revenue from Incomplete Properties on cancellation of flats	91,412,181	64,974,819
Revenue from sale of Trading Materials	1,852,726	421,400
	93,264,907	**65,396,219**
Other operating revenue :		
Liabilities written back to the extent no longer required.	12,705,238	60,970
	12,705,238	**60,970**
Total	**105,970,146**	**65,457,189**
22. Other income		
a) Interest Income:		
Bank fixed deposits	57,489	364,369
Others	474,398	14,929
	531,887	**379,298**
b) Dividend Income		
Dividend received	59,446	29,446
Gain on fair valuation of investments	-	61,787
Gain on sale of current investments	163,723	105,689
Gain on foreign currency fluctuation (Net)	-	10,285
c) Miscellaneous Income	3,175,986	-
	3,339,709	**177,761**
(a+b+c)	**3,931,042**	**586,505**

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

CITYWOOD BUILDERS PVT. LTD.

		Year Ended 31st March, 2018 ₹	Year Ended 31st March, 2017 ₹
23. Costs of Construction / Development			
Land / rights acquired		205,110,617	400
Material and labour costs		23,419,383	101,841,011
Approval and consultation expenses		24,385,331	10,082,473
Other direct development expenses		22,944,818	24,650,395
	Total	**275,860,149**	**136,574,279**
24. Changes In Inventories Of Incomplete Projects, Finished Properties And FSI			
Opening Inventory :			
Incomplete projects		859,553,645	692,262,083
Closing Inventory :			
Incomplete projects		1,064,208,902	859,553,645
	Total	**(204,655,257)**	**(167,291,562)**
25. Employee Benefits Expense			
Salaries, bonus, etc.		10,500,486	214,958
Contribution to provident and other funds		378,565	21,602
Staff welfare expenses		6,562	57,456
Other fund expenses		20,926	6,300
	Total	**10,906,539**	**300,316**
26. Finance Costs			
Interest costs:-			
Interest on Debentures		-	75,763,064
Other interest expense		4,235,549	146,235
Delayed/penal interest on loans and statutory dues		3,411,475	901,571
	Total	**7,647,024**	**76,810,870**
27. Depreciation and Amortisation Expenses			
Depreciation of property, plant and equipment		119,531	109,529
Total depreciation and ammortisation expense		**119,531**	**109,529**
28. Other Expenses			
Insurance		370,634	281,123
Rent		900,000	4,551,500
Rates and taxes		-	1,077,647
Advertisement expenses		6,828,412	2,558,551
Brokerage		1,425,068	521,052
Repairs and society maintenance charges		642,855	85,551
Legal and professional fees		2,022,386	2,267,621
Compensation on cancellation of flats/written off		4,794,408	-
Other expenses (Refer Footnote)		6,145,548	2,872,038
	Total	**23,129,311**	**14,215,083**
Footnote:			
Auditors, Remuneration:			
Audit fees		60,000	60,000
GST		-	9,000
	Total	**60,000**	**69,000**

SANKET R SHAH & ASSOCIATES ★ Chartered Accountants ★ M. No. 052369

CITYWOOD BUILDERS PVT. LTD. ★

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	Year Ended 31st March, 2018 ₹	Year Ended 31st March, 2017 ₹
29. EARNINGS PER SHARE (EPS)		
Basic Earning Per Share and Diluted	(515)	436

(i) Basic and Diluted EPS

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

Profit for the year attributable to the owners of the Company	(5,153,219)	4,360,266
Earnings used in the calculation of basic earnings per share	**(5,153,219)**	**4,360,266**
(ii) Weighted average number of equity shares for the purposes of basic and diluted earnings per share	10,000	10,000

30. Financial Risk Management Objectives

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

1) Market Risk

a) Interest rate risk

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

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate on account of changes in foreign exchange rates. The company does not have any exposure to the risk of changes in foreign exchange rates from its operating activities There is no purchase of materials of imported materials hence foreign currency risk does not arise.

c) Commodity price risk

- The Company is not affected by the price volatility of commodities
- The Company has awarded building construction contracts to its contractors on turnkey basis.

2) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The company is not exposed to credit risk from its operating activities or trade receivables since the sale / lease buildings are yet to be constructed and there is no sale or leasing in relation to the same.

Credit risk from balances with banks and inter corporate loans is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved companies and within credit limits assigned to each company. The credit limits of parties to whom loans are granted are reviewed by board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make repayments.

3) Liquidity risk

The company is in stage of construction of buildings. All allowable expenses are inventorised by as per the policy of the company. Liquidy risk is dependent on the market demand for completed flats.

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

CITYWOOD BUILDERS PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

31. RELATED PARTY TRANSACTIONS

a. **LIST OF RELATED PARTIES:**

A. **Names of related parties and description of relationship**

I. **HOLDING COMPANY**
Hubtown Limited

II. **FELLOW SUBSIDIARY COMPANIES**
Heet Builders Private Limited
HUBTOWN BUS TERMINAL (MEHASANA) PRIVATE LIMITED

III. **Entities With Joint Control Of, Or Significant Influence Over, the Entity**
Rubix Trading Private Limited [Subsidiary Of Vinca]

V. **JOINT VENTURES OF HOLDING COMPANY**
Shreenath Realtors

Note:(i) Related party relationships are as identified by the Company and relied upon by the Auditors.
(ii) Previous year's figures are given in brackets

b. **Transactions with Related Parties:**

Sr. No.	Particulars	Key Managerial Personnel	Holding Company	Fellow Subsidiary Companies	Joint Ventures of Holding Company
1	**Loans and advances received /recovered/adjusted**				
	Hubtown Limited	- (-)	517,300,000 (36,007,211)	- (-)	74,033,746 (-)
2	**Loans and Advances given/ repaid/adjusted**				
	Hubtown Limited	- (-)	242,490,152 (38,299,800)	- (-)	- (-)
3	**On behalf payments made/ adjusted (Including reimbursement**				
	Shreenath Realtors	- (-)	- (-)	- (-)	112,500 (112,500)
	Hubtown Bus Terminal (Mehasana) Private Limited	- (-)	- (-)	499,530 (-)	- (-)
4	**On behalf payments received/Adjusted**				
	Heet Builders Private Limited	- (-)	- (-)	- (24,788)	- (-)
	Hubtown Limited	- (-)	- (-)	- (-)	- (-)
5	**Project Purchased**				
	Shreenath Realtors	- (-)	116,830,194 (-)	- (-)	- (-)

Balance outstanding receivables:	As at 31st March, 2018	As at 31st March, 2017
Joint Ventures of Holding Company		
Shreenath Realtors	-	74,033,746
Hubtown Bus Terminal (Mehasana) Private Limited	499,530	-
Balance outstanding payables:		
Associates of Holding Company		
Rubix Trading Private Limited	69,289,071	69,289,071
Holding Company		
Hubtown Limited	719,655,057	445,340,601
Joint Ventures of Holding Company		
Shreenath Realtors	116,830,194	-

32 The accumulated losses of the Company have resulted in complete erosion of the net worth of the Company. The Company's management is, however, of the view that the said erosion is temporary in nature as the Company has made strategic investments in certain assets / projects , the proceeds of which would when fructified, would result in turnaround of the Company. The Company to that extent does not consider the erosion of the net worth as an impediment to its status as a going concern.

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

CITYWOOD BUILDERS PVT. LTD.

Particulars	As at 31st March, 2018	As at 31st March, 2017

33. Income Tax Matters for, Tax Contingent Liability

Statute and nature of dues	Section	Financial Year	Disputed Dues	Amount Paid	Balance disputed dues payable	Balance disputed dues payable
Income Tax, High Court (Preferred by Department)	143(3)	2009-10	15,313,250	-	15,313,250	-
Income Tax, Commissioner of Income tax (Appeals)	271B	2010-11	100,000	-	100,000	100,000
Income Tax, Commissioner of Income Tax (Appeals)	143(3)	2012-13	18,216,090	750,860	17,465,230	18,216,090
Total			**33,629,340**	**750,860**	**32,878,480**	**18,316,090**

Notes:

There is no contingent liability towards Service Tax, MVAT/Sales Tax as on 31st March, 2018.

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

35. Trade payable & other current liability are subject to confirmation, reconciliation and adjustment if any.

36. Capital Management

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

The capital structure of the company consists of net debt (borrowings and offset by cash and bank balances) and total equity of the company. The borrowings consist of debentures issued, term loans from financial institutions and loans from companies.

The gearing ratio at the reporting period was as follows:

	31st March, 2018 ₹	31st March, 2017 ₹
Unsecured Loan	6,993,319	7,197,539
Interest accured	-	-
Total Debt	**6,993,319**	**7,197,539**
Cash and Cash Equivalents	12,097,401	24,491,531
Net Debt (A)	**(5,104,082)**	**(17,293,992)**
Equity Share Capital	100,000	100,000
Other Equity	(143,805,816)	(138,652,597)
Total Equity (B)	**(143,705,816)**	**(138,552,597)**
Debt Equity Ratio A/B	4%	12%

37. Fair Value measurement of Financial Instruments

	31st March 2018			31st March 2017		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments	-	-		15,196,923	-	-
Trade receivables			110,279,865			103,145,472
Cash and cash equivalents	-	-	12,097,401	-	-	24,491,531
Bank balances other than (iii) above			640,000			640,000
Loans			-			-
Other financial assets	-	-	17,355,479	-	-	100,448,503
Total of Financial Assets	-	-	**140,372,746**	**15,196,923**	-	**228,725,507**
Financial Liabilities						
Borrowings	-	-	319,401,457	-	-	358,596,877
Trade payables	-	-	213,778,782	-	-	116,807,593
Other Financial liabilities	-	-	856,266,928	-	-	856,761,719
Total of Financial Liabilities	-	-	**1,389,447,168**	-	-	**1,332,166,189**

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

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

SANKET SHAH & ASSOCIATES
M. No. 152369
Chartered Accountants

SANKET SHAH
PROPRIETOR
Membership No. 152369

Place: Mumbai
Date: 20th June, 2018

FOR AND ON BEHALF OF THE BOARD

CITYWOOD BUILDERS PVT. LTD.

JASMIN RATHOD
DIRECTOR
DIN: 03147669

PRAPHUL SHINDE
DIRECTOR
DIN: 03140671

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEADLAND FARMING PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **HEADLAND FARMING PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk

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

assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances . An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

II. As required by Section143 (3)of the Act,we report that:

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

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

(c) The balance sheet, the statement of profit and loss (including other comprehensive income),the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

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

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule11 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 :

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements, if any;

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

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

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

LALIT KOTHARI
Partner
Membership No.: 30917

Place: Mumbai
Date : 21st June, 2018

ANNEXURE"A"REFERRED TO IN OUR REPORT TO THE MEMBERS OF HEADLAND FARMING PRIVATE LIMITED ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018;

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

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

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

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

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

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

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

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

(vi) In our opinion, and according to the information and explanation given to us, the Company has not crossed the threshold limit as prescribed by the Central Government under sub-section (1) of section 148 of the Act for maintenance of cost records and hence the provision for maintenance of records are not applicable to the Company;

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Income Tax payable, Tax deduced at Source and Interest on tax payable, the Company is generally regular in depositing undisputed statutory dues, including Sales Tax, Service tax, duty of customs, Value added tax, Goods and Service Tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There was an amount of Income Tax payable ₹ 13,51,746 and Interest on tax payable ₹ 15,42,882 is outstanding as at the last day of the financial year for a period exceeding six months from the date they became payable.

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

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

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

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

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

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

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

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

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

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

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

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

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

LALIT KOTHARI
Partner
Membership No.: 30917

Place: Mumbai
Date : 21st June, 2018

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

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

We have audited the internal financial controls over financial reporting of HEADLAND FARMING PRIVATE LIMITED ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

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

LALIT KOTHARI
Partner
Membership No.: 30917

Place: Mumbai
Date : 21st June, 2018

HEADLAND FARMING PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
I ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	3	-	-
(b) Financial assets			
(i) Investments	4	10,000	10,000
(c) Other non-current assets	5	610,000	105,004,105
Total Non-Current assets		**620,000**	**105,014,105**
2. Current assets			
(a) Inventories	6	55,989,777	37,124,757
(b) Financial assets			
(i) Cash and cash equivalents	7	906,105	124,381
(ii) Other financial assets	8	1,487,728	1,489,308
Total Current Assets		**58,383,610**	**38,738,446**
TOTAL ASSETS		**59,003,610**	**143,752,551**
II EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	9	100,000	100,000
(b) Other equity	10	(20,361,018)	(3,249,054)
Total Equity		**(20,261,018)**	**(3,149,054)**
2. Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	11	-	3,778,750
(ii) Other financial liabilities	12	77,906,382	139,096,141
(b) Other current liabilities	13	6,500	2,674,968
(c) Current tax Liabilities (Net)	14	1,351,746	1,351,746
Total Current Liabilities		**79,264,628**	**146,901,605**
TOTAL EQUITY AND LIABILITIES		**59,003,610**	**143,752,551**

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Place: Mumbai
Date: 21st June, 2018

For and on behalf of the Board of Directors

JASMIN RATHOD
Director
DIN: 03147669

HEADLAND FARMING PVT. LTD.

PRAPHUL SHINDE
Director
DIN: 03140671
Date: 21st June, 2018

HEADLAND FARMING PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

	Particulars	Note No.	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
I	**Income**			
	Revenue from Operations	15	7,422,750	13,275,622
	Other Income	16	60,700,000	-
	Share of Loss/ Profit from Partnership Firms		(1,580)	-
	Total Income		**68,121,170**	**13,275,622**
II	**Expenses**			
	Costs Of Development	17	30,500,000	-
	Changes in Inventories of Land and ancilliary costs	18	(20,459,414)	29,466,679
	Finance Costs	19	165,194	1,215
	Other Expenses	20	75,027,354	1,581,859
	Total Expenses		**85,233,134**	**31,049,753**
III	**Profit / (Loss) for the year**		**(17,111,964)**	**(17,774,131)**
IV	**Other Comprehensive Income**		-	-
V	**Total comprehensive income for the year**		**(17,111,964)**	**(17,774,131)**
VI	**Earning per equity share of nominal value of ₹ 10/- each (in Rupees)**			
	Basic and Diluted	21	(1,711.20)	(1,777.41)

The accompanying notes are an integral part of the financial statements

As per our report of even date
FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Place: Mumbai
Date: 21st June, 2018

For and on behalf of the Board of Directors

JASMIN RATHOD
Director
DIN: 03147669

HEADLAND FARMING PVT. LTD.

