NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **ACKRUTI SAFEGUARD SYSTEMS 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 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 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

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANTS

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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 profit and its cash flows and the changes in equity for the year ended on that date.

Other Matter

The audited standalone financial statements for the year ended 31st March 2017, was carried out and reported by Dalal Doshi & Associates, vide their unmodified audit report dated 25th 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 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 Section 143 (3) of the Act, we report that:

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

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

(c) The balance sheet, the statement of profit and loss (including other comprehensive income), the 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) Based on the information received and explanations given to us, except one Director, 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

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

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

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

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

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

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

NIRAJ D. ADATIA
Partner
Membership No: 120844
Place : Mumbai
Date : 25th June, 2018

ANNEXURE "A" REFERRED TO IN OUR REPORT TO THE MEMBERS OF ACKRUTI SAFEGUARD SYSTEM 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 is maintaining 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 title deeds of the immovable properties are held in the name of the Company.

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

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

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

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

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. Accordingly, paragraph 3(vi) of the Order is not applicable.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including income-tax, sales tax, value added tax, duty of customs, goods and service tax, service tax, cess and other material statutory dues, wherever applicable, with the appropriate authorities. There was an amount of tax deducted at source of ₹ 25,948, Service tax of ₹ 16,119 and GST of ₹ 32,474 outstanding as at the last day of the financial year for a period exceeding six months from the date they become payable.

NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANT

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

Name of the Statute	Nature of dues	Period to which the amount relates (F.Y.)	Amount (₹)
Maharashtra Value Added Tax Act	VAT Under Section (3)	2012 - 13	3,622
Central Sales Tax Act	CST Under Section R/w 9 (2) - U/s 23 (2)	2012 - 13	12,05,103

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

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

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

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

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

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

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

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

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

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

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

NIRAJ D. ADATIA
Partner
Membership No: 120844

Place : Mumbai
Date : 25th June, 2018

NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANT

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

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

We have audited the internal financial controls over financial reporting of ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED ("the Company") as of 31st March, 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 standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANT

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 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 NIRAJ D. ADATIA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 129486W

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

NIRAJ D. ADATIA
Partner
Membership No.: 120844
Place : Mumbai
Date : 25th June, 2018

ACKRUTI SAFEGUARD SYSTEMS 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	30,037,284	31,583,711
(b) Intangible assets	4	3,037,845	3,401,813
(c) Financial assets			
(i) Investments	5	10,000	10,000
(ii) Other financial assets	6	558,749	2,004,130
Total Non-Current assets		33,643,878	36,999,654
Current assets			
(a) Inventories	7	8,518,743	5,338,401
(b) Financial assets			
(i) Investments	5	6,260,086	6,533,326
(ii) Cash and cash equivalents	8	6,305,737	6,035,845
(iii) Bank balances other than (ii) above	9	3,126,275	1,500,000
(iv) Loans	10	1,400,000	1,400,000
(v) Other financial assets	6	2,689,141	2,887,037
(c) Current tax assets (Net)	11	718,102	676,395
(d) Other current assets	12	1,441,276	846,814
Total Current Assets		30,459,360	25,217,818
TOTAL ASSETS		64,103,238	62,217,472
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,676,000	2,676,000
(b) Other equity	14	(117,800,179)	(123,933,365)
Total Equity		(115,124,179)	(121,257,365)
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	15	1,300,319	1,081,977
(b) Deferred Tax Liabilities (Net)	16	-	2,965,378
Total Non-Current Liabilities		1,300,319	4,047,355
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	74,880	74,880
(ii) Trade payables	18	573,950	749,614
(iii) Other financial liabilities	15	176,478,709	177,713,674
(b) Other current liabilities	19	799,559	889,314
Total Current Liabilities		177,927,098	179,427,482
Total Liabilities		179,227,417	183,474,837
TOTAL EQUITY AND LIABILITIES		64,103,238	62,217,472

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

As per attached report of even date

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

NIRAJ ADATIA
PARTNER
Membership No. 120844

Mumbai
Date: 25th June, 2018

For and on behalf of the Board of Directors

SAMIRKUMAR SALOT
Director
DIN: 07115916

PRAPHUL SHINDE
Director
DIN : 03140671

Mumbai
Date: 25th June, 2018

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	20	17,485,591	15,980,972
Other Income	21	967,000	1,089,848
Share of Profit / (Loss) of Joint Ventures		(1,948)	-
Total Income		18,450,643	17,070,820
II Expenses			
Cost Of Material Consumed	22	5,052,273	4,646,350
Changes in Inventory	23	(2,221,881)	2,158,353
Finance Costs	24	278,759	502,386
Depreciation and Amortisation Expenses	25	2,010,190	2,010,349
Other Expenses	26	10,163,494	9,986,169
Total Expenses		15,282,835	19,303,607
Profit/(Loss) before Tax		**3,167,808**	**(2,232,787)**
Tax Expense			
(1) Current Tax		-	-
(2) Deferred tax (charge) / credit		2,965,378	-
(3) Excess / (Short) provision for taxation in respect of earlier years		-	-
		2,965,378	-
Profit/(Loss) for the Year		**6,133,186**	**(2,232,787)**
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		**6,133,186**	**(2,232,787)**
Earning per equity share of nominal value of ₹ 10/- each (in Rupees)	27		
Basic		122.66	(44.66)
Diluted		122.66	(44.66)

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

As per attached report of even date

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

NIRAJ ADATIA
PARTNER
Membership No. 120844

Mumbai
Date: 25th June, 2018

For and on behalf of the Board of Directors

SAMIRKUMAR SALOT
Director
DIN: 07115916

PRAPHUL SHINDE
Director
DIN : 03140671

Mumbai
Date: 25th June, 2018

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

ACKRUTI SAFEGUARD SYSTEMS PVT. LTD.

ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

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

Particulars	31st March, 2018 ₹		31st March, 2017 ₹	
Cash flows arising from operating activities				
Net Profit / (Loss) before tax as per Statement of Profit and Loss		3,167,808		(2,232,787)
Add / (Less) :				
Interest and Finance Charges	278,759		502,386	
Depreciation and Amortisation	2,010,190		2,010,349	
Dividend Income	-		(40,539)	
Gain on Fair Valuation of Investments in Mutual Funds	(322,129)		(283,325)	
Gain on redemption of Mutual Fund	(110,446)		(308,119)	
Liabilities written back to the extent no longer required	(248,769)		(473,345)	
Interest Income	(432,300)		(387,925)	
		1,175,305		1,019,482
Operating Profit Before Working Capital Changes		**4,343,113**		**(1,213,306)**
Add / (Less) :				
(Increase) / Decrease in Inventories	(3,180,342)		1,850,758	
(Increase) / Decrease in Current/Non current financial and other Assets	1,007,107		(3,752,472)	
(Increase) / Decrease in Current/Non current financial and other Liabilities	(1,033,273)		533,678	
Direct Taxes Paid	-	(3,206,508)	14,243	(1,353,793)
I.Net Cash flow in the course of Operating Activities		**1,136,605**		**(2,567,099)**
Cash flows arising from Investing activities				
Inflow / (Outflow) on account of :				
Interest Income	432,300		387,925	
Dividend Income	-		40,539	
Gain on redemption of Mutual Fund	110,447		308,119	
(Increase)/ Decrease of Investments(net)	595,369		(1,594,737)	
Deposits with maturity of more than three months but less than twelve months	(1,626,275)		2,582,271	
(Increase)/Decrease of fixed assets	(99,795)		(158,161)	
II.Net Cash flow in the course of Investing Activities		**(587,954)**		**1,565,956**
Cash flows arising from Financing activities				
Inflow / (Outflow) on account of :				
Increase in Share Capital	-		-	
Increase / (Decrease) in Unsecured Loans	-		(400,000)	
Interest and Finance Charges Paid	(278,759)		(320,706)	
III.Net Cash flow in the course of Financing Activities		**(278,759)**		**(720,706)**
Net Increase in cash and cash Equivalents (I + II + III)		**269,892**		**(1,721,849)**
Add: Balance at the beginning of the year		**6,035,845**		**7,757,694**
Cash and Cash Equivalents at the end of the year		**6,305,737**		**6,035,845**
Reconciliation of Cash and Bank Balances given in Note - 8 is as follows :-				
Balances with banks:				
- in current accounts		2,419,221		1,967,447
- in deposit with maturity of less than three months		3,511,466		3,339,910
Cash on hand		375,050		728,488
Cash and Cash Equivalents at the end of the year		**6,305,737**		**6,035,845**

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

As per attached report of even date

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

NIRAJ ADATIA
PARTNER
Membership No. 120844

Mumbai
Date: 25th June, 2018

For and on behalf of the Board of Directors

SAMIRKUMAR SALOT
Director
DIN: 07115916

PRAPHUL SHINDE
Director
DIN : 03140671

Mumbai
Date: 25th June, 2018

ACKRUTI SAFEGUARD SYSTEMS PRIVATE LIMITED

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

A. EQUITY SHARE CAPITAL	Notes	Amount in ₹
As at 1st April, 2016	13	2,676,000
Changes in equity share capital		-
As at 31st March, 2017		2,676,000
Changes in equity share capital		-
As at 31st March, 2018		2,676,000

B. OTHER EQUITY

Particulars	Reserves and Surplus	Amount in ₹
	Retained Earnings	Total
Balance at 1st April, 2016	**(121,700,578)**	**(121,700,578)**
Profit / (Loss) for the year	(2,232,787)	(2,232,787)
Items of Other Comprehensive Income	-	-
Balance at 31st March, 2017	**(123,933,365)**	**(123,933,365)**
Balance at 1st April, 2017	**(123,933,365)**	**(123,933,365)**
Profit / (Loss) for the year	6,133,186	6,133,186
Items of Other Comprehensive Income	-	-
Balance at 31st March, 2018	**(117,800,179)**	**(117,800,179)**

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

As per attached report of even date

For and on behalf of the Board of Directors

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

NIRAJ ADATIA

PARTNER
MEMBERSHIP NO. 120844

Mumbai
Date: 25th June, 2018

SAMIRKUMAR SALOT
Director
DIN: 07115916

PRAPHUL SHINDE
Director
DIN : 03140671

Mumbai
Date: 25th June, 2018

Note 1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Company Overview

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

1.2 The financial statements are approved for issue by the Company's Board of Directors on 25th 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.

a) Historical Cost Convention

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

i. Certain financial assets and liabilities that have been measured at fair value

ii. Assets held for sale - measured at lower of carrying amount or fair value less cost to sell.

b) Current versus non- current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

c) 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.

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

Estimates and assumptions

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

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ACKRUTI SAFEGUARD SYSTEMS PVT. LTD.

2.1 REVENUE RECOGNITION

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

A. Income from operation

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

b) Revenue is recongnised as and when security plates is affixed on vehicle of the buyer including the ancillary cost.