PRAPHUL SHINDE
Director
DIN: 03140671

Date: 21st June, 2018

HEADLAND FARMING PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation as per Statement of Profit and Loss	**(17,111,964)**	**(17,774,131)**
Add/(Less):		
Finance costs	165,194	1,215
Share of loss of firm	-	-
	165,194	**1,215**
Operating profit before working capital changes	**(16,946,770)**	**(17,772,916)**
Add / (Less) :		
(Increase)/ Decrease in inventories	(18,865,020)	29,466,679
(Increase) / Decrease in trade and other receivebles	104,395,685	(1,489,308)
Increase / (Decrease) in trade and other payables	(67,636,976)	(10,217,632)
	17,893,689	**17,759,739**
Net cash flow from operating activities	**946,919**	**(13,177)**
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Net cash flow from investing activities	-	-
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Finance costs paid	(165,194)	(1,215)
Net cash flow from financing activities	**(165,194)**	**(1,215)**
Net increase in cash and cash equivalents (I + II + III)	**781,724**	**(14,392)**
Add: Balance at the beginning of the period	**124,381**	**138,773**
Cash and cash equivalents at the end of the period	**906,105**	**124,381**
Components of cash and cash equivalents (Refer Note 7)		
Cash on hand	35,943	27,368
Balances with Banks		
- in Current accounts	870,162	97,013
	906,105	**124,381**

The accompanying notes are an integral part of the financial statements

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

As per our report of even date
FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Place: Mumbai
Date: 21st June, 2018

For and on behalf of the Board of Directors

JASMIN RATHOD
Director
DIN: 03147669

HEADLAND FARMING PVT. LTD.

PRAPHUL SHINDE
Director
DIN: 03140671

Date: 21st June, 2018

HEADLAND FARMING PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018 (in ₹)

	Notes	Amount
A. EQUITY SHARE CAPITAL		
As at 1st April, 2016		100,000
Changes in equity share capital		-
As at 31st March, 2017		**100,000**
Changes in equity share capital		-
As at 31st March, 2018		**100,000**

B. OTHER EQUITY AND CONVERTIBLE INSTRUMENTS

	Reserves and Surplus	Total
	Retained Earnings	
Balance at 1st April, 2016	**14,525,077**	**14,525,077**
Total Comprehensive Income for the year	(17,774,131)	**(17,774,131)**
Balance at 31st March, 2017	**(3,249,054)**	**(3,249,054)**
Total Comprehensive Income for the year	(17,111,964)	**(17,111,964)**
Balance at 31st March, 2018	**(20,361,018)**	**(20,361,018)**

The accompanying notes are an integral part of the financial statements

As per our report of even date
FOR L.J. KOTHARI & CO.
Firm Registration No. 105313W
Chartered Accountants

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Place: Mumbai
Date: 21st June, 2018

For and on behalf of the Board of Directors

JASMIN RATHOD
Director
DIN: 03147669

HEADLAND FARMING PVT. LTD.

PRAPHUL SHINDE
Director
DIN: 03140671

Date: 21st June, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 1. Statement of Significant Accounting Policies.

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

1.2 The financial statements are approved for issue by the Company's Board of Directors on 21st June 2018.

Note 2. Significant Accounting Policies followed by the Company

I. Basis of preparation of financial Statements

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

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

(ii) Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:
1) certain financial assets and liabilities that are measured at fair value;
2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
3) defined benefit plans - plan assets measured at fair value;

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

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

a) Judgements

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

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

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

A. **Revenue from Sale of Land**

i. Revenue from sale of land is recognised on transfer of all significant risks and rewards of ownership of such land, as per the terms of the contracts entered into with buyer/(s), which generally coincides with the firming of the sale contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.

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

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

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

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

HEADLAND FARMING PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

IV. Property plant and equipment and depreciation / ammortisation

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

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

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

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

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

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

V. Financial Instruments

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

A. Investment and Financial Assets

i. Initial recognition

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

ii. Subsequent measurement

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

a) Financial Assets at Amortised Cost

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

b) Financial Assets Measured at Fair Value

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

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

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2015 of its investments in subsidiaries, associates and joint ventures and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1st April, 2015.

iii. De-recognition of Financial Assets:

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

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

B. Equity Instruments and Financial Liabilities

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

i. Equity Instruments

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

ii. Financial Liabilities

1. Initial Recognition

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

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

HEADLAND FARMING PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

2. Subsequent Measurement

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

- Financial liabilities at FVTPL

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

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

- Financial liabilities at amortised cost

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

3. De-recognition of Financial Liabilities

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

C. **Offsetting Financial Instruments**

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

VI Derecognition of financial instruments

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

VII. Impairment

a. Financial assets

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

b. Non-financial assets

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

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

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

i. Intangible assets and property, plant and equipment

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

ii. Provisions

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

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

HEADLAND FARMING PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

VIII. Taxation

i. Current Tax

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

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

ii. Deferred Tax

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

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

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

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

iii. Current and deferred tax for the year

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

IX. Inventories

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

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

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

X. Borrowings and Borrowing costs

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are de-recognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

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

XI. Cash Flow Statement

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

XII. Cash and Cash Equivalents

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

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

XIII. Provisions, contingent liabilities and contingent assets

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

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

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

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HEADLAND FARMING PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

XIV. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreigncurrency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company exposure towards foreign currency transation is minimal, hence the impact on the financial statements and effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND AS 115 is expected to be insignificent

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 3. Property, plant and equipment

(in ₹)

	Computers and Laptops	Office Equipment	Total
Cost or deemed cost			
Balance at 1st April, 2016	33,176	6,200	**39,376**
Additions	-	-	-
Disposals	-	-	-
Balance at 31st March, 2017	33,176	6,200	39,376
Accumulated depreciation			
Balance at 1st April, 2016	33,176	6,200	**39,376**
Eliminated on disposal of assets	-	-	-
Depreciation expense	-	-	-
Balance at 31st March, 2017	33,176	6,200	39,376
Carrying amount as on 31st March, 2017	-	-	-

	Computers and Laptops	Office Equipment	Total
Cost or deemed cost			
Balance at 31st March, 2017	33,176	6,200	**39,376**
Additions	-	-	-
Disposals	-	-	-
Balance at 31st March, 2018	33,176	6,200	39,376
Accumulated depreciation			
Balance at 31st March, 2017	33,176	6,200	39,376
Eliminated on disposal of assets			-
Depreciation expense	-	-	-
Balance at 31st March, 2018	33,176	6,200	39,376
Carrying amount as on 31st March, 2018	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 4. Investments		
Non Current		
Capital Investment in Partnership Firms(Refer Footnote)		
M/s Rising Glory Developers	10,000	10,000
Total	**10,000**	**10,000**

Footnote:

Details of Investments made in capital of partnership firm:

	31st March, 2018	31st March 2017
Name of Partners	**Profit Sharing Ratio**	**Profit Sharing Ratio**
Hubtown Limited	20.00%	20.00%
Ackruti Safeguard System Private Limited	5.34%	5.34%
Citygold Education Research Limited	5.34%	5.34%
Citygold Farming Private Limited	5.34%	5.34%
Diviniti Projects Private Limited	5.34%	5.34%
Halitious Developers Limited	5.34%	5.34%
Headland Farming Private Limited	5.33%	5.33%
Heddle Knowledge Private Limited	5.33%	5.33%
Heet Builders Private Limited	5.33%	5.33%
Subhsiddhi Developers Pvt Ltd.	5.33%	5.33%
Sunstream City Private Limited	10.66%	10.66%
Upvan lake Resort Private Limited	5.33%	5.33%
Vega Developers Private Limited	5.33%	5.33%
Whitebud Developers Limited	5.33%	5.33%
Yantti Buildcon Private Limited	5.33%	5.33%
Total	**100%**	**100%**
Total Capital of the firm in ₹	**150,000**	**150,000**

	31st March, 2018	31st March, 2017
Note 5. Other assets		
Non-current		
Advances to land owners (Refer Footnote)	610,000	105,004,105
Total	**610,000**	**105,004,105**

Footnote:

No agreement has been entered into for the above advances paid to landowners (farmers) in earlier year's. Advances amounting to ₹10,43,94,105/- has been debited to land cost during the year. Out of the same, an amount of ₹ 2,58,62,166/- is carried as Inventory.

	31st March, 2018	31st March, 2017
Note 6. Inventories		
Land and ancilliary costs (Refer Footnote to Note 5)	55,989,777	37,124,757
Total	**55,989,777**	**37,124,757**
Note 7. Cash and cash equivalents		
Balances with banks:		
- in current accounts	870,162	97,013
Cash on hand	35,943	27,368
Total	**906,105**	**124,381**
Note 8. Other financial assets		
Current		
Current account balances in partnership firm (Refer note 23)	1,487,728	1,489,308
Total	**1,487,728**	**1,489,308**

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	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 9. Equity share capital		
Authorised Share Capital:		
10,000 (P.Y.: 10,000) Equity Shares of ₹ 10/- each)	100,000	100,000
999,000 (P.Y.: 999,000) 8% non cumulative convertible preference shares of ₹100/- each)	99,900,000	99,900,000
Issued and subscribed capital comprises:		
10,000 (P.Y.: 10,000) Equity Shares of ₹ 10/- each)	100,000	100,000
	100,000	**100,000**

Footnotes:

(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year.

	Number of shares	Share Capital (in ₹)
Balance at 1st April, 2016	10,000	100,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2017	10,000	100,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	**10,000**	**100,000**

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

	31st March, 2018		31st March, 2017	
	No of shares held	% holding of this class of shares	No of shares held	% holding of this class of shares
Fully paid equity shares				
Hubtown Limited with Beneficiary Owners	10,000	100%	10,000	100%
Total	**10,000**	**100%**	**10,000**	**100%**

(iii) Equity shares held by its holding company or its ultimate holding company subsidiaries or associates of the holding company or the ultimate holding company:

	31st March, 2018	31st March, 2017
Holding Company		
Hubtown Limited with Benificiary Owners	10,000	10,000
Total	**10,000**	**10,000**

(iv) Terms / rights attached to Equity Shares :

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 10. Other Equity		
Retained Earnings		
Balance at the beginning of the year	(3,249,054)	14,525,077
Profit attributable to the owners of the company	(17,111,964)	(17,774,131)
Total	**(20,361,018)**	**(3,249,054)**
Note 11. Trade payables		
Due to micro and small enterprises (Refer Footnote)	-	-
Due to others	-	3,778,750
Total	-	**3,778,750**

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

Note 12. Other financial liabilities		
Current		
Advance received from Body Corporate (Refer footnote (b))	-	60,000,000
Business Advance from related party (Refer Footnote (a) and Note 23)	76,269,000	77,619,000
Payable to related parties (Refer note 23)	2,500	-
Other payables		
Statutory dues	1,542,882	1,380,673
Others	92,000	96,468
Total	**77,906,382**	**139,096,141**

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

(b) Advances received from body corporate in earlier years has been appropriated as no longer payable.

Note 13. Other liabilities		
Current		
Advance from customers	-	2,653,000
Overdrawn bank balances as per books of accounts	-	6,968
Other payables :		
- Statutory dues	6,500	15,000
Total	**6,500**	**2,674,968**
Note 14. Current Tax Liabilities (Net)		
Provision for Tax	4,372,410	4,372,410
Less: Advance Tax Paid	(3,020,664)	(3,020,664)
Total	**1,351,746**	**1,351,746**

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate
Since the taxable income is negative, there is no current tax payable; hence reconciliation has not been provided.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Note 15. Revenue from operations		
Sale of plot	2,744,625	13,248,250
Other operating Revenue:		
Liabilities written back to the extent no longer required	-	27,372
Sundry credit balances appropriated	4,678,125	-
Total	**7,422,750**	**13,275,622**
Note 16. Other Income		
Advances received from Body corporate appropriated (Refer Footnote (b) to Note 12)	60,000,000	-
Miscellaneous Income	700,000	-
Total	**60,700,000**	**-**
Note 17. Costs Of Development		
Land cost	30,500,000	-
Total	**30,500,000**	**-**
Note 18. Changes In Inventories Of Land And Ancilliary Costs		
Opening Inventory	37,124,757	66,591,436
Less:		
Purchase Return - Land	801,250	-
Expenses incurred on above land writton off	793,144	-
	35,530,363	66,591,436
Less: Closing Inventory	55,989,777	37,124,757
Total	**(20,459,414)**	**29,466,679**
Note 19. Finance Costs		
Delayed/penal interest on loans and statutory dues	165,194	1,215
Total	**165,194**	**1,215**
Note 20. Other Expenses		
Brokerage and incentive	-	105,000
Professional Fees	69,948	57,450
Advances and other bebit balance written off (Refer Footnote to Note 5)	73,694,730	-
Expense incurred/allocation on purchase return written off	793,144	-
Land non-utilization charges	427,680	1,359,360
Other expenses (Refer footnote)	41,852	60,049
Total	**75,027,354**	**1,581,859**
Footnote:		
Auditors Remuneration (included in the other expenses)		
Audit Fees	35,000	35,000
Total	**35,000**	**35,000**
Note 21. Earnings Per Share (EPS)		
Basic And Diluted Earning Per Share	(1,711.20)	(1,777.41)

Basic and Diluted EPS

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

Profit/(Loss) for the year attributable to the owners of the Company	(17,111,964)	(17,774,131)
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	10,000	10,000

Note 22. Fair value measurement

Fair Value measurement	**31st March, 2018**		**31st March, 2017**	
Particulars	**FVPL/ FVOCI**	**Amortised Cost**	**FVPL/ FVOCI**	**Amortised Cost**
Financial Assets				
Investments	-	10,000	-	10,000
Other financial assets	-	1,487,728	-	1,489,308
Cash and cash equivalent	-	906,105	-	124,381
Total of Financial Assets	**-**	**2,403,833**	**-**	**1,623,689**
Financial Liabilities				
Trade payables	-	-	-	3,778,750
Other Financial liabilities	-	77,906,382	-	139,096,141
Total of Financial Liabilities	**-**	**77,906,382**	**-**	**142,874,891**

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HEADLAND FARMING PVT. LTD.