B. Interest and Dividend

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

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

C. Others

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

D. Profit / loss from partnership firms:

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

2.2 PROPERTY PLANT AND EQUIPMENT AND DEPRECIATION / AMORTISATION

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

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

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

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

2.3 FINANCIAL INSTRUMENTS

2.3.1 Initial recognition

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

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2.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

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

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

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

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

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

(iv) Financial liabilities

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

(v) Fair value of financial instruments

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

2.3.3 Derecognition of financial instruments

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

2.3.4 Impairment

a. Financial assets

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

b. Non-financial assets

i. Property, plant and equipment

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

ii. Intangible assets

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

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2.4 TAXATION

i. Current Tax

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

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

ii. Deferred Tax

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

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

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

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

iii. Current and deferred tax for the year

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

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

2.5 INVENTORIES

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

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

2.6 BORROWING COSTS

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

2.7 CASH FLOW STATEMENT

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

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2.8 FOREIGN CURRENCY TRANSACTIONS

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

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

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

2.9 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

Contingent liability is disclosed for:

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

2.10. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

a. Fair value measurements and valuation processes

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

b. Property, plant and equipment / Intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed 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. 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.

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Note 3. Property, plant and equipment

Amount in ₹

	Leasehold land	Building	Plant & Machinery	Computers & Laptops	Furniture & Fixtures	Office Equipment	Total
Cost or deemed cost							
Balance at 31st March, 2016	10,304,642	18,635,052	14,144,024	1,666,840	220,779	347,829	45,319,166
Additions	-	-	-	-	-	158,161	158,161
	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance at 31st March, 2017	**10,304,642**	**18,635,052**	**14,144,024**	**1,666,840**	220,779	505,990	45,477,327
Accumulated depreciation							
Balance at 31st March, 2016	2,290,413	2,755,892	5,176,443	1,660,532	116,244	247,710	12,247,235
Eliminated on disposal of assets	-	-	-	-	-	-	-
Depreciation expense	151,212	597,335	801,814	3,880	16,957	75,183	1,646,381
Balance at 31st March, 2017	**2,441,625**	**3,353,227**	**5,978,257**	**1,664,412**	**133,201**	**322,893**	**13,893,616**
Carrying amount as at 31st March, 2017	**7,863,017**	**15,281,825**	**8,165,767**	2,428	**87,578**	183,097	31,583,711

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

Note 4. Intangible assets

	Amount in ₹
	Technical Knowhow
Cost or Deemed cost	
Balance at 31st March, 2016	7,455,350
Additions	-
Disposals	-
Balance at 31st March, 2017	7,455,350
Accumulated depreciation	
Balance at 31st March, 2016	3,689,569
Eliminated on disposal of assets	-
Depreciation expense	363,968
Balance at 31st March, 2017	4,053,537
Net Carrying value as at 31st March, 2017	3,401,813
Cost or deemed cost	
Balance at 31st March, 2017	7,455,350
Additions	-
Disposals	-
Balance at 31st March, 2018	7,455,350
Accumulated depreciation	
Balance at 31st March, 2017	4,053,537
Eliminated on disposal of assets	-
Depreciation expense	363,968
Balance at 31st March, 2018	4,417,505
Net Carrying value as at 31st March , 2018	3,037,845

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		As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
	Note 5. Investments		
	Non Current		
A)	**Capital Investment in Partnership Firms and Joint Ventures** (Refer footnote)		
	Rising Glory Developers	10,000	10,000
	Less: Provision for Diminution in the value of investments	-	-
	Total	10,000	10,000
B)	Current		
	(At NAV) (Quoted)		
	(Trade, unless otherwise specified)		
	Investments in Mutual Funds		
	Nil Units, (As at 31st March 2017, 39507.8 units) DSP BR INCOME OPP FUND	-	1,061,328
	ICICI Prudential Equity Income Fund Growth (218093.70 Units, as at 31 St March 2017, Nil units)	2,793,780	-
	NIL Units (As at 31st March, 2017:8,636.9 units ;) IDFC Super Saver IF MT Plan	-	2,234,040
	L&T Income Opportunities Fund (62,228.4580 units,(As at 31st March ,2017,62,228.4580 units)	1,237,923	1,161,189
	L & T Short Term Income Fund Growth (119372.3400 units,(As at 31st March ,2017,119372.3400 units)	2,228,383	2,076,769
	Total	6,260,086	6,533,326

Footnote:

Details of Investments made in capital of Partnership firm :

M/s Rising Glory Developers

Sr. No.	Name of Partners	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 Capital of the firm in ₹	**150,000**	**150,000**

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	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 6. Other financial assets		
Non-current		
Bank balances (Refer Footnote)		
Deposits with maturity of more than twelve months	-	1,526,526
Security deposit	558,749	477,604
Total	558,749	2,004,130

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

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Current		
Security deposits	2,600,000	2,600,000
Other Advances and Receivables		
Advances recoverable from others	-	198,934
Interest accrued on fixed deposits	89,141	88,103
Total	2,689,141	2,887,037
Note 7. Inventories		
Inventories (lower of cost or net realisable value)		
Raw Materila at Site (Asset)	2,933,166	1,974,705
Inventories of Number Plates	5,585,577	3,363,696
Total	8,518,743	5,338,401
Note 8. Cash and cash equivalents		
Balances with banks:		
- In current accounts	2,419,221	1,967,447
- in deposit with maturity of less than three months	3,511,466	3,339,910
Cash on hand	375,050	728,488
Total	6,305,737	6,035,845
Note 9. Other bank balances		
Deposit with maturity of more than three months less than twelve months	3,126,275	1,500,000
Total	3,126,275	1,500,000

Footnote:
Balances with bank as deposits are kept as security for gurantees / other facilities.