HEADLAND FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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

A.	Name of the related parties and related parties relationship	
I	Holding Company	: Hubtown Limited
II	Other Fellow Subsidiaries	: Heddle Knowledge Pvt. Ltd.,
III	Firm in which Company is a partner	: M/s Rising Glory Developers

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

B. Transactions with related parties and balance as at year end-

in ₹

Sr. No.	Nature of Transaction	Holding Company	Others Significant Influence	Firm in which Company is a partner
i	**Business advances taken/ recovered / adjusted**			
	Hubtown Limited	100,000	-	-
		(1,500,000)	(-)	(-)
ii	**Business Advance given/repaid/adjusted**			
	Hubtown Limited	1,450,000	-	-
		(14,350,000)	(-)	(-)
iii	**On behalf payments made**			
	Heddle Knowledge Pvt Limited	-	-	-
		(-)	(-)	(-)
iv	**On behalf payments adjusted**			
	Heddle Knowledge Pvt Limited	-	2,500	-
		(-)	(-)	(-)
v	**Share of loss from partnership firm**			
	M/s Rising Glory Developers	-	-	1,580
		(-)	(-)	(-)

Note: Previous year figures are given in the brackets

in ₹

Sr. No.	Balance outstanding	As at 31st March, 2018	As at 31st March, 2017
i	**Balance Payables**		
	Hubtown Limited (Holding Company)	76,269,000	77,619,000
	Heddle Knowledge Pvt Limited (Others Fellow Subsidiaries)	2,500	-
ii	**Balance Receivables**		
	M/s Rising Glory Developers (Joint Venturer)	1,487,728	1,489,308

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HEADLAND FARMING PVT. LTD.

Note 24. Financial Risk Management Objectives

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

1) Market Risk

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

Interest rate risk

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

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

2) Credit Risk

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

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

3) Liquidity risk

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

Note 25. Capital Management

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

Gearing Ratio

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

The gearing ratio at the reporting period was as follows:

	As at 31st March, 2018	As at 31st March, 2017
Unsecured Borrowings	-	-
Interest accrued	-	-
Total Debt	-	-
Less: Cash and cash equivalents	906,105	124,381
Net Debt (A)	**(906,105)**	**(124,381)**
Equity Share Capital	100,000	100,000
Other Equity	(20,361,018)	(3,249,054)
Total Equity (B)	**(20,261,018)**	**(3,149,054)**

Debt Equity Ratio A/B *

* Since there are no borrowings gearing ratio has not been computed.

Note 26.

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

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

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HEADLAND FARMING PVT. LTD.

HEADLAND FARMING PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 27.

The accumulated losses of the Company have resulted in complete erosion of the net worth of the Company. The Company's management is, however, of the view that the said erosion is temporary in nature as the Company has made strategic investments in certain assets / projects, the proceeds of which would when fructified, would result in turnaround of the Company. The Company to that extent does not consider the erosion of the net worth as an impediment to its status as a going concern.

Note 28. Contingent Liability

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

Note 29.

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

LALIT KOTHARI
Proprietor
Membership No. 30917

Place: Mumbai
Date: 21st June, 2018

For and on behalf of the Board of Directors

JASMIN RATHOD
Director
DIN: 03147669

HEADLAND FARMING PVT. LTD.

PRAPHUL SHINDE
Director
DIN: 03140671

Date: 21st June, 2018

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

L. J. KOTHARI & CO.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEDDLE KNOWLEDGE PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **HEDDLE KNOWLEDGE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind

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MEMBERSHIP
No. 30917
CHARTERED ACCOUNTANTS

AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances . An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

II. As required by Section143 (3)of the Act,we report that:

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

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

(c) The balance sheet, the statement of profit and loss (including other comprehensive income),the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

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

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule11 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 :

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i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements, if any;

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

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

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

LALIT KOTHARI
Partner
Membership No.: 30917

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

Place: Mumbai
Date : 21st June, 2018

ANNEXURE"A"REFERRED TO IN OUR REPORT TO THE MEMBERS OF HEDDLE KNOWLEDGE PRIVATE LIMITED ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31stMARCH, 2018;

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

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

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

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

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

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

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

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

(vi) In our opinion, and according to the information and explanation given to us, the Company has not crossed the threshold limit as prescribed by the Central Government under sub-section (1) of section 148 of the Act for maintenance of cost records and hence the provision for maintenance of records are not applicable to the Company;

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Tax deduced at Source, Service tax, Provident fund and Interest on tax payable, the Company is generally regular in depositing undisputed statutory dues, including Sales Tax, duty of customs, Value added tax Goods And Service Tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There was an amount of Service tax ₹ 1,67,615/-, Interest on tax payable ₹ 4,17,748/- and Goods and Service Tax ₹ 5,448/- is outstanding as at the last day of the financial year for a period exceeding six months from the date they became payable.

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

L. J. KOTHARI & CO.
MEMBERSHIP
No. 30917
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(viii) As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date. Therefor, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

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

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

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

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

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

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

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

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

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

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

LALIT KOTHARI
Partner
Membership No.: 30917

Place: Mumbai
Date : 21st June, 2018

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

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

We have audited the internal financial controls over financial reporting of HEDDLE KNOWLEDGE PRIVATE LIMITED ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

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

LALIT KOTHARI
Partner
Membership No.: 30917

Place: Mumbai
Date : 21st June, 2018

HEDDLE KNOWLEDGE PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
I ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	3	1,095,876	98,595
(b) Financial assets			
(i) Investments	4	10,000	10,000
(c) Current tax assets (Net)	5	8,777,251	8,766,175
Total Non-Current assets		**9,883,127**	**8,874,770**
2 Current assets			
(a) Inventories	6	-	304,315,902
(b) Financial assets			
(i) Investments	4	41,857	40,319
(ii) Trade receivables	7	351,021,600	-
(iii) Cash and cash equivalents	8	393,181	428,569
(iv) Other financial assets	9	52,208,860	113,494,721
(c) Other current assets	10	500,000	180,906,450
Total Current Assets		**404,165,498**	**599,185,961**
TOTAL ASSETS		**414,048,625**	**608,060,731**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	100,000	100,000
(b) Other equity	12	(100,424,540)	(99,142,699)
Total Equity		**(100,324,540)**	**(99,042,699)**
Liabilities			
Non-Current Liabilities			
(a) Provisions	13	439,818	-
Total Non-Current Liabilities		**439,818**	**-**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	14	16,467,899	79,789,267
(ii) Other financial liabilities	15	495,172,887	592,834,129
(b) Other current liabilities	16	1,714,660	34,317,489
(c) Provisions	13	577,901	162,545
Total Current Liabilities		**513,933,347**	**707,103,430**
Total Liabilities		**514,373,165**	**707,103,430**
TOTAL EQUITY AND LIABILITIES		**414,048,625**	**608,060,731**

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Mumbai
Date: 21st June, 2018

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

HEDDLE KNOWLEDGE PRIVATE LTD.

RAJEEVAN PARAMBAN
Director
DIN: 03141200

Date: 21st June, 2018

HEDDLE KNOWLEDGE PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

	Particulars	Note No.	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
I	**Income**			
	Revenue from Operations	17	371,780,000	-
	Other Income	18	100,829,774	217,581
	Share of Profit / (Loss) of Firm		(1,580)	4,435
	Total Income		**472,608,194**	**222,016**
II	**Expenses**			
	Changes in Inventories of Land and ancilliary costs	19	180,605,765	-
	Employee Benefits Expense	20	7,254,842	4,763,216
	Finance Costs	21	168,573	161,601
	Depreciation Expenses	22	102,679	142,817
	Other Expenses	23	284,989,247	8,068,185
	Total Expenses		**473,121,106**	**13,135,819**
III	**Profit/(loss) before Tax**		**(512,912)**	**(12,913,803)**
	Tax Expense			
	Excess/(Short) provision for taxation in respect of earlier years		-	-
IV	**Profit/(Loss) for the Year**		**(512,912)**	**(12,913,803)**
V	**Other Comprehensive Income**			
	Remeseaurement of the net defined benefit liabiliy/ asset		**(768,929)**	**102,485**
VI	**Total comprehensive income for the Year**		**(1,281,841)**	**(12,811,318)**
VII	**Earning per equity share of nominal value of ₹ 10/- each (in ₹)**			
	Basic and Diluted	24	(51.29)	(1,291.38)

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Place: Mumbai
Date: 21st June, 2018

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

HEDDLE KNOWLEDGE PRIVATE LTD.

RAJEEVAN PARAMBAN
Director
DIN: 03141200

Date: 21st June, 2018

HEDDLE KNOWLEDGE PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation as per Statement of Profit and Loss	**(512,912)**	**(12,913,803)**
Add / (Less) :		
Depreciation	102,679	142,817
Share of loss of firm and joint venture	(1,580)	4,435
Remeseaurement of the net defined benefit liabiliy/ asset	(768,929)	102,485
Finance Costs	168,573	161,601
Sale of fixed assets	183,136	-
	(316,121)	**411,338**
Operating profit before working capital changes	**(829,033)**	**(12,502,465)**
Add / (Less) :		
(Increase)/ Decrease in inventories	304,315,902	-
(Increase) / Decrease in trade and other receivebles	(109,329,290)	6,534,846
Increase / (Decrease) in trade and other payables	(193,914,837)	3,402,272
Increase / (Decrease) in provisions	855,174	(213,438)
Direct taxes (paid)/refund	(11,076)	-
	1,915,873	**9,723,680**
Net cash flow from operating activities	**1,086,840**	**(2,778,785)**
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Sale / (Purchase) of fixed assets	(952,117)	-
Interest income received	-	3,004,933
Acquisition of current investment	(1,538)	4,153
Net cash flow from investing activities	**(953,655)**	**3,009,086**
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Finance costs paid	(168,573)	(161,601)
Net cash flow from financing activities	**(168,573)**	**(161,601)**
Net increase in cash and cash equivalents (I + II + III)	**(35,388)**	**68,700**
Add: Balance at the beginning of the year	**428,569**	**359,869**
Cash and cash equivalents at the end of the year	**393,181**	**428,569**
Components of cash and cash equivalents (Refer Note 8)		
Cash on hand	46,096	91,366
Balances with Banks		
- in Current accounts	347,085	337,203
	393,181	**428,569**

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Mumbai
Date: 21st June, 2018

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

HEDDLE KNOWLEDGE PRIVATE LTD.

RAJEEVAN PARAMBAN
Director
DIN: 03141200

Date: 21st June, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 1. Statement of Significant Accounting Policies.

1.1 Company Overview

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

1.2 The financial statements are approved for issue by the Company's Board of Directors on 21st June 2018.

Note 2. Significant Accounting Policies followed by the Company

I. Basis of preparation of financial Statements

(i) Compliance with Ind AS

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

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

(ii) Historical cost convention

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

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

(iii) Current non-current classification

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

II. Significant accounting judgements, estimates and assumptions

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

a) Judgements

Classification of property

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

b) Estimates and assumptions

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

III. Revenue recognition

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

A. Revenue from Sale of Land

i. Revenue from sale of land is recognised on transfer of all significant risks and rewards of ownership of such land, as per the terms of the contracts entered into with buyer/(s), which generally coincides with the firming of the sale contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.

B. Interest and dividend:

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

C. Others:

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

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

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

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

HEDDLE KNOWLEDGE PRIVATE LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

IV. Property plant and equipment and depreciation / ammortisation

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

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

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

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

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

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

V. Financial Instruments

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

A. Investment and Financial Assets

i. **Initial recognition**

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

ii. **Subsequent measurement**

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

a) **Financial Assets at Amortised Cost**

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

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

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

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

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

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

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

B. Equity Instruments and Financial Liabilities

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

i. **Equity Instruments**

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

ii. **Financial Liabilities**

1. Initial Recognition

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

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

HEDDLE KNOWLEDGE PRIVATE LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

2. Subsequent Measurement

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

- Financial liabilities at FVTPL

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

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

- Financial liabilities at amortised cost

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

3. De-recognition of Financial Liabilities

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

C. Offsetting Financial Instruments

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

VI Derecognition of financial instruments

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

VII. Impairment

a. Financial assets

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

b. Non-financial assets

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

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

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

i. Intangible assets and property, plant and equipment

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

ii. Provisions

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

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

HEDDLE KNOWLEDGE PRIVATE LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

VIII. Taxation

i. Current Tax

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

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

ii. Deferred Tax

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

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

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

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

iii. Current and deferred tax for the year

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

IX. Inventories

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

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

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

X. Borrowings and Borrowing costs

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

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

XI. Cash Flow Statement

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

XII. Cash and Cash Equivalents

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

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

XIII. Provisions, contingent liabilities and contingent assets

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

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

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

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

HEDDLE KNOWLEDGE PRIVATE LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

XIV. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreigncurrency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company exposure towards foreign currency transation is minimal, hence the impact on the financial statements and effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND AS 115 is expected to be insignificent

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

HEDDLE KNOWLEDGE PRIVATE LTD.

HEDDLE KNOWLEDGE PRIVATE LIMITED

Statement Of Changes In Equity For The Year Ended 31st March, 2018 (in ₹)

	Notes	Amount
A. EQUITY SHARE CAPITAL		
As at 1st April, 2016		100,000
Changes in equity share capital		-
As at 31st March, 2017		**100,000**
Changes in equity share capital		-
As at 31st March, 2018		**100,000**

B. OTHER EQUITY AND CONVERTIBLE INSTRUMENTS

	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance at 1st April, 2016		**(86,331,381)**	**(86,331,381)**
Profit / (Loss) for the Year	-	(12,913,803)	**(12,913,803)**
Remeasurement of net defined benefit recognised in other comprehensive income	-	102,485	**102,485**
Balance at 31st March, 2017	-	**(99,142,699)**	**(99,142,699)**
Profit / (Loss) for the Year	-	(512,912)	**(512,912)**
Remeasurement of net defined benefit recognised in other comprehensive income	-	(768,929)	**(768,929)**
Balance at 31st March, 2018	-	**(100,424,540)**	**(100,424,540)**

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Mumbai
Date: 21st June, 2018

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

HEDDLE KNOWLEDGE PRIVATE LTD.

RAJEEVAN PARAMBAN
Director
DIN: 03141200

Date: 21st June, 2018

Note 3. Property, plant and equipment

	Computers and Laptops	Furniture and Fixtures	Vehicles	Office Equipment	Total
Cost or deemed cost					
Balance at 1st April, 2016	4,26,116	9,26,340	24,90,855	10,59,760	**49,03,071**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31st March, 2017	4,26,116	9,26,340	24,90,855	10,59,760	**49,03,071**
Accumulated depreciation and impairment					
Balance at 1st April, 2016	4,26,116	8,84,406	22,91,377	10,59,760	**46,61,659**
Eliminated on disposal of assets	-	-	-	-	-
Depreciation expense	-	41,934	1,00,883	-	**1,42,817**
Balance at 31st March, 2017	4,26,116	9,26,340	23,92,260	10,59,760	**48,04,476**
Carrying amount as on 31st March, 2017	-	-	98,595	-	**98,595**

	Computers and Laptops	Furniture and Fixtures	Vehicles	Office Equipment	Total
Cost or deemed cost					
Balance at 31st March, 2017	4,26,116	9,26,340	24,90,855	10,59,760	**49,03,071**
Additions	-	-	11,41,040	-	**11,41,040**
Disposals	-	-	(10,00,122)	-	**(10,00,122)**
Balance at 31st March, 2018	4,26,116	9,26,340	26,31,773	10,59,760	50,43,989
Accumulated depreciation and impairment					
Balance at 31st March, 2017	4,26,116	9,26,340	23,92,260	10,59,760	**48,04,476**
Eliminated on disposal of assets			(9,59,042)		**(9,59,042)**
Depreciation expense	-	-	1,02,679	-	**1,02,679**
Balance at 31st March, 2018	4,26,116	9,26,340	15,35,897	10,59,760	39,48,113
Carrying amount as at 31st March, 2018	-	-	**10,95,876**	-	**10,95,876**

HEDDLE KNOWLEDGE PRIVATE LTD.