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 10. Loans		
Current		
Loans to related parties (Refer Note 28)		
Unsecured, considered good	1,400,000	1,400,000
Total	1,400,000	1,400,000
Note 11. Current tax assets		
Income tax Asset	718,102	676,395
Income tax Liabilities	-	-
Total	718,102	676,395
Note 12. Other assets		
Current		
Advance to Suppliers	198,849	758,108
Other Advances		
Service tax Input Credit	1,242,427	88,706
Total	1,441,276	758,108

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	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 13. Equity share capital		
Authorised Share Capital:		
Class A		
7,500,000 (As at 31st March, 2017: 75,00,000;) Equity Shares of ₹ 10/- each	75,000,000	75,000,000
Class B		
1,500,000 (As at 31st March, 2017: 15,00,000;) Equity Shares of ₹ 10/- each	15,000,000	15,000,000
Preference Shares		
100,000 (As at 31st March, 2017: 1,00,000;) Preference Shares of ₹ 100/- each	10,000,000	10,000,000
Issued and subscribed capital comprises:		
Class A		
50,000 (As at 31st March, 2017: 50,000;) Equity Shares of ₹ 10/- each fully paid up	500,000	500,000
Class B		
17,600 (As at 31st March, 2017: 17,600;) Equity Shares of ₹ 10/- each fully paid up	176,000	176,000
Preference Shares		
20,000 (As at 31st March, 2017: 20,000;) 9% Cumulative Convertible Preference Shares of ₹ 100 each	2,000,000	2,000,000
Total	2,676,000	2,676,000

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

		Number of shares (Nos)	Share Capital ₹
	Class A		
	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
	Class B		
	Balance at 1st April, 2016	17,600	176000
Add :	Issued during the year	-	-
Less :	Bought back during the year	-	-
	Balance at 31st March, 2017	17,600	176000
Add :	Issued during the year		
Less :	Bought back during the year		
	Balance at 31st March, 2018	17,600	176000
	Preference Shares		
	Balance at 1st April, 2016	20,000	2000000
Add :	Issued during the year	-	-
Less :	Bought back during the year	-	-
	Balance at 31st March, 2017	20,000	2000000
Add :	Issued during the year	-	-
Less :	Bought back during the year	-	-
	Balance at 31st March, 2018	20,000	2000000

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Equity (Class 'A') :

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

Equity (Class 'B') :

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

9% Cumulative Convertible Preference shares :

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

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

	As at 31st March, 2018		As at 31st March, 2017	
	No of shares held	% holding	No of shares held	% holding
Equity (Class 'A')				
Hubtown Limited	36,215	72.43%	36,215	72.43%
Kushal H. Shah	3,438	6.88%	3,090	6.18%
Khilen V. Shah	3,438	6.88%	3,090	6.18%
Rushank V. Shah	3,437	6.87%	3,090	6.18%
Others	3,472	6.94%	4,515	9.03%
Total	50,000	100%	50,000	100%

	As at 31st March, 2018		As at 31st March, 2017	
	No of shares held	% holding	No of shares held	% holding
Equity (Class 'B')				
Samar't S.A.	17,600	100%	17,600	100%
Total	17,600	100%	17,600	100%

	As at 31st March, 2018		As at 31st March, 2017	
	No of shares held	% holding	No of shares held	% holding
Preference Shares				
Hubtown Limited	20,000	100%	20,000	100%
Total	20,000	100%	20,000	100%

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 14. Other Equity		
Retained Earnings		
Balance at the beginning of the year	(123,933,365)	(121,700,578)
Profit attributable to the owners of the company	6,133,186	(2,232,787)
Balance at the end of the year	(117,800,179)	(123,933,365)

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 15. Other financial liabilities		
Non-current		
Security deposits (Refundable)	1,300,319	1,081,977
Total	1,300,319	1,081,977
Current		
Business Advances from related party (Refer Note 28 and Footnote)	175,744,268	176,107,815
Other payables	721,802	1,605,859
Current Account Balance in Firm & Joint Ventures(Refer Note 28)	12,640	-
Total	176,478,710	177,713,674

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. Deferred Tax balances

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

	As at 31st March, 2018	As at 31st March, 2017
Deffered Tax Liability	-	(2,965,378)
Deferred Tax Asset	-	-
Total	-	(2,965,378)

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

2016-2017	Opening Balance	Recognised In Profit and loss account	Closing Balance
Deferred tax (liabilities) / assets in relation to:			
Property, Plant and eqiupment	(2,965,378)	-	(2,965,378)
	(2,965,378)	-	(2,965,378)

The Company has recognised deferred tax assets to the extent of the deferred tax liability only, in view of absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

ACKRUTI SAFEGUARD SYSTEMS PVT. LTD.

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 17. Current borrowings		
Unsecured		
Loans repayable on demand:		
From Others	74,880	74,880
Total	74,880	74,880
Note 18. Trade payables		
Dues to MSME (Refer Footnote)	-	-
Dues to others	573,950	749,614
Total	573,950	749,614

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 19. Other current liabilities		
Current		
Advance from customers	120,946	175,585
Other payables :		
Others	234,358	-
Statutory Dues	444,256	713,729
Total	799,560	889,314

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

ACKRUTI SAFEGUARD SYSTEMS PVT. LTD.

		Year Ended 31st March, 2018 ₹	Year Ended 31st March, 2017 ₹
Note 20. Revenue from operations			
Sale from operations :			
Income from Security Plates		17,236,822	15,507,627
		17,236,822	15,507,627
Other operating revenue :			
Sundry credit balances appropriated		-	76,782
Liabilities written back to the extent no longer required		248,769	396,563
		248,769	473,345
Total		17,485,591	15,980,972
Note 21. Other income			
Interest Income:			
Interest Received on Bank Fixed Deposits		432,300	387,925
- Income Tax refund		-	2,421
-On Unwinding of other financial asset		81,145	67,519
- Others		14,993	-
		528,438	457,865
Dividend Income		-	40,539
Other gains and losses			
Gain on Investments classified at FVTPL		322,129	283,325
Gain on foreign currency fluctuation (Net)		660	-
Gain on redemption of Mutual Fund		110,446	308,119
Miscellaneous income		5,327	-
		438,562	591,444
Total		967,000	1,089,848
Note 22. Cost of Material Consumed			
Opening Stock	A	1,974,705	1,667,110
Raw Material Purchases	B	5,312,764	4,598,073
Other Expenses related to purchase of Materials :			
Carriage Inward		16,406	16,303
Custom Clearance Charges		97,870	33,862
Clearing and Forwarding charges		21,649	-
Custom Duty		562,045	305,707
	C	697,970	355,872
	TOTAL (A+B+C)	7,985,439	6,621,055
Closing Stock Of Raw Material	D	2,933,166	1,974,705
Raw Materials Consumed	TOTAL (A+B+C-D)	5,052,273	4,646,350
Total		5,052,273	4,646,350

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

ACKRUTI SAFEGUARD SYSTEMS PVT. LTD.

	Year Ended 31st March, 2018 ₹	Year Ended 31st March, 2017 ₹
Note 23. Changes In Inventory		
Finished Stock:		
Opening Stock Of Number Plates	3,363,696	5,522,049
Less: Closing Stock Of Number Plates	5,585,577	3,363,696
Total	(2,221,881)	2,158,353
Note 24. Finance Costs		
Interest costs:-		
Unwinding of Security Deposit	218,343	181,680
Interest paid	-	-
Delayed and Penal Interest	60,416	320,706
Total	278,759	502,386
Note 25 Depreciation and Amortisation Expenses		
Depreciation of property, plant and equipment	1,646,222	1,646,381
Amortization of intangible assets	363,968	363,968
Total	2,010,190	2,010,349
Note 26. Other Expenses		
Royalty Charges	1,723,740	1,550,829
Bank Charges	420,109	408,354
Travelling Expenses	16,914	30,005
Security Charges	316,575	2,135
Rates and Taxes	47,204	29,337
Carriage Outward	393,329	547,318
Repairs & Maintenance	13,620	1,672,051
Repairs & Mainteance (General)	16,000	-
Professional Fees	964,950	576,913
Fitting Charges	3,435,353	3,088,929
Loss on foreign currency fluctuation (Net)	-	4,105
Other expenses (refer footnote)	2,815,700	2,076,193
Total	10,163,494	9,986,169

Footnote :

Auditor's Remuneration (Included in other expenses above)		
- Audit fees	60,000	60,000
GST/ Service tax on above	-	9,000
Total	60,000	69,000

Note 27. Earnings per share (EPS)

Basic Earnings Per Share	122.66	(44.66)
Diluted Earnings Per Share	122.66*	(44.66)

Basic EPS

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

Profit/(Loss) for the year attributable to the owners of the Company	6,133,186	(2,232,787)
Weighted average number of equity shares for the purposes of basic and diluted	50,000	50,000

Diluted EPS

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

Profit/(Loss) for the year attributable to the owners of the Company	6,133,186	(2,232,787)
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	50,000*	50,000

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

* 9% cumulative convertible preference shares could potentially dilute basic earnings per share for the year ended 31st March, 2018, hence are not included in the calculation of diluted earnings per share for 2018 because they are antidilutive for the period presented. Diluted EPS is restricted to the amount of Basic EPS to the extent the conversion of convertible instruments prove to be anti dilutive.

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

ACKRUTI SAFEGUARD SYSTEMS PVT. LTD.

Note 28. Related Party Disclosures (As per IND AS - 24)

A. Name of the related parties and related parties relationship

I	Holding Company	: Hubtown Limited
II	Fellow Subsidiary Companies	: Heddle Knowledge Private Limited
III	Key Managerial Personnel	: Kamlesh Shah
IV	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. Transaction with Related Parties -

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiary Companies	Key Management Personnel of the Entity	Firm in which Company is a partner
i	Business advances received/ recovered / adjusted				
	Hubtown Limited	-	-	-	-
		(13,548)	(-)	(-)	(-)
ii	Business Advance given/repaid/adjusted				
	Hubtown Limited	363,547			
		(700,000)	(-)	(-)	(-)
	Heddle Knowledge Private Limited	-	-	-	-
		(-)	(1,400,000)	(-)	(-)
iii					
	On behalf payments made (including reimbursement of expenses)				
	Kamlesh Shah	-	-	331,331	-
		(-)	(-)	(1,029,949)	(-)
iv	On behalf payments received/adjusted				
	Kamlesh Shah	-	-	344,480	-
		(-)	(-)	(1,017,420)	(-)
v	Share of loss of Joint Venture				
	M/s Rising Glory Developers				1,583
					(692)

Footnote:
Previous Year figures are given in brackets

Balances outstanding

		As at 31st March, 2018	As at 31st March, 2017
i	Balance Payables		
	Hubtown Limited (Holding Company)	175,744,268	176,107,815
	Rising Glory Developers (Joint Venturer)	12,640	692
	Kamlesh Shah (Key Management Personnel)	20,187	33,335

Balances outstanding:-
Balance Receivables

Heddle Knowledge Private Limited (Fellow Subsidiary Company)	1,400,000	1,400,000

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

ACKRUTI SAFEGUARD SYSTEMS PVT. LTD.