HEDDLE KNOWLEDGE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 4. Investments		
Non Current		
A) Capital Investment in Partnership Firms and Joint Ventures		
M/s Rising Glory Developers (Refer Footnote (a))	10,000	10,000
Total	**10,000**	**10,000**
B) Current Investments (At FVTPL) (Quoted)		
Investment In Mutual Fund - Daily Dividend Plan:		
(State Bank of India Mutual Fund : 24.072(P.Y.: 24.071) Units of ₹1675.03/- each)	41,857	40,319
Total	**41,857**	**40,319**

Footnote:

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

Name of Partners	31st March, 2018 Profit Sharing Ratio	31st March, 2017 Profit Sharing Ratio
Hubtown Limited	20.00%	20.00%
Ackruti Safeguard System Private Limited	5.34%	5.34%
Citygold Education Research Limited	5.34%	5.34%
Citygold Farming Private Limited	5.34%	5.34%
Diviniti Projects Private Limited	5.34%	5.34%
Halitious Developers Limited	5.34%	5.34%
Headland Farming Private Limited	5.33%	5.33%
Heddle Knowledge Private Limited	5.33%	5.33%
Heet Builders Private Limited	5.33%	5.33%
Subhsiddhi Builders Private Limited	5.33%	5.33%
Sunstream City Private Limited	10.66%	10.66%
Upvan lake Resort Private Limited	5.33%	5.33%
Vega Developers Private Limited	5.33%	5.33%
Whitebud Developers Limited	5.33%	5.33%
Yantti Buildcon Private Limited	5.33%	5.33%
Total	**100%**	**100%**
Total Capital of the firm in ₹	**150,000**	**150,000**

Note 5. Current Tax Assets (Net)

Advance Tax paid	8,777,251	8,766,175
Less: Provision for Tax	-	-
Curent Tax Asset	**8,777,251**	**8,766,175**

Income Tax expense

(a) Income Tax expense		
Tax in respect of earlier years	-	-
Current tax expense	-	-
Income tax expense	-	-

(b) **Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

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

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HEDDLE KNOWLEDGE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 6. Inventories		
Inventories (lower of cost or net realisable value)		
- Incomplete projects, at cost (Refer Footnote)	-	304,315,902
Total	**-**	**304,315,902**

Footnote :
During the year the company has sold its entire Inventory.

Note 7. Trade Receivables		
Current		
Unsecured, considered good		
Other trade receivables	62,741,600	-
Related Party (Refer Note 28)	288,280,000	-
Total	**351,021,600**	**-**

Footnote : Trade Receivable includes ₹ 15,35,30,000 from a Director (Refer Footnote 28)

Note 8. Cash and cash equivalents		
Balances with banks:		
- in current accounts	347,085	337,203
Cash on hand	46,096	91,366
Total	**393,181**	**428,569**

Note 9. Other financial assets		
Current		
Security deposits	25,100	25,100
Business Advance to a related party	-	19,809,156
Advances to others	50,061,437	93,155,845
Other receivables (Other than Trade Receivables):		
- Related Party (Refer Note 28)	1,354,463	-
- Others	767,860	504,620
	52,208,860	**113,494,721**

Note 10. Other assets		
Current		
Advances to land owners (Refer Note 31)	500,000	180,831,936
Other Advances		
- Prepaid Expense	-	26,514
- Advance to Suppliers		48,000
Total	**500,000**	**180,906,450**

Footnote:
No agreement has been entered into for the above advances paid to landowners (farmers). In earlier year's has been written off to the exact of ₹ 14,16,40,690/-.

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HEDDLE KNOWLEDGE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 11. Equity share capital		
Authorised Share Capital:		
10,000 (P.Y.: 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
9,99,000 (P.Y.: 9,99,000)8% Non-Cumulative Convertible Preference Shares of ₹ 100/- each	99,900,000	99,900,000
Issued and subscribed capital comprises:		
10,000 (P.Y.: 10,000) Equity Shares of ₹ 10/- each fully paid up	100,000	100,000
	100,000	100,000

	Number of shares	Share Capital (in ₹)
(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year.		
Balance at 1st April, 2016	10,000	100,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2017	10,000	100,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	**10,000**	**100,000**

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

	As at 31st March, 2018		As at 31st March, 2017	
	No of shares held	% holding of this class of shares	No of shares held	% holding of this class of shares
Fully paid equity shares				
Hubtown Limited with Benificiary Owners	10,000	100%	10,000	100%

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

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

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HEDDLE KNOWLEDGE PRIVATE LTD

HEDDLE KNOWLEDGE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 12. Other Equity		
Retained Earnings		
Balance at the beginning of the year	(99,142,699)	(86,331,381)
Profit attributable to the owners of the company	(512,912)	(12,913,803)
Items of OCI recognised directly in retained earnings	(768,929)	102,485
Balance at the end of the year	**(100,424,540)**	**(99,142,699)**

Note 13. Provisions		
Non-current		
Employee Benefits		
Provision for Gratuity	430,302	-
Provision for leave benefit	9,516	-
Total	**439,818**	-
Current		
Employee Benefits		
Provision for Gratuity	424,210	15,969
Provision for leave benefit	153,691	146,576
Total	**577,901**	**162,545**

Note 14. Trade payables		
Current		
Due to micro and small enterprises (Refer Footnote)	-	-
Due to others	16,467,899	79,789,267
Total	**16,467,899**	**79,789,267**

Footnote:

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

Note 15. Other financial liabilities		
Current		
Current account balance in firms and joint ventures. (Refer Note 28)	12,591	365
Business Advances ((Refer Footnote)		
- Related Party (Refer note 28)	69,731,483	163,172,772
- Others	43,400,000	43,400,000
Other payables		
- Related Party (Refer note 28)	380,976,000	382,220,341
- Others	1,052,813	4,040,651
Total	**495,172,887**	**592,834,129**

Footnote:

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

Note 16. Other current liabilities		
Current		
Advance from customers	-	31,900,000
Other payables :		
- Employee Benefit Payable	65,103	65,103
- Statutory dues	1,142,362	2,121,071
Overdrawn bank balances as per books of accounts	507,195	231,315
Total	**1,714,660**	**34,317,489**

HEDDLE KNOWLEDGE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Note 17. Revenue from operations		
Sale from operations :		
Sale of Plot	371,780,000	-
Total	**371,780,000**	**-**
Note 18. Other income		
a) Compensation / surrender of rights (Refer Note 28)	100,000,000	-
b) Dividend Income		
Dividends from equity instruments	1,537	1,848
c) Other gains and losses		
Surplus on sale / discardment of fixed assets (Net)	183,136	-
Sundry creditors balance written back	630,000	11,643
Excess provision written back	15,101	204,090
Total	**100,829,774**	**217,581**
Note 19. Changes In Inventories Of Land and Ancilliary costs		
Opening Inventory	304,315,902	304,315,902
Less:		
Purchase Return - Land	26,586,154	-
Expenses incurred on above land writton off (Refer Note 23)	97,123,983	-
	180,605,765	304,315,902
Closing Inventory	-	304,315,902
Total	**180,605,765**	**-**
Note 20. Employee benefit expenses		
Salaries, bonus, etc.	6,830,206	4,414,722
Contribution to provident and other funds	405,234	312,895
Staff walfare Expenses	19,402	35,599
Total	**7,254,842**	**4,763,216**
Note 21. Finance Costs		
Delayed/penal interest on loans and statutory dues	168,573	161,601
Total	**168,573**	**161,601**
Note 22. Depreciation Expenses		
Depreciation of property, plant and equipment	102,679	142,817
Total	**102,679**	**142,817**
Note 23. Other Expenses		
Advances and other debit balances written off (Refer Footnote to Note 10)	184,390,690	-
Work in progess written off (Land expenses) (Refer Note 19)	96,623,983	-
Legal and professional fees	2,828,186	5,977,015
Other expenses (Refer Footnote)	1,146,388	2,091,169
Total	**284,989,247**	**8,068,185**
Footnote :		
Auditors Remuneration (included in the other expenses)		
Audit Fees	35,000	35,000
Total	**35,000**	**35,000**

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

HEDDLE KNOWLEDGE PRIVATE LTD.

	As at 31 March, 2018 ₹	As at 31 March, 2017 ₹
Note 24. Basic and Diluted Earning Per Share	**(51.29)**	**(1,291.38)**

Basic and Diluted EPS

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

Profit for the year attributable to the owners of the Company (in ₹)	(512,912)	(12,913,803)
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	10,000	10,000

Note 25. Financial Risk Management Objectives

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

1) Market Risk

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

Interest rate risk

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

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

2) Credit Risk

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

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

3) Liquidity risk

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

Note 26. Capital Management

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

Gearing Ratio

The gearing ratio at the reporting period was as follows

	As at 31 March, 2018	As at 31 March, 2017
Unsecured Borrowings		
Interest accrued		
Total Debt	-	-
Less: Cash and cash equivalents	393,181	428,569
Net Debt (A)	**(393,181)**	**(428,569)**
Equity Share Capital	100,000	100,000
Retained Earnings	(100,424,540)	(99,142,699)
Total Equity (B)	**(100,324,540)**	**(99,042,699)**
Debt Equity Ratio A/B	**0.00**	**0.00**

Note 27. Fair Value Measurements (₹)

	31st March, 2018		31st March, 2017	
	FVPL & FVOCI	Amortised Cost	FVPL & FVOCI	Amortised Cost
Financial Assets				
Investment	41,857	10,000	40,319	10,000
Other financial assets	-	52,208,860	-	113,494,721
Trade Receivables	-	351,021,600	-	-
Loans	-	-	-	-
Cash and cash equivalent	-	393,181	-	428,569
Total	**41,857**	**403,633,641**	**40,319**	**113,933,290**
Financial Liabilities				
Trade payables	-	16,467,899	-	79,789,267
Other Financial liabilities	-	495,172,887	-	592,834,129
Total	-	**511,640,786**	-	**672,623,396**

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

HEDDLE KNOWLEDGE PRIVATE LTD.

HEDDLE KNOWLEDGE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note 28. RELATED PARTY DISCLOSURES

A. Name of the related parties and related parties relationship

I	**Holding Company**	Hubtown Limited
II	**Fellow Subsidiary**	Citygold Farming Private Limited Joynest Premises Private Limited Twenty Five South Realty Limited Citygold Education Research Ltd Headland Farming Private Limited
III	**Firm in which Company is a partner**	M/s Rising Glory Developers
IV	**Key Management personnel and their relatives**	Mr. Khilen V Shah Mrs. Meha Rushank Shah Mrs. Pratiti K. Shah

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

B. Transaction with Related Parties -

(in ₹)

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiary	Firm in which Company is a partner	Key Management personnel, their relatives and enterprises
i	**Business advances taken/ recovered / adjusted**				
	Hubtown Limited	232,789,111	-	-	-
		(58,635,000)	(-)	(-)	(-)
	Citygold Farming Private Limited	-	-	-	-
		(-)	(1,040,500)	(-)	(-)
	Twenty Five South Realty Limited	-	14,309,156		
		(-)	(-)		
	Joynest Premises Private Limited	-	5,500,000	-	-
		(-)	(-)	(-)	(-)
ii	**Business Advance given/repaid/adjusted**				
	Hubtown Limited	326,230,400	-	-	-
		(8,168,000)	(-)	(-)	(-)
	Joynest Premises Private Limited	-	-	-	-
		(-)	(56,500,000)	(-)	(-)
iii	**On behalf payments made/ received (including reimbursment of expenses)**				
	Citygold Education Research Ltd	-	517,685	-	-
		(-)	(-)	(-)	(-)
	Citygold Farming Private Limited	-	1,874,778	-	-
		(-)	(-)	(-)	(-)
	Headland Farming Private Limited	-	2,500	-	-
		(-)	(-)	(-)	(-)
iv	**Compensation / surrender of Rights**				
	Citygold Education Research Limited	-	100,000,000	-	-
		(-)	(-)	(-)	(-)
v	**Loan taken**				
	Akruti Safeguard Systems Private Limited	-	-	-	-
		(-)	(1,400,000)	(-)	(-)
vi	**Share of loss from partnership firm**				
	M/s Rising Glory Developers	-	-	1,580	-
		(-)	(-)	(365)	(-)
vii	**Transactions through Partners current account**				
	M/s Rising Glory Developers	-	-	-	-
		(-)	(-)	(691)	(-)
viii	**Sale of plot**				
	Mr. Khilen V Shah	-	-	-	176,030,000
		(-)	(-)	(-)	(-)
	Mrs. Meha Rushank Shah	-	-	-	18,350,000
		(-)	(-)	(-)	(-)
	Mrs. Pratiti K. Shah	-	-	-	23,200,000
		(-)	(-)	(-)	(-)

C.	**Balance outstanding**	As at 31st March, 2018	As at 31st March, 2017
i	**Balance Payables**		
	Hubtown Limited	69,731,483	163,172,772
	M/s Rising Glory Developers	12,591	11,011
	Akruti Safeguard Systems Private Limited	1,400,000	1,400,000
	Citygold Farming Private Limited	-	1,040,500
	Rubix Trading Private Limited	379,576,000	379,576,000
ii	**Balance Receivables**		
	Twenty Five South Realty Limited	-	14,309,156
	Joynest Premises Private Limited	-	5,500,000
	Headland Farming Private Limited	2,500	-
	Citygold Farming Private Limited	834,278	-
	Citygold Education Research Ltd	100,517,685	-
	Mr. Khilen V Shah	153,530,000	-
	Mrs. Meha Rushank Shah	12,850,000	-
	Mrs. Pratiti K. Shah	21,900,000	-

Footnotes: Previous year figures are given in brackets.

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

HEDDLE KNOWLEDGE PRIVA

HEDDLE KNOWLEDGE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 29. Post Retirement Benefit Plans	**Year ended 31st March, 2018 ₹**	**Year ended 31st March, 2017 ₹**
The Prinicipal assumptions used for the purpose of the acturial valuations were as follows,		
Gratuity:		
Discount Rate	7.67%	7.44%
Expected rate of salary increase	5%	5%
Expected average remaining service	9.52	10
Service cost		
Current service cost	76,670	69,268
Net interest expense	1,189	3,644
Component of define benefit cost recognised in profit or loss	**77,859**	**72,912**
Acturial (gains) / losses for the period	768,929	(101,069)
Component of defined benefit cost recognised in other comprehensive income	**768,929**	**(101,069)**
Total	846,788	(28,157)
Present value of funded defined benefit obligation	1,512,947	629,034
Fair value of plan assets	658,435	613,065
Funded status	**(854,512)**	**(15,969)**
Movement in PV of defined benefit obligation		
Opening define benefit obligation	629,034	611,884
Current service cost	76,670	69,268
Interest cost	38,314	48,951
Actuarial (gains) and losses on obligation	768,929	(101,069)
closing define benefit obligation	**1,512,947**	**629,034**
Movements in fair value of plan asstes		
Opening fair value of plan assets	613,065	566,342
Interest income	37,125	45,307
Return on plan asstes (excluding amounts included in net interest expense)	8,245	1,416
Contribution from employer	-	-
clsoing fair value of plan assets	**658,435**	**613,065**

Asset Information:	**Total Amount**	**Target Allocation %**
Gratuity Fund	-	-

Expected Payout:	**PVO Payout**
Expected Outgo First Year	723,250
Expected Outgo Second Year	12,360
Expected Outgo Third Year	14,309
Expected Outgo Fourth Year	16,483
Expected Outgo Fifth Year	18,900
Expected Outgo Sixth to Tenth Years	140,585

Sensitivity Analysis:

As of 31st March, 2018, every percentage point increase in discount rate will affect our gratuity benefit obligation Rs.12,21,434.

As of 31st March, 2018, every percentage point decrease in discount rate will affect our gratuity benefit obligation Rs.13,58,155.

As of 31st March, 2018, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation Rs. 13,58,696.

As of 31st March, 2018, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation Rs. 12,19,978.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Projected service cost as on 31st March, 2019 is Rs. 1,27,253.

Narrations:

1 **Analysis of Defined Benefit Obligation**

The number of members under the scheme have decreased by 33.33%. Similarly the total salary decreased by 19.71% during the accounting period. The resultant liability at the end of the period over the beginning of the period has increased by 2.80%

2 **Expected rate of return basis:**

Since the scheme funds are invested with LIC of India EROA is based on rate of return declared by fund managers.

3 **Description of Plan Assets and Reimbursement Conditions**

100% of the Plan Asset is entrusted to LIC of India under their Group Gratuity Scheme. The reimbursement is subject to Insurer's Surrender Policy.

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

HEDDLE KNOWLEDGE PRIVATE LTD.

HEDDLE KNOWLEDGE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 30.

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

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

Note 31. Advance paid for purchase of land.

Particulars	As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
Advance paid to farmers for which no agreement have been entered	500,000	79,787,290
Advances paid to farmers for which agreements have been executed in the name of company.	-	97,468,476
Advances paid to farmers for which agreements have been executed in the name of nominees of company.	-	3,576,170

Note 32.

The accumulated losses of the Company have resulted in complete erosion of the net worth of the Company. The Company's management is, however, of the view that the said erosion is temporary in nature as the Company has made strategic investments in certain assets / projects, the proceeds of which would when fructified, would result in turnaround of the Company. The Company to that extent does not consider the erosion of the net worth as an impediment to its status as a going concern.

Note 33. Contingent Liability

Particulars	As at 31st March, 2018	As at 31st March, 2017
Claims against the Company, not acknowledged as debts on account of:-		
Properties purchased pending registration and other formalities under different statutes, for which confirmations are pending, with regards to consideration paid for the purchase of land through aggregator.	-	Amount not ascertainable at present
Income Tax matters under appeal with ITAT for the Financial Year 2008-09	-	1,298,946

Note 34.

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

LALIT KOTHARI
Proprietor
Membership No. 30917

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

Mumbai
Date: 21st June, 2018

For and on behalf of the Board of Directors

KHILEN SHAH
Director
DIN: 03134932

HEDDLE KNOWLEDGE PRIVATE LTD.

RAJEEVAN PARAMBAN
Director
DIN: 03141200

Date: 21st June, 2018

Heddle Knowledge Private Limited

Assessment Year: 2018-2019

NOTES FOR TAX AUDIT U/S 44AB OF THE INCOME TAX ACT, 1961

Clauses:-

13(a) Accounting policies followed by the Company are stated in Note 2 to the financial statements for the year ended 31st March, 2018.

16(d) Contributions received from employees, considered under section 2(24) (x) and disclosed under the clause 20(b) as per the consistent accounting practice, are not credited to Statement of Profit & Loss.

17 Disclosure under clause 17 is made on the basis of property registered during the year. The Stamp Duty Ready Reckoner Value of Non-Agriculture Land is considered instead of Agriculture Land since the Department of Registration and Stamps, Maharashtra has considered Stamp Duty Ready Reckoner Value of Non-Agriculture Land at the time of registration of agreements whereas it is observed that the Company has sold agricultural plots of land during the year.

18 Written down value of block of assets as on 01-04-2017 is taken as per Returns/ Financials filed along with the Income Tax Return for Assessment Year 2017-2018.

Classification of block of assets is as compiled by the assesse and being a technical matter accepted by the tax auditors, as correct.

Date / Month in case of additions to fixed assets put to use are as certified by the Management.

Depreciation is computed as per Section 32 of the Income-tax Act, 1961.

Non Depreciable Building is not considered in the block as it was charged under the head Income from House Property.

22 In our opinion, as the assessee has neither paid nor provided for any interest payable to Micro Enterprises or Small Enterprises as per the MSMED Act, 2006, hence the question of any interest inadmissible does not arise. We also invite attention to Note No. 14 of the notes to Accounts disclosing information required to be disclosed under clause 22 of the 3CD Report.

26(A) The information relating to amounts not allowed in the assessment of any preceding previous year have been determined on the basis of Return of Income filed by the assesse, wherever assessments are yet to be completed.

26(B) The disclosure under this clause is restricted to liabilities which were incurred in the previous year and were outstanding as at the end of the relevant previous year based on the requirements of section 43B, whereby specified expenditure are allowable only in the year of payment, irrespective of the year in which the liability is incurred and debited to the statement of Profit and Loss. Considering the same, reporting under this clause is disclosed for such unpaid amounts which are to be tested for disallowability.

Input Tax Credit (ITC) or any other indirect tax, levy, cess, imposed, etc passed through the statement of Profit & Loss account. Since sales tax, goods & service tax (GST) and service tax collected during the year and paid do not pass through the statement of Profit & Loss account, according to the consistent accounting practice followed by the Company, they are not considered as revenue receipts.

27 Based on the recommendation of the Institute of Chartered Accountants of India, in its publication "Guidance Note on Tax Audit under Section 44AB of the Income-tax Act", expenditure of earlier year means expenditure which arose or accrued in an earlier year and which does not include any expenditure though of an earlier year but for which the liability to pay has crystalized during the year. Income of earlier year does not include write backs of excess provisions made in earlier years and also excludes other credits which are received during the year and accounted as and when claims are made and/or admitted or whenever arisen.

31(a) The requirement is understood to mean, it does not cover loans from banks, financial institutions and trade deposits.

31(b) Immovable property in the nature of inventories have not been considered for the purpose of this sub clause.

34(a) Based on recommendation of the ICAI, in the supplementary guidance note on tax audit under Section 44 AB of income tax act, 1961, the reporting requirement under clause (a) is understood as restricted to the specific non compliance stated under Clause (b). Tax deducted at source on salary has been verified on the basis of the declaration of income made by the employee of the company.

35 As the company is construction company Clause 35(a)(b) are not applicable.

General:-

1. It is not possible for us to certify whether the payment in excess of Rs. 10,000/- made by cheques has been made by crossed account payee cheque or bank draft, as the necessary evidence is not in the possession of the assessee.

2. The management certifies that all expenses claimed in the Profit & Loss account have been incurred for business purpose.

3. The management certifies that all expenses incurred and claimed in the profit and loss account are in the nature of revenue expenses and that no expenses of a capital nature have been claimed in the profit and loss account, during the year.

4. The closing stock is prepared, valued and quantified by the management of the company. The same is verified on Sample check / test check basis depending on the size and nature of the company and the number of transaction entered into during the year.

5. Debtors, Creditors and Loans and advances are subject to confirmations, reconciliation and adjustments and are considered payable/realizable, as the case may be.

6. In the opinion of the management, all items of Non- current assets, Non- Current Liabilities, Current Assets, Current Liabilities and Loan and Advances continues to have a realizable value of at least the amounts at which they are stated in the balance sheets.

7. Depending upon facts of each case and based on management evaluation and after due evaluation of legal aspects, claim against the company if any, not acknowledged as debts are treated as contingent liabilities and disclosed in financial statements. In the opinion of the management, the company does not have any liabilities, which have not been provided for, other than contingent liabilities as disclosed in note 33 of Financial Statements.

8. There are no Indirect Tax refunds, during the year that is in the nature of income assessable to tax for the year.

9. The management certifies that it has not incurred any expenses in the nature of penalty or fine or in contravention of any law.

10. We have verified the compliance with the provisions of Chapter XVII-B regarding the deduction of tax at source and regarding the payment thereof to the credit of the Central Government in accordance with the Auditing Standards generally accepted in India which include test checks and the concept of materiality. Such

audit procedures did not reveal any significant non-compliance with the provisions of Chapter XVII-B.

11. The management further certifies that there are no demand / refund under the central Excise Act, Customs act or any other acts / laws

12. During the year sale of properties include sale of parcels of Agricultural land which had been converted from capital asset into stock-in-trade in earlier financial years.

13. The management of the firm certifies that all demand / refund during the previous year under tax laws other than Income Tax Act, 1961 and Wealth tax Act, 1957 are disclosed in the financials of the firm.
14. Supporting of some of the expenses may not be available, hence the examination has been based on vouchers and entries made in the books of accounts.

15. The registration / identification number and other related details with regards indirect taxes like excise duty, service tax, sales tax, customs duty, etc. is taken from documents in possession of the company. The details provided in the audit report with regards the same cover only disclosures purposes.

M. H. DALAL & ASSOCIATES
CHARTERED ACCOUNTANTS

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Tilak Road, Santacruz (W),
Mumbai - 400 054.
Phone : 2649 4807
: 2649 0862
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TWENTY FIVE SOUTH REALTY LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **TWENTY FIVE SOUTH REALTY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

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

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

Opinion

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

Other Matter

The audited financial statements for the year ended 31st March, 2017, was carried out and reported by Dalal Doshi & Associates, vide their unmodified audit report dated 26th May, 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the financial statements. Our audit report is not qualified in respect of this matter.

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 section 143(11) of the Act, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order;

II. As required by Section143 (3)of the Act, we report that:

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

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

(c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by tbis Report are in agreement with the books of account;

M. H. DALAL & ASSOCIATES
CHARTERED ACCOUNTANTS

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) Based on information received from the directors of the Company as at 31st March, 2018, along with details available on record, we are of the opinion that two of the Directors of the Company stand disqualified from being appointed / continue as Directors of the Company in terms of Section 164(2) of the Act.

We are however informed by the management that at the signing date of the balance sheet, the Company has received a declaration from two disqualified directors who have confirmed that all the Companies with respect to whom their disqualification has occurred have subsequent to the reporting date and before the signing date have complied with the annual filings and thereby condoned the delay under Condonation of Delay Scheme of the Ministry of Corporate Affairs vide circular no. 16/2017 dated 29th December 2017.

(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 Rule11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;

ii. The Company did not have any long term contract 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 M H DALAL & ASSOCIATES
Firm Registration No.: 112449W
Chartered Accountants

DEVANG DALAL
Partner
Membership No.:109049

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Place: Mumbai
Date : 25th May, 2018

ANNEXURE"A"REFERRED TO IN OUR REPORT TO THE MEMBERS OF TWENTY FIVE SOUTH REALTY LIMITED ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018;

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 in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification;

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

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

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

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

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

(vi) In our opinion, and according to the information and explanation given to us, the company has not crossed the threshold limit as prescribed by the Central Government under sub-section (1) of section 148 of the Act for maintenance of cost records and hence the provision for maintenance of records are not applicable to the Company;

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Service tax and Provident fund the company is generally regular in depositing undisputed statutory dues, including Tax deducted at source, duty of customs, Value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of arrears of statutory dues outstanding as at Balance sheet date, for a period extending six months from the date they became payable are Rs 54,104/- relating to Service tax including interest thereon and Rs. 2,999 related to Provident Fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Tax deducted at source, Custom Duty, Sales tax including value added tax, Excise Duty or cess. The dues related to income tax are under dispute the amount of which is not ascertainable.

(viii) On the basis of records examined by us and the information and explanations given to us, the Company has not defaulted in payment of dues to any financial institutions, bank and debenture holders.