Note 29. Contingent Liability

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

Sr. No.	Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
1	MVAT matters pending u/s 23 (Refer Note)	3,622	3,622
2	CST matters pending - u/s 23(2) r/w 9(2)	1,205,103	1,205,103

Note: The company has received above VAT orders dated 23rd March, 2017 received on 15th April, 2017. The Company is in the process of filing appeal with higher authorities against the demand raised in the respective orders.
Further interest / penalty that may accrue on original demands are not ascertainable, at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice, are not sustainable.
The Company does not have any contingent liability as at balance sheet date, other than stated above, as certified by management & relied upon by the auditors.

Note 30. Disclosure Of Derivatives

FOREIGN CURRENCY ON HAND	As at 31st March, 2018	As at 31st March, 2017
USD	2,750	2,750
Equivalent INR	178,970	178,310

Note 31. Capital Management

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

Note 32. Financial Risk Management Objectives

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

i) Market Risk

Interest rate risk

Company has received intrest free advances and it receives interest free funds for its operating cash flow from its holding company as and when required (Refer note 10), hence the Company is not exposed to interest risk.

ii) Credit Risk

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

iii) Liquidity risk

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

Note 33. Loans and advances,other receivables,Trade receivables ,Trade payables and other current liability are subject to confirmations and are considered payable as the case may be.

Note 34. The accumulated losses of the company have resulted in complete erosion of the net worth of the company. The Company's management is however of the view that the same erosion is temporary in nature as the company has made certain investments in certain assets / projects, the proceeds of which would, when fructified, result in recovery of the eroded worth of the company. The company to that extend does not see the stated erosion of the net worth as an impediment to its status as a going concern.

Note 35. In the opinion of the Board of Directors of the Company, all items of Current Assets, Inventories and Loans and Advances continues to have a realizable value of at least the amounts at which they are stated in the Balance Sheet.

NIRAJ D. ADATIA & ASSOCIATES CHARTERED ACCOUNTANT

ACKRUTI SAFEGUARD SYSTEMS PVT. LTD.

Note 36. Categories of Financial Instruments

Fair Value measurement (₹)

Particulars	31st March 2018		31st March 2017	
	FVPTL	Amortised Cost	FVPTL	Amortised Cost
Financial Assets				
Investment	6,260,086	10,000	6,533,326	10,000
Loans	-	1,400,000	-	1,400,000
Other financial assets	-	3,247,890	-	4,891,167
Cash and cash equivalent	-	6,305,737	-	6,035,845
Total of Financial Assets	6,260,086	10,963,627	6,533,326	12,337,012
Financial Liabilities				
Borrowings	-	74,880	-	74,880
Trade payables	-	573,950	-	749,614
Other Financial liabilities	-	177,779,028	-	178,795,652
Total of Financial Liabilities	-	178,427,858	-	179,620,146

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

i) Fair Value hierarchy

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

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31st March 2018				
Financial Assets				
Financial Investments at FVPL				
Investments in Mutual Fund	6,260,086	-	-	6,260,086
Total Financial Assets	6,260,086	-	-	6,260,086
At 31st March 2017				
Financial Assets				
Financial Investments at FVPL	6,533,326	-	-	6,533,326
Investments in Mutual Fund				
Total Financial Assets	6,533,326			6,533,326

Level 1

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

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

As per attached report of even date

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

NIRAJ ADATIA
PARTNER
Membership No. 120844

Mumbai
Date: 25th June, 2018

For and on behalf of the Board of Directors

SAMIRKUMAR SALOT
Director
DIN: 07115916

PRAPHUL SHINDE
Director
DIN : 03140671

Mumbai
Date: 25th June, 2018

INDEPENDENT AUDITOR'S REPORT

TO,

THE MEMBERS OF,
URVI BUILD TECH LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial Statements of **URVI BUILD TECH LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the 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.

M. K. GOHEL & ASSOCIATES
MUMBAI
M. No. 038823
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 state of affairs of the Company as at 31st March, 2018, and its profits (financial performance including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Other matters

The company has paid Rs. 11,04,593 against Sales Tax demand pertaining to financial year 2009-10 which were not provided for previously and has been considered as expense in the current year.

Report on Other Legal and Regulatory Requirements

I. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure** A statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and statement of changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 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"**.

M. K. GOHEL & ASSOCIATES
MUMBAI
M. No. 038823
Chartered Accountants

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

i. The Company does not have any material pending litigations other than as disclosed in note no 22 to the Ind AS financial Statements, which would impact its financial position.

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

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

FOR M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No.: 103256W

M. K. GOHEL & ASSOCIATES
MUMBAI
M. No.
038823
Chartered Accountants

MKGohel

MUKESH K. GOHEL
PROPRIETOR
Membership No. 038823

Place : Mumbai
Date : 22/06/2018

"ANNEXURE-A" REFERRED TO IN PARAGRAPH I OF OUR REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OUR AUDITORS' REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018 OF URVI BUILD TECH LIMITED

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

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

b) The company has physically verified its fixed assets at reasonable interval;

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no material discrepancies were noticed on verification of such assets.

(ii) The company has physically verified its inventories at reasonable intervals of time and no material discrepancies have been noticed on such verification of inventories.

(iii) 1) In our opinion, and according to the information and explanations given to us, the Company has during the year, not granted any unsecured loans to Companies covered in the register maintained under Section 189 of the Companies Act, 2013. However the amounts outstanding at the close of the year to these companies which were outstanding at the start of the year as well, aggregates to Rs. 29,94,428.

2) No Schedule of repayment of principal and payment of interest has been stipulated

3) No Schedule of repayment of principal and payment of interest has been stipulated and therefore the question of overdue amounts does not arise, though Company has informed that the reasonable steps have been taken for recovery of the principal and interest

(iv) As per the information received there are no loan, investment, guarantees and security to director by the company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

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

(vii) a. According to the records of the Company, there were Service tax payable of Rs. 1,85,400 and Interest on Service Tax of Rs. 1,12,444/- outstanding at the last day of the financial year for a period exceeding six months from the date they became payable;

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, Service Tax, Custom Duty, Excise Duty or Cess.

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

(viii) The company has not defaulted in repayment of loans and borrowing to a financial institution, banks, government or dues to debenture holders.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of the material fraud on or by the Company, has been noticed or reported by the Company during the year, nor have we been informed any such case by the Company;

(xi) No Managerial remuneration has been paid or provided during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act where applicable and the details of such related party transactions have been disclosed in the Ind AS financial statements as required by Accounting Standard (AS) 18, Related Party Disclosures prescribed under Section 133 of the Act, read with the relevant rules.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him/ her. Accordingly, paragraph 3(xv) of the Order is not applicable

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

FOR M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No.: 103256W

MKGohel

M. K. GOHEL & ASSOCIATES * Chartered Accountants * MUMBAI M. No. 038823

MUKESH K. GOHEL
PROPRIETOR
Membership No. 038823

Place : Mumbai
Date : 22/06/2018

"ANNEXURE-B" REFERRED TO IN PARAGRAPH II OF OUR REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT") OUR AUDITORS' REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018 OF URVI BUILD TECH LIMITED.

We have audited the internal financial controls over financial reporting of URVI BUILD TECH LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely

M.K. GOHEL & ASSOCIATES
MUMBAI
M. No. 038823
Chartered Accountants

detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 ICAI.

FOR M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No.: 103256W

MUKESH K. GOHEL
PROPRIETOR
Membership No. 038823

Place : Mumbai
Date : 22/06/2018

URVI BUILD TECH 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		16,978	43,726
(b) Current tax assets (Net)		1,74,690	1,22,82[illegible]
Total Non-Current assets		**1,91,668**	**1,66,[illegible]**
Current assets			
(a) Inventories	6	60,33,073	1,20,66,146
(b) Financial assets			
(i) Trade receivables	7	9,58,03,551	1,32,50,657
(ii) Cash and cash equivalents	8	17,62,086	17,68,204
(iii) Other Financial assets	9	1,20,10,994	30,19,434
(c) Other current assets	10	2,80,460	4,040
Total Current Assets		**11,58,90,164**	**3,01,08,481**
Total assets		**11,60,81,832**	**3,02,75,029**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	5,00,000	5,00,000
(b) Other equity	12	(85,41,201)	(8,72,2[illegible],169)
Total Equity		**(80,41,201)**	**(8,67,2[illegible])**
Liabilities			
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	13	10,45,97,500	11,16,93,03[illegible]
(ii) Trade payables	14	24,15,038	6,96,383
(iii) Other financial liabilities	15	4,68,657	[illegible],96,636
(b) Other current liabilities	16	1,65,31,[illegible]	[illegible]
Total liabilities		**12,41,23,[illegible]**	**11,70,[illegible]**
Total Equity and Liabilities		**11,60,8[illegible]**	**3,02,75,0[illegible]**

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG NO :103256W

MKGohel

MUKESH K GOHEL
PROPRIETOR
Membership No. 038823

M.K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

Mumbai
Date: 22nd June, 2018

Matalia

KAMAL MATALIA
DIRECTOR
DIN: [illegible]

URVI BUILD TECH LTD.

JASMIN GATHGD[illegible]
DIRECTOR
DIN: [illegible]

URVI BUILD TECH 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**			
	Other Income	17	8,80,00,000	-
	Revenue from Operations		87,09,610	1,42,34,872
	Total Income		**9,67,09,610**	**1,42,34,872**
II	**EXPENSES**			
	Changes in Inventories of Finished Goods	18	60,33,073	1,23,62,854
	Finance Costs	19	3,08,280	76,987
	Depreciation and Amortisation Expenses	20	26,748	29,294
	Other Expenses	21	28,34,041	15,94,002
	Total Expenses		**92,02,142**	**1,40,63,137**
	Profit before exceptional items and Tax (I - II)		**8,75,07,468**	**1,71,735**
	Exceptional Items		-	-
	Profit before Tax		**8,75,07,468**	**1,71,735**
	Tax Expense			
	Current Tax		(88,19,500)	-
	Total		(88,19,500)	-
	Profit for the Period from Continuing Operations		**7,86,87,968**	**1,71,735**
	Profit from Discontinued Operations before Tax			-
	Tax Expense of Discontinued Operations		-	-
	Profit from Discontinued Operations (after tax)			
	Profit for the Period		**7,86,87,968**	**1,71,735**
	Earning per equity share of nominal value of ₹ 10/- each	22		
	Basic and Diluted		1,573.759	3.435

The accompanying notes are an integral part of Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.:103256W

MKGohel

MUKESH K GOHEL
PROPRIETOR
Membership No. 038823

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

Mumbai
Date: 22nd June, 2018

URVI BUILD TECH LTD.