(ix) In our opinion, and according to the information and explanations given to us, the term loans raised during the year has partly been used for repayment of existing loan and 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 fraud by the company or on the company by its officers or employees has been noticed or reported during the year;

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

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company;

(xiii) The Company has entered into transactions with related parties are in compliance with the Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards;

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

M. DALAL & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

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

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

FOR M H DALAL & ASSOCIATES
Firm Registration No.: 112449W
Chartered Accountants

DEVANG DALAL
Partner
Membership No.:109049

M. H. DALAL & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

Place : Mumbai
Date : 25th May, 2018

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF TWENTY FIVE SOUTH REALTY 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 TWENTY FIVE SOUTH REALTY LIMITED ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

M. H. DALAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

FOR M H DALAL & ASSOCIATES
Firm Registration No.:112449W
Chartered Accountants

DEVANG DALAL
Partner
Membership No.: 109049

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Place: Mumbai
Date: 25th May, 2018

TWENTY FIVE SOUTH REALTY LIMITED

BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
I ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	3	29,555,063	4,570,967
(b) Capital work-in-progress	3	85,295,729	64,738,711
(c) Financial assets			
(i) Other financial assets	4	39,500	39,500
(d) Current tax assets (Net)	5	21,243,543	14,524,106
(e) Deferred tax assets (Net)	6	62,877,338	48,339,215
Total Non-Current Assets		**199,011,173**	**132,212,499**
2. Current Assets			
(a) Inventories	8	11,550,719,457	9,838,653,252
(b) Financial assets			
(i) Cash and cash equivalents	9	166,234,662	95,933,272
(ii) Bank balances other than (i) above	10	1,434,341	1,341,570
(iii) Other financial assets	4	95,594,929	44,417,435
(c) Other current assets	7	166,905,638	176,482,598
Total Current Assets		**11,980,889,027**	**10,156,828,127**
TOTAL ASSETS		**12,179,900,200**	**10,289,040,626**
II EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	11	481,350	481,350
(b) Other equity	12	1,708,835,423	1,762,370,188
Total Equity		**1,709,316,773**	**1,762,851,538**
2. Liabilities			
(i) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	6,677,354,774	4,060,394,758
(ii) Other Financial Liabilities	15	24,615,161	17,029,553
(b) Provisions	16	1,143,221	951,031
Total Non-Current Liabilities		**6,703,113,156**	**4,078,375,342**
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	438,209,975	316,766,469
(ii) Trade payables	14	98,487,676	195,130,933
(iii) Other financial liabilities	15	1,693,097,094	2,507,487,509
(b) Other current liabilities	17	1,537,429,821	1,428,169,644
(c) Provisions	16	245,705	259,191
Total Current Liabilities		**3,767,470,271**	**4,447,813,746**
Total Liabilities		**10,470,583,427**	**8,526,189,088**
TOTAL EQUITY AND LIABILITIES		**12,179,900,200**	**10,289,040,626**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of Board of Directors

FOR M. H. DALAL & ASSOCIATES
Firm Registration No. - 112449 W
CHARTERED ACCOUNTANTS

Devang Dalal
PARTNER
Membership No. F-109049

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Twenty Five South Realty Limited

RUSHANK SHAH
DIRECTOR
DIN 02960155

D. V. PRABHU
DIRECTOR
DIN [illegible]

Mumbai
Date: 25th May, 2018

Mumbai
Date: 25th May, 2018

TWENTY FIVE SOUTH REALTY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
I Income			
Revenue from Operations	18	83,889,757	
Other Income	19	11,440,365	743,221
Total Income		95,330,122	743,221
II Expenses			
Costs Of Construction / Development	20	419,306,437	474,838,684
Purchases of Stock-in-Trade		32,812,081	-
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	21	(1,709,379,723)	(1,708,124,594)
Employee Benefits Expense	22	27,278,899	31,629,124
Finance Costs	23	1,263,528,170	1,059,668,069
Depreciation and Amortisation Expenses	24	12,773,962	876,445
Other Expenses	25	117,338,413	202,626,010
Total Expenses		**163,658,239**	**61,513,738**
III Profit / (Loss) before Tax		**(68,328,117)**	**(60,770,517)**
IV Tax Expense			
(1) Current Tax		-	
(2) Deferred tax (charge) / credit		14,538,123	17,456,937
(3) Excess / (Short) provision for taxation in respect of earlier years			(160,775)
		14,538,123	17,296,162
V Profit / (Loss) for the Year		**(53,789,994)**	**(43,474,355)**
VI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeseaurement of the net defined benefit plans		255,229	91,510
VII Total comprehensive income for the year		**(53,534,765)**	**(43,382,845)**
VIII Earning per equity share of nominal value of ` 10/- each			
Basic and Diluted	26	(1,117)	(903)

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR M. H. DALAL & ASSOCIATES
Firm Registration No. - 112449 W
CHARTERED ACCOUNTANTS

Devang Dalal
PARTNER
Membership No. F-109049

Mumbai
Date: 25th May, 2018

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Twenty Five South Realty Limited

For and on behalf of Board of Directors

RUSHANK SHAH
DIRECTOR
DIN 02960155

D. V. PRABHU
DIRECTOR
DIN 03142640

Mumbai
Date: 25th May, 2018

TWENTY FIVE SOUTH REALTY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

Particulars	31st March, 2018 (₹)	31st March, 2017 (₹)
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit/(loss) before taxation as per Statement of Profit and Loss	**(68,328,117)**	**(60,770,517)**
Add / (Less) :		
Finance costs	1,266,619,204	1,025,665,407
Depreciation and amortisation	12,773,962	876,445
Interest income	(11,440,365)	(737,852)
Remeseaurement of the net defined benefit liabiliy / asset	255,229	91,510
Loss on foreign currency fluctuation (Net)	561,647	456,528
Excess provision written back	(52,352,742)	-
	1,216,416,935	**1,026,352,038**
Operating profit before working capital changes	**1,148,088,818**	**965,581,521**
Add / (Less) :		
(Increase) in inventories	(1,712,066,205)	(1,712,481,880)
(Increase) / Decrease in Other Current & Non current Asset	(92,771)	14,473,260
(Increase) / Decrease in Loans and advances	(41,602,304)	(130,000,408)
Increase / (Decrease) in trade and other payables	98,960,011	525,859,110
Direct taxes paid	(6,719,439)	(5,266,493)
	(1,661,520,708)	**(1,307,416,411)**
Net cash flow from operating activities	**(513,431,890)**	**(341,834,890)**
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Interest income received	11,442,135	739,126
Decrease in loans given		29,687,081
Purchase of fixed assets	(58,315,075)	(65,020,528)
Net cash flow from investing activities	**(46,872,940)**	**(34,594,321)**
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Proceeds from Long Term Borrowing	1,656,960,016	848,800,000
Proceeds from Short Term Borrowing	121,443,506	187,390,463
Finance costs paid	(1,147,797,302)	(602,442,445)
Net cash flow from financing activities	**630,606,220**	**433,748,018**
Net increase in cash and cash equivalents (I + II + III)	**70,301,390**	**57,318,807**
Add: Balance at the beginning of the year	**95,933,272**	**38,614,465**
Cash and cash equivalents at the end of the year	**166,234,662**	**95,933,272**
Components of cash and cash equivalents (Refer Note 9)		
Cash on hand	27,313	28,120
Balances with banks		
- in Current accounts	156,253,043	85,950,846
- in Deposits with maturity of less than three months	9,954,306	9,954,306
	166,234,662	**95,933,272**

The accompanying notes are an integral part of the financial statements

Note:

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

As per our report of even date

FOR M. H. DALAL & ASSOCIATES
Firm Registration No. : 112449 W
CHARTERED ACCOUNTANTS

Devang Dalal
PARTNER
Membership No. F-109049

Mumbai
Date: 25th May, 2018

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Twenty Five South Realty Limited

For and on behalf of Board of Directors

RUSHANK SHAH
DIRECTOR
DIN 02960155

B. V. PRABHU
DIRECTOR
DIN 03142640

Mumbai
Date: 25th May, 2018

TWENTY FIVE SOUTH REALTY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

	Notes	Amount ₹
A. EQUITY SHARE CAPITAL		
As at 01st April, 2016	11	**481,350**
Changes in equity share capital		-
As at 31st March, 2017		481,350
Changes in equity share capital		-
As at 31st March, 2018		481,350

B. OTHER EQUITY (Refer Note 12)

	Reserves and Surplus (Amount ₹)				
	Securities Premium reserve	Debenture Redemption Reserve	General reserve	Retained Earnings	Total
Balance at 1st April, 2016	1,866,259,694	-	-	(60,506,661)	1,805,753,033
Profit / (Loss) for the year	-	-	-	(43,474,355)	(43,474,355)
Remeasurement of net defined benefit recognised in other comprehensive income	-	-	-	91,510	91,510
Balance at 31st March, 2017	1,866,259,694	-	-	(103,889,506)	1,762,370,188
Balance at 1st April, 2017	1,866,259,694	-	-	(103,889,506)	1,762,370,188
Profit / (Loss) for the year	-	-	-	(53,789,994)	(53,789,994)
Remeasurement of net defined benefit recognised in other comprehensive income	-	-	-	255,229	255,229
Balance at 31st March, 2018	1,866,259,694	-	-	(157,424,271)	1,708,835,423

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR M. H. DALAL & ASSOCIATES
Firm Registration No. - 112449 W
CHARTERED ACCOUNTANTS

Devang Dalal
PARTNER
Membership No. F-109049
Mumbai
Date: 25th May, 2018

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Twenty Five South Realty Limited

For and on behalf of the Board of Directors

RUSHANK SHAH
DIRECTOR
DIN 02960155

D. V. PRABHU
DIRECTOR
DIN 03142640

Mumbai
Date: 25th May, 2018

Note 1. STATEMENT OF IGNIFICANT ACCOUNTING POLICIES

1.1 **Company Overview**

Twenty Five South Realty Limited is a listed public limited company domiciled in India, incorporated under the provision of the Companies Act, 1956 read with the general circular 15 / 2013 dated 13 September,2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 The Company is engaged in real estate business of construction and development of residential and commercial premises

1.2 The financial statements are approved for issue by the Company's Board of Directors on 25th May, 2018

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

i) Revenue Recognition

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

ii) Estimation of net realisable value for inventory

Inventory are stated at the lower of cost and net realisable value (NRV)

NRV for completed property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment

NRV in respect of inventory under construction / incomplete projects is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion

With respect to Advance given to land owners, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs

iii) Income tax Provisons are based on Company's judgement of Allowances/Disallowance considering computation of Income

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Twenty Five South Realty Limited

III REVENUE RECOGNITION

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

A. Revenue from Construction Activity

i. The company has adopted the principles of revenue recognition on the basis of " Guidance note on Accounting for Real Estate Transactions " issued by the Institute of Chartered Accountants of India, for the entities to whom IndAS is applicable

ii Revenue from sale of 'finished properties / buildings / rights' is recognised on transfer of all significant risks and rewards of ownership of such properties / building / rights, as per the terms of the contracts entered into with buyer/(s), which generally coincides with the firming of the sales contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards

iii Revenue from sale of incomplete properties / projects is recognized on the basis of percentage of completion method only if the following thresholds have been met;

a. All critical approvals necessary for the commencement of the project have been obtained;

b The expenditure incurred on construction and development costs, excluding land costs, is not less than 25% of the total estimated construction and development costs of the project;

c Atleast 25% of the saleable project area is secured by agreements with the buyers; and

d. Atleast 10% of the sale consideration of each sold unit has been received at the reporting date in respect of such contracts with the buyers

Further, revenue recognized in the aforesaid manner and related costs are both restricted to 90% until the construction activity and related formalities are substantially completed Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfillment of obligations / conditions imposed on the Company by statutory authorities is postponed till such obligations are substantially discharged.

Estimated costs relating to construction / development are charged to the statement of profit and loss in proportion with the revenue recognized during the year. The balance costs are carried as part of 'Incomplete Projects' under inventories under current assets Amounts receivable / payable are reflected as Trade Receivables / Unbilled Receivables or Advances from Customers, respectively, after considering income recognized in the aforesaid manner.

iv. Losses expected to be incurred on projects under construction, are charged in the statement of profit and loss in the period in which the losses are known.

v. Costs of the projects are based on the management's estimate of the cost to be incurred upto the completion of the projects and include cost of land, Floor Space Index (FSI), materials, services and other expenses attributable to the projects. Estimates of project income, as well as project costs, are reviewed periodically.

B. Revenue from Trading Materials:

Revenue from sale of trading material is recognised when significant risks and rewards associated with the sale of material is transferred to the buyer

C. Interest

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

D. Others

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

IV PROPERTY PLANT AND EQUIPMENT AND DEPRECIATION / AMMORTISATION

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

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

V FINANCIAL INSTRUMENTS

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

Investments and Financial Assets

i. Initial recognition

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

ii. Subsequent measurement

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

a) Financial Assets at Amortised Cost

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

b) Financial Assets Measured at Fair Value

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

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

iii De-recognition of Financial Assets:

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

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

B Equity Instruments and Financial Liabilities

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

i Equity Instruments

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

ii Financial Liabilities

1. Initial Recognition

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

2. Subsequent Measurement

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

- Financial liabilities at FVTPL

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

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

- Financial liabilities at amortised cost

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

3. Derecognition of financial Instruments

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

C Offsetting Financial Instruments

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

VI Derecognition of financial instruments

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

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Twenty Five South Realty Limited

VII IMPAIRMENT

a. Financial assets

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

b. Non-financial assets

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

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

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

i. Intangible assets and property, plant and equipment

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

ii. Provisions

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

VIII TAXATION

i. Current Tax

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

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

ii. Deferred Tax

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

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

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

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

iii. Current and deferred tax for the year

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

IX INVENTORIES

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

A. Stock of material at Site' includes cost of purchase, other costs incurred in bringing them to their respective present location and condition Cost formula used is average cost

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

Inventory value includes costs incurred upto the completion of the project viz cost of land / rights, value of floor space index (FSI), materials, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost

X 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

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XI TRADE RECEIVABLES

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

XII EMPLOYEE BENEFITS

a) Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b) Defined Benefit Plan

The Company provides for gratuity which is a defined benefit plans the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods

The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c) Leave Entitlement

Leave entitlement are provided based on an actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur

d) Short-term Benefits

Short-term employee benefits such as salaries, performance incentives etc are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur

XIII BORROWINGS AND BORROWING COSTS

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

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

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

XIV 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.

XV 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

XVI 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.

XVII FOREIGN CURRENCY TRANSACTIONS

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

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

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

XVIII SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Real Estate Development" Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss

XIX 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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XX RECENT ACCOUNTING PRONOUCEMENTS

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreigncurrency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency

The amendment will come into force from 1 April 2018. The Company exposure towards foreign currency transation is minimal, hence the impact on the financial statements and effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment on the financial statements

Note 3. Property, plant and equipment and capital work-in-progress

in (₹)

	Building	Computers and Laptops	Furniture and Fixtures	Office Equipment	Total	Capital work-in-progress
Cost or deemed cost						
Balance at 1st April, 2016	3,685,543	549,426	4,182,607	1,130,036	9,547,612	
Additions	-	218,015	-	63,802	281,817	64,738,711
Disposals		-	-	-	-	
Balance at 31st March, 2017	3,685,543	767,441	4,182,607	1,193,838	9,829,429	64,738,711
Accumulated depreciation and impairment						
Balance at 31st March, 2016	3,685,543	90,708	394,562	211,204	4,382,017	-
Eliminated on disposal of assets	-	-	-	-	-	-
Depreciation expense	-	225,346	418,261	232,838	876,445	-
Balance at 31st March, 2017	3,685,543	316,054	812,823	444,042	5,258,462	-
Carrying amount as at 31st March, 2017	-	**451,387**	**3,369,784**	**749,796**	**4,570,967**	**64,738,711**

	Building	Mivan System(Recli formliner)	Computers and Laptops	Furniture and Fixtures	Office Equipment	Total	Capital work-in-progress
Cost or deemed cost							
Balance at 31st March, 2017	3,685,543	-	767,441	4,182,607	1,193,838	9,829,429	64,738,711
Additions	-	35,867,948	283,466	853,742	752,902	37,758,058	56,424,966
Disposals/Discarment	(3,685,543)	-	-	-	-	(3,685,543)	-
Transferred to addition	-	-	-	-	-	-	(35,867,948)
	-	35,867,948	1,050,907	5,036,349	1,946,740	43,901,944	85,295,729
Accumulated depreciation and impairment							
Balance at 31st March, 2017	3,685,543	-	316,054	812,823	444,042	5,258,462	-
Eliminated on disposal/discardment of assets	(3,685,543)	-	-	-	-	(3,685,543)	-
Depreciation expense	-	11,700,501	281,878	464,503	327,080	12,773,962	-
Balance at 31st March, 2018	-	11,700,501	597,932	1,277,326	771,122	14,346,881	-
Carrying amount as at 31 st March, 2018	-	**24,167,447**	**452,975**	**3,759,023**	**1,175,617**	**29,555,063**	**85,295,729**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 4. Other financial assets		
Non-current		
Security deposits	39,500	39,500
Total	39,500	39,500
Current		
Security deposits (Refer Note 28)		15,000,000
Other Advances and Receivables		
Related party (Refer Note 28)	-	21,952,172
Others	95,538,140	7,406,704
	95,538,140	**44,358,876**
Interest accrued and due on fixed deposits	56,789	58,559
Total	**95,594,929**	**44,417,435**
Note 5. Current tax assets (Net)		
Advance Income Tax paid	21,243,543	14,524,106
Less: Provision for Tax	-	
Total	**21,243,543**	**14,524,106**

Income Tax expense	**31st March, 2018 ₹**	**31st March, 2017 ₹**
(a) Income Tax expense		
Current Tax		
Current Tax on taxable income for the year		
Tax in respect of earlier years		160,775
Current tax expense		160,775
Deferred tax		
Decrease / (increase) in deferred tax assets	(14,538,123)	(17,421,058)
(Decrease) / increase in deferred tax liabilities		(35,879)
Deferred tax charge / (credit)	**(14,538,123)**	**(17,456,937)**
Income tax expense	**(14,538,123)**	**(17,296,162)**

(b) **Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

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

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	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹

Note 6. Deferred tax assets (Net)

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

Deferred Tax Asset	126,774,048	112,235,925
Deferred Tax Liability	(63,896,710)	(63,896,710)
	62,877,338	**48,339,215**

2017-2018	Opening Balance ₹	Credit/(Charge) in statement of Profit and Loss ₹	Closing Balance ₹
Deferred tax assets / (liabilities) in relation to:			
On account of Tax losses	48,052,686	(26,598,056)	21,454,630
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis.	371,484	87,737	459,221
On account of Inventory	(4,750,538)	43,517,702	38,767,164
On account of Unamortised Ancillary Cost of Arranging the Borrowings	(53,151,555)	53,151,555	
On account of Term Loan	63,811,755	(63,811,755)	
On account of Interest Accrued but not due on Borrowings	(5,909,663)	5,909,663	
Property, plant and equipment	(84,954)	2,281,277	2,196,323
Total	**48,339,215**	**14,538,123**	**62,877,338**

2016-2017	Opening Balance ₹	Credit/(Charge) in statement of Profit and Loss ₹	Closing Balance ₹
Deferred tax assets / (liabilities) in relation to:			
On account of Tax losses	30,850,253	17,202,433	48,052,686
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis.	152,859	218,625	371,484
On account of Inventory	(4,750,538)		(4,750,538)
On account of Unamortised Ancillary Cost of Arranging the Borrowings	(53,151,555)		(53,151,555)
On account of Term Loan	63,811,755		63,811,755
On account of Interest Accrued but not due on Borrowings	(5,909,663)		(5,909,663)
Property, plant and equipment	(120,833)	35,879	(84,954)
Total	**30,882,278**	**17,456,937**	**48,339,215**

Significant estimates: Based on the approved plans and budgets, the company has estimated that the future taxable income will be sufficient to absorb carried forward losses and unabsorbed depeciation, which management believes is probable, accordingly the company has recognised deferred tax assets.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 7. Other assets		
Current		
Advance to Suppliers	116,282,310	116,796,567
GST input credit receivable	48,938,746	57,902,063
Other Advances		
- Prepaid Expense	1,267,849	1,718,335
- Others	416,733	65,633
Total	**166,905,638**	**176,482,598**
Note 8. Inventories		
Inventories (lower of cost or net realisable value)		
- Stock of material at site	8,697,755	6,011,273
- Incomplete projects (Refer Footnote)	11,542,021,702	9,832,641,979
Total	**11,550,719,457**	**9,838,653,252**

Footnote:

a. 15,042 sq ft. of the project is mortgaged in favour of Indiabulls Finance Limited for term loan availed by Hubtown Limited.

b. The Project is under Construction, and it has obtained loans/financial facilities against the mortgage of units to be constructed on the said projects and the same is reflected as inventory. The Company has also sold units are under construction and the lender has issued NOC for the same.

Note 9. Cash and cash equivalents		
Balances with banks:		
- in current accounts	156,253,043	85,950,846
- in deposit with maturity of less than three months	9,954,306	9,954,306
Cash on hand	27,313	28,120
Total	**166,234,662**	**95,933,272**
Note 10. Other bank balances		
Margin money deposits with maturity of more than three months but less than twelve months (Refer Footnote)	1,434,341	1,341,570
Total	**1,434,341**	**1,341,570**

Footnote:

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 11. Equity share capital		
Equity share capital	481,350	481,350
Total	481,350	481,350
Authorised Share Capital:		
95,000 (PY: 95,000) Ordinary Equity Shares of ₹ 10 each	950,000	950,000
50,000 (PY: 50,000)Class A Equity Shares of ₹ 10 each	500,000	500,000
5,000 (PY: 5,000)Class B Equity Shares of ₹ 10 each	50,000	50,000
50,000 (PY : 50,000), 10% Non Cummulative Redeemable Preference Shares of ₹ 10 each (Refer Note 13 (iii))	500,000	500,000
Total	**2,000,000**	**2,000,000**
Issued and subscribed capital comprises:		
Ordinary Equity Shares		
37,306 (PY: 37,306) Equity Shares of ₹ 10/- each fully paid up	373,060	373,060
	373,060	373,060
Class A Equity Shares		
10,200 (PY: 10,200) Equity Shares of ₹ 10/- each full paid up	102,000	102,000
	102,000	102,000
Class B Equity Shares		
629 (PY: 629) Equity Shares of ₹ 10/- each full paid up	6,290	6,290
	6,290	6,290
Total	**481,350**	**481,350**

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

Ordinary Equity Shares	Number of shares	Share Capital (₹)
Balance at 1st April, 2016	37,306	373,060
Add / (Less) : Issued / (Bought back) during the year	-	
Balance at 31st March, 2017	37,306	373,060
Add / (Less) : Issued / (Bought back) during the year		
Balance at 31st March, 2018	**37,306**	**373,060**
Class A Equity Shares		
Balance at 1st April, 2016	10,200	102,000
Add / (Less) : Issued / (Bought back) during the year	-	
Balance at 31st March, 2017	10,200	102,000
Add / (Less) : Issued / (Bought back) during the year	-	
Balance at 31st March, 2018	**10,200**	**102,000**
Class B Equity Shares		
Balance at 1st April, 2016	629	6,290
Add / (Less) : Issued / (Bought back) during the year	-	
Balance at 31st March, 2017	629	6,290
Add / (Less) : Issued / (Bought back) during the year		
Balance at 31st March, 2018	**629**	**6,290**

b) Terms / rights attached to Equity Shares:

i. The ordinary equity shares have a face value of ₹10/- per share. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii. Class A shareholder will have preference to dividend and aditional voting rights as per shareholder agreement depending on performance milestones.

iii. Class B shareholder will have preference to dividend and aditional voting rights as per shareholder agreement depending on performance milestones.

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

i. Equity Share Capital

	As at 31st March, 2018		As at 31st March, 2017	
	No of shares held	% holding of this class of shares	No of shares held	% holding of this class of shares
Ordinary Equity Shares				
Hubtown Limited	22,859	61.27%	22,859	61.27%
Distictive Realty Private Limited	2,704	7.25%	2,704	7.25%
Kimwil Investment Holdings Limited	11,191	30.00%	11,191	30.00%
Class 'A' Equity Shares				
Kimwil Investment Holdings Limited	10,200	100%	10,200	100%
Class 'B' Equity Shares				
Kimwil Investment Holdings Limited	629	100%	629	100%

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TWENTY FIVE SOUTH REALTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 12. Other Equity		
Securities premium reserve		
Balance at the beginning of the year	1,866,259,694	1,866,259,694
Add / (Less) :		
Premium on account of shares alloted during the year		
Balance at the end of the year	**1,866,259,694**	**1,866,259,694**
Retained Earnings		
Balance at the beginning of the year	(103,889,506)	(60,506,661)
Profit attributable to the owners of the company	(53,789,994)	(43,474,355)
Other comprehensive income for the year	255,229	91,510
Balance at the end of the year	**(157,424,271)**	**(103,889,506)**
Total	**1,708,835,423**	**1,762,370,188**
Note 13. Borrowings		
Non-current		
(i) Debentures - Secured 57 (PY : 57) 15% Listed, Rated Secured Cumulative, Redeemable non-convertible debentures of the face value of ₹ 1 crore each (Refer footnote a)	570,000,000	570,000,000
(ii) Term Loans - Secured - From financial institutions (Refer footnote b and c)	6,107,336,124	4,450,376,108
(iii) Liability Component of Preference Shares 1,865 (PY : 1,865) 10% Non Cummulative Redeemable Preference Shares of ₹ 10/- each fully paid up (Refer footnote d and e)	18,650	18,650
	6,677,354,774	**5,020,394,758**
Less: Transferred to Current Maturities Of Long Term Loan from Financial Institutions (Refer Note 15)		(960,000,000)
	-	**(960,000,000)**
Total	**6,677,354,774**	**4,060,394,758**

Footnotes:

a.

i. Debentures are to be redeemed on 29th December, 2021.

ii. Debentures carry coupon at the rate of 15%, the debentures are to be redeemed at 25 % IRR post tax as on redemption date less coupon payments annually subject to availability of distributable surplus..

iii. The debentures are secured against second floating charge on the receivables of the project.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹

b.

i. Term loan of ₹ 63,410 lakhs carry effective interest at the rate of 14.25 % pa

ii. Amount of ₹ 2,336.64 lakhs related to deferred expenses towards processing charges is debited to loans from financial institutions.

iii. Term loans are secured against Property situated at Prabhadevi, Mumbai, and future receivables from the said project. Further 14,737 Equity shares of the Company held by Promoter Company Hubtown Limited are pledged for the term loan.

iv. The term loan is disbursed in the month of December 2017, it has moratorium period of 27 months there after loan repayment schedule is as follows :

Particulars	Amount (₹ in lakhs)	Amount (₹ in lakhs)
December 17 to March 2020	Nil	Nil
April 2020-Jan 2023 (quarterly ₹ 25 Cr)	30,000	30,000
April 2023-Oct 2023 (quarterly ₹ 40 Cr)	12,000	12,000
January 24	8,000	8,200
Total sanctioned amount	**50,000**	**50,200**

c. Period of continuing default as on Balance sheet date in repayment of term loans

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	Period
Term Loan from Financial Institutions:			
Interest	-	82,946,257	Feb'17-Mar'17
Penal Interest	-	16,807,837	Apr'16-Mar'17

d. Details of Preference shares held by preference share holders

Preference Share Capital

Hubtown Limited		
No of shares held	1,865	1,865
% holding of this class of shares	100%	100%

e. Reconciliation of Number of shares outstanding at the beginning and at the end of the year

	Number of shares	Amount ₹
Preference Shares		
Balance at 1st April, 2016	1,865	18,650
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2017	1,865	18,650
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	1,865	18,650

Note:

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

Current

Unsecured (Refer Footnote)

(i) Loans repayable on demand:		
- From Related Party	246,419,832	203,166,469
- From Companies	191,790,143	113,600,000
Total	438,209,975	316,766,469

Footnote:

Unsecured loan carry interest rate @ 25% and 16%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 14. Trade payables		
Due to micro and small enterprises (Refer Footnote)	-	
Due to others	98,487,676	195,130,933
Total	**98,487,676**	**195,130,933**

Footnote:

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

Note 15. Other financial liabilities

Non-current		
Retention money payable (Refer footnote)	24,615,161	17,029,553
Total	**24,615,161**	**17,029,553**

Footnote:

Retention Money liability to contractors which are due for payment as at 31st March, 2018 have beeen shown under the head "Other Financials Liabilities as per Ind AS-32. As per the management, the retention liability is in the nature of holding the amount as guarantee towards performance and does not relate to credit period given by the contractor. Further, in the opinion of the management, there has not been any authoritative clarification/interpretation with regard to measurement of fair value in respect of above item and hence retention liability has not been discounted as on 31st March, 2018.

Current		
Current maturities of long-term debts (Refer Note 13)	-	960,000,000
Interest accrued and due on borrowings (Refer footnote a)		120,350,322
Interest accrued but not due on borrowings (Refer footnote b)	947,042,241	707,870,017
Security deposits (Refundable) .	700,000,000	700,000,000
Other payables (Refer footuote c)	46,054,853	19,267,170
Total	**1,693,097,094**	**2,507,487,509**

Footnote :

a. Interest accrued and due on borrowings includes ₹ Nil (P.Y.: ₹ 1,43,09,156/-) due to related parties. Further attention invited to Note 28

b. Interest accrued but not due on borrowings includes ₹ 6,13,50,489/- (P.Y.: ₹ 1,77,84,883/-) due to related parties. Fnrther attention invited to Note 28

c. Other payable includes ₹ 17,64,105/- due to related parties (P.Y. : Nil). Further attention invited to Note 28

Note 16. Provisions

Non-current		
Employee Benefits		
Provision for Gratuity (Refer Note 27)	770356	492,964
Provision for leave benefit	372,865	458,067
Total	**1,143,221**	**951,031**
Current		
Employee Benefits		
Provision for Gratuity (Refer Note 27)	24,094	13,789
Provision for leave benefit	221,611	245,402
Total	**245,705**	**259,191**

Note 17. Other current liabilities

Current		
Advance from customers (Refer footnote)	1,465,318,228	1,310,634,044
Other payables :		
- Statutory dues	70,174,865	114,843,928
- Employees benefit payables	1,936,728	2,691,672
Total	**1,537,429,821**	**1,428,169,644**

Footnote:

Income Received in advance (advance from customer) includes ₹ Nil. (P.Y. ₹ 51,46,89,798/-) from the related party. Further attention is invited to Note 28

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Note 18. Revenue from operations		
Revenue from Sale of trading materials	28,655,090	
Other operating revenue :		
Excess provision written back	52,352,742	
Royalty Income	2,881,925	
Total	**83,889,757**	
Note 19. Other income		
Interest Income:		
Bank fixed deposits	679,624	725,902
Others	10,760,741	11,950
	11,440,365	**737,852**
Miscellaneous income		5,369
Total	**11,440,365**	**743,221**
Note 20. Costs Of Construction / Development		
Construction costs incurred during the year:		
Material and labour costs	247,068,580	332,804,929
Approval and consultation expenses (Refer footnote a)	171,978,156	142,014,598
Other direct development expenses	259,701	19,157
Total	**419,306,437**	**474,838,684**

Foot note:

a. Consultation Expense includes amount ₹ 62,06,000/- (P.Y. Nil) from the related party. Further attention invited to note 28

Note 21. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		
Opening Inventory :		
Incomplete projects	9,832,641,979	8,124,517,384
	9,832,641,979	**8,124,517,384**
Closing Inventory :		
Incomplete projects	11,542,021,702	9,832,641,979
	11,542,021,702	**9,832,641,979**
Total	**(1,709,379,723)**	**(1,708,124,594)**
Note 22. Employee Benefits Expense		
Salaries, bonus, etc.	25,860,776	30,362,834
Contribution to provident and other funds	896,448	709,239
Staff welfare expenses	485,560	514,980
Other fund expenses	36,115	42,071
Total	**27,278,899**	**31,629,124**
Note 23. Finance Costs		
Interest costs:-		
Interest on Debentures	342,352,941	275,007,846
Interest on Fixed loans	672,548,155	562,997,113
Other interest expense (Refer foot note b)	234,234,045	195,071,395
Delayed/penal interest on loans and statutory dues	14,393,029	26,591,715
Total	**1,263,528,170**	**1,059,668,069**

Footnote :

a. In the line with IND AS-23 'Borrowing Costs,' the borrowing cost of ₹ 1,24,91,35,141/- (P.Y. ₹ 101,87,09,345/-) have been capitalised to Inventory.

b. Other Interest Expense includes amount ₹ 13,06,00,808/- (P.Y. ₹ 9,45 ,73,845/-) from the related party. Further attention invited to note 28

Note 24. Depreciation and Amortisation Expenses		
Depreciation of property, plant and equipment	12,773,962	876,445
Total	**12,773,962**	**876,445**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Note 25. Other Expenses		
Insurance	1,882,758	1,848,336
Rent	4,264,907	4,441,500
Rates and taxes	50,849,247	164,849,083
Advertisement expenses (Refer footnote a)	40,554,423	8,516,389
Advances and other debit balances written off	19,063	
Donations	4,000,000	
Brokerage		13,189,139
Travelling and conveyance	615,923	188,955
Repairs and society maintenance charges	346,619	629,607
Legal and professional fees	9,220,981	3,398,397
Loss on foreign currency fluctuation (Net)	561,647	456,528
Other expenses (Refer footnote b)	5,022,845	5,108,076
Total	**117,338,413**	**202,626,010**

Footnote:

a. Advetisement Expenses includes amount ₹ 1,30,94,133/- (P.Y. ₹ Nil) from the related party. Further attention invited to note 28

b. Auditors Remuneration (included in other expenses)

Audit fees	250,000	252,500
Other certification fees	75,000	75,000
Limited review fees	25,000	25,125
Service tax/GST on above	63,000	52,894
Total	**413,000**	**405,519**

Note 26. Earnings Per Share (EPS)

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Earning Per Share has been computed as under:		
Profit /(Loss) for the year	(53,789,994)	(43,474,355)
Weighted average number of equity shares outstanding	48,135	48,135
Earnings Per Share (₹) - Basic (Fave value of ₹10 per share)	(1,117)	(903)

Diluted earning per share is same as basic earning per share.

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	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Note 27. Post Retirement Benefit Plans		
The Prinicipal assumptions used for the purpose of the acturial valuations were as follows,		
Gratuity:		
Discount Rate	7.67%	7.44%
Expected rate of salary increase	6%	6%
Expected average remaining service	16.74	16.86
Service cost		
Current service cost	505224	431,419
Past service cost and (gain)/loss from settlement		-
Net interest expense	37702	12,359
Component of define benefit cost recognised in profit or loss	**542,926**	**443,778**
Acturial (gains) / losses for the period	(255,229)	(91,510)
Component of defined benefit cost recognised in other comprehensive income	**(255,229)**	**(91,510)**
Total	287,697	352,268
Present value of funded defined benefit obligation	794,450	506,753
Fair value of plan assets		-
Funded status	**(794,450)**	**(506,753)**
Movement in PV of defined benefit obligation		
Opening define benefit obligation	506,753	154,485
Current service cost	505,224	431,419
Interest cost	37,702	12,359
Actuarial (gains) and losses arising from changes in financial assumption	(21,950)	33,860
Actuarial (gains) and losses arising from changes in experience adjustment	(233,279)	(125,370)
closing define benefit obligation	**794,450**	**506,753**
Movements in fair value of plan asstes		
Opening fair value of plan assets		
clsoing fair value of plan assets		-
Asset Information:	**Total Amount**	**Total Amount**
Gratuity Fund		
Expected Payout:	**PVO Payout**	**PVO Payout**
Expected Outgo First Year	24,094	13,789
Expected Outgo Second Year	38,478	26,692
Expected Outgo Third Year	53,285	39,971
Expected Outgo Fourth Year	68,559	53,668
Expected Outgo Fifth Year	84,338	61,385
Expected Outgo Sixth to Tenth Years	134,858	111,068

Sensitivity Analysis:

As of 31st March, 2018, every percentage point increase in discount rate will affect our gratuity benefit obligation ₹ 7,07437

As of 31st March, 2018, every percentage point decrease in discount rate will affect our gratuity benefit obligation ₹ 8,95,841

As of 31st March, 2018, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation ₹ 8,95,332

As of 31st March, 2018, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation ₹ 7,06,407

Sensitivity for significant actuarial assumptions is computed hy varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Projected service cost as on 31st March, 2019 is ₹ 5,17,396

Narrations:

1 **Analysis of Defined Benefit Obligation**
The number of members under the scheme have increased by 5.56%. Similarly the total salary increased by 9.67% during the accounting period
The resultant liability at the end of the period over the beginning of the period has increased by 56.77%

2 **Expected rate of return basis:**
Scheme is nut funded. EORA is not applicable

3 **Description of Plan Assets and Reimbursement Conditions**
Not applicable

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Note 28. Related Party Disclosure

I) List of related parties (as certified and confirmed by the management):

A. Entities with joint control over the reporting entity
1 Hubtown Limited

B. Subsidiaries of entities with joint control over the reporting entity (with whom transactions have taken place)
1 Divinity Projects Private Limited
2 Heddle Knowledge Private Limited

C. Other Companies (with whom transactions have taken place)
1 Citygold Manangement Services Pvt Ltd
2 Distinctive Realty Private Limited

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

II) Related party transactions and balance as at year end:

Particulars	Entities with joint control over the reporting entity	Subsidiaries of entities with joint control over the reporting entity	Other companies
A. Transactions / Related parties			
i. Loans and Advances received \ recovered \ adjusted			
Hubtown Limited	134,173,305 (97,431,577)		
Divinity Projects Pvt Ltd		410,000,000 (-)	
Distinctive Realty Private Limited			21,952,172 (-)
ii. Loans and Advances given \ repaid \ recovered \ adjusted			
Divinity Projects Pvt Ltd		410,000,000 (-)	
Hubtown Limited	29,569,453 (11,000,000)		
iii. Advances received against sale of flats			
Diviniti Projects Private Limited		(13,629,200)	
iv. Security Deposit recovered			
Distinctive Realty Private Limited			15,000,000 (-)
v. Interest accured and due paid			
Heddle Knowledge Pvt Ltd		14,309,156 (-)	
Divinity Projects Pvt Ltd		8,312,228 (-)	
vi. Advance repaid			
Divinity Projects Pvt Ltd		511,500,000 (-)	
vii. Consultancy charges Paid			
Citygold Management Services Pvt Ltd			6,670,000 (-)

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viii. Interest expense			
Hubtown Ltd	121,364,999 (94,573,845)		
Divinity Projects Pvt Ltd		9,235,809 (-)	
ix.Selling and Marketing Expenses			
Hubtown Ltd	15,451,077 (-)		
x. On behalf expenses received (including reimbursement of expenses)			
Citygold Management Services Pvt Ltd			4,095 (2,000)
xi. Paid against Credit balances			
Divinity Projects Pvt Ltd		1,687,671 (-)	
Citygold Management Services Pvt Ltd			6,138,495 (-)
Hubtown Ltd	15,189,194 (-)		

Note: Figures in brackets are of the previous year.

B. Balance outstanding payables / receivables:

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
a. Receivable		
Other companies		
Distinctive Realty Private Limited	-	36,952,172
b. Balance Payable		
Holding company		
Hubtown Limited - Loan	246,419,832	203,166,469
Hubtown Limited - Interest	61,350,489	17,784,883
Subsidiaries of entities with joint control over the reporting entity		
Diviniti Projects Private Limited	1,764,105	513,264,105
Heddle Knowledge Pvt Limited	-	14,309,156
Other companies		
Citygold Management Services Pvt Ltd	-	44,400

Note 29. Contingent Liability

Sr. No.	Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
1	Liability towards Property tax, Water tax and Sewerage tax		
2	Workmen's liability of earstwhile, Hindoostan Spinning and Weaving Mills Limited (Refer Foot note)	10,068,115	10,068,115
3	Income tax matters u/s 271 (1) (c) pending:		
	For F.Y. 2011-12; A.Y 2012-13	Nil	
	For F.Y. 2012-13; A.Y. 2013-14	Nil	Amount not ascertainable
	For F.Y. 2013-14; A.Y. 2014-15	Nil	Amount not ascertainable

Foot note :
The Hindoostan Spinning and Weaving Mills Limited (HSWML), a body corporate had in the year 2002 had declared a Voluntary Retirement Scheme (VRS). The VRS liability, alongwith other assets and liabilities, vide scheme of the Board of Industrial and Financial Reconstruction (BIFR), dated 1.4.2004 was inherited by Hoary Realty Limited (Formerly known as Chaitra Realty Limited). Some of the workers didn't accept VRS and insisted on continuation of job The Company thereupon declared closure. After going through various appellant bodies the matter was referred to the Industrial Tribunal which passed its order confirming closure. A writ petition was filed by the workers Union against the order of Industrial Tribunal The said dispute is yet to be resolved fully.

Note 30.

In the opinion of The Board of Directors of the Company, all items of Current Assets, Current Liabilities and Loan and Advances continue to have a realizable value of at least the amounts at which they are stated in the balance sheet.

Note 31. Financial Risk Management Objectives

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

The Company manages market risk through a treasury department which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies which are approved by the senior management. The activities of this department include management of cash resourses, borrowing strategies and ensuring compliance with the market risk limits and policies.

1) Market Risk

a) Interest rate risk

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

- Interest rates on loans are fixed as per HDFC CPLR at the time of the giving loans. It takes care of the change in interest rate hike risk.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate on account of changes in foreign exchange rates. The company does not have any exposure to the risk of changes in foreign exchange rates from its operating activities or investments in foreign companies.

There is no significant purchase of materials of imported materials hence foreign currency risk does not arise.

c) Commodity price risk

- The Company is not affected by the price volatility of commodities
- The Company has awarded building construction contracts to its contractors on turnkey basis

2) Credit Risk

Credit risk is the risk that the customer may not meet its obligation on time as per Agreement to Sales leading to delay in collection. The company is not exposed to credit risk from its trade receivables since the underlying assets is in possession of the company if any default is caused by the customer.

Credit risk from balances with banks and inter corporate loans is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved companies and within credit limits assigned to each company The credit limits of parties to whom loans are granted are reviewed by board of Directors on an annual basis The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make repayments.

3) Liquidity risk

The company is in stage of construction of buildings. All allowable expenses are inventorised by as per the policy of the company. Liquidy risk is dependent on the market demand for completed flats.

Note 32. Disclosure of derivatives

a. No derivative instrument were outstanding at the end of the year
b. Uncovered risk in foreign currency transactions are as under :

		31st March, 2018	31st March, 2017
Trade Payables	USD	130,219	47,125
	INR	8,481,945	3,056,433

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Note 33. Capital Management

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

The capital structure of the company consists of net debt (borrowings and offset by cash and bank balances) and total equity of the company. The borrowings consist of debentures issued, term loans from financial institutions and loans from companies. Preference shares issued by the company have been considered as debt in calculation of financial ratios, as it is in the nature of debt.

Gearing Ratio

The gearing ratio at the reporting period was as follows:

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Borrowings including current Maturities	7,115,564,749	5,337,161,227
Interest accured and due/and but not due	947,042,241	828,220,339
Total Debt	**8,062,606,990**	**6,165,381,566**
Less : Cash and Cash Equivalents	166,234,662	95,933,272
Net Debt (A)	**7,896,372,328**	**6,069,448,294**
Equity Share Capital	481,350	481,350
Other Equity	1,708,835,423	1,762,370,188
Total Equity (B)	**1,709,316,773**	**1,762,851,538**
Debt Equity Ratio A/B	4.62	3.44

Note 34 : Categories of Financial Instruments

Fair Value measurement ₹

	31st March 2018		31st March 2017	
	FVPL / FVOCI	**Amortised Cost**	**FVPL / FVOCI**	**Amortised Cost**
Financial Assets				
Loans		-		-
Other financial assets	-	95,634,429		44,456,935
Cash and cash equivalent	-	166,234,662		95,933,272
Bank balances other than above	-	1,434,341		1,341,570
Total of Financial Assets	-	**263,303,432**	-	**141,731,777**
Financial Liabilities				
Borrowings	-	7,115,564,749	-	5,337,161,227
Trade payables	-	98,487,676		195,130,933
Other Financial liabilities	-	1,717,712,255	-	1,564,517,061
Total of Financial Liabilities	-	**8,931,764,680**	-	**7,096,809,221**

As per our report of even date

FOR M. H. DALAL & ASSOCIATES
Firm Registration No. - 112449W
CHARTERED ACCOUNTANTS

Devang Dalal
PARTNER
Membership No. F-109049

Mumbai
Date: 25th May, 2018

For and on behalf of Board of Directors

RUSHANK SHAH
DIRECTOR
DIN 02960155

B.V. PRABHU
DIRECTOR
DIN 03142640

Mumbai
Date: 25th May, 2018