KAMAL MATALIA
DIRECTOR
DIN : 00009695

JASMIN RATHOD
DIRECTOR
DIN : 03147669

URVI BUILD TECH LIMITED

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

Particulars	Year Ended 31st March, 2018 ₹	Year Ended 31st March, 2017 ₹
Cash flows arising from operating activities		
Net loss before taxation and prior period items as per statement of profit and loss	7,86,87,968	1,71,735
Add / (Less) :		
Depreciation and amortisation	26,748	29,294
Interest Expenses	3,08,280	76,987
Liability written back to the extent no longer required	(9,09,610)	(2,34,872)
Total	(5,74,582)	(1,28,591)
Operating profit before working capital changes	**7,81,13,386**	**43,143**
Add / (Less) :		
(Increase) / Decrease in Inventories	60,33,073	1,23,62,854
(Increase) / Decrease in trade receivables	(8,25,52,894)	(1,14,46,604)
(Increase) / Decrease in other receivables	(92,67,980)	2,10,571
Increase / (Decrease) in trade and other payables	1,79,23,851	9,22,155
Direct taxes paid	(51,868)	(2,070)
	(6,79,15,818)	20,46,106
Net cash flow from operating activities	**1,01,97,569**	**20,89,249**
Cash flows arising from investing activities		
Inflow / (Outflow) on account of :		
Proceeds from sale of fixed assets	-	-
Purchase of fixed assets including Payment for capital work in progress	-	
Net cash flow from investing activities	-	-
Cash flows arising from financing activities		
Inflow / (Outflow) on account of :		
Proceeds from short-term borrowings	(98,95,407)	(11,00,000)
Finance costs paid	(3,08,280)	(76,987)
Net cash flow from financing activities	(1,02,03,687)	(11,76,987)
Net increase in cash and cash equivalents	**(6,119)**	**9,12,262**
Add: Balance at the beginning of the year	17,68,204	8,55,942
Cash and cash equivalents at the end of the year	**17,62,086**	**17,68,204**
Components of cash and cash equivalents (Refer note 8)		
Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
- On Current accounts	17,62,086	17,68,204
	17,62,086	17,68,204

As per our report of even date
CHARTERED ACCOUNTANTS
For M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO. 103256W

MUKESH K GOHEL
PROPRIETOR
Membership No. 038823

Mumbai
Date: 22nd June, 2018

For and on behalf of the Board of Directors

KAMAL MATALIA
DIRECTOR
DIN : 00009695

JASMIN RATHOD
DIRECTOR
DIN : 03147669

URVI BUILD TECH LIMITED

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

		Reserve and Surplus		
	Equity	General reserve	Retained Earnings	Total
Balance as at 1st April, 2016	5,00,000	9,25,00,000	(17,99,00,904)	(8,69,00,904)
Total Comprehensive Income for the year			1,71,735	1,71,735
Balance as at 31st March, 2017	5,00,000	9,25,00,000	(17,97,29,169)	(8,67,29,169)
Total Comprehensive Income for the year	-	-	7,86,87,968	7,86,87,968
Balance as at 31st March, 2018	5,00,000	9,25,00,000	(10,10,41,201)	(80,41,201)

For **M. K. GOHEL & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG. NO.:103256W

M. K. GOHEL & ASSOCIATES
MUMBAI
M. No.
038823
Chartered Accountants

MKGohel

MUKESH K GOHEL
PROPRIETOR
Membership No. 038823

Mumbai
Date: **22nd** June, 2018

For and on behalf of the Board of Directors

URVI BUILD TECH LTD.

KAMAL MATALIA
DIRECTOR
DIN : 00009695

JASMIN RATHOD
DIRECTOR
DIN : 03147669

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

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1 **Company Overview**

Urvi Build Tech Limited is a Public Limited Company domiciled in India, incorporated under The Companies Act, 1956. The Company is engaged in real estate business of construction and development of Residential and Commercial Premises and Other Real Estate Projects including consultancy and sole selling of real estate.

The financial statements are approved for issue by the Company's Board of Directors on 22nd June, 2018.

SIGNIFICANT ACCOUNTING POLICY

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act , 2013 ('Act') (to the extent notified) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

a) Historical Cost Convention

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

i. certain financial assets and liabilities that have been measured at fair value

ii. assets held for sale - measured at lower of carrying amount or fair value less cost to sell.

iii. defined benefit plans - plan assets measured at fair value.

b) Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non current classification.

An asset is classified as current when it is:

i. Expected to be realised or intended to sold or consumed in normal operating cycle

ii. Held primarily for the purpose of trading

iii. Expected to be realised within twelve months after the reporting period, or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting

All other assets are classified as non-current.

A liability is classified as current when:

i. It is expected to be settled in normal operating cycle

ii. It is held primarily for the purpose of trading

iii. It is due to be settled within twelve months after the reporting period, or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

3.1 REVENUE RECOGNITION

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.

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

URVI BUILD TECH LTD.

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

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.

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

B. **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 / AMMORTISATION

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

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

Asset Category	Estimated useful life (in Years)
Plant and Machinery	3
Furniture and Fixture	10

3.3 TAXATION

i. Current Tax

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

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

ii. Deferred Tax

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

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

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

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

iii. Current and deferred tax for the year

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

M.K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

URVI BUILD TECH LTD.

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

3.4 INVENTORIES

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

Stock of material at Site' includes cost of purchase, other costs incurred in bringing them to their respective present location and condition. **Cost formula used is average cost.**

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

Inventory value includes costs incurred upto the completion of the project viz. cost of land / rights, value of floor space index (FSI), materials, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost.

3.5 BORROWINGS AND 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.

3.6 CASH FLOW STATEMENT

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

3.7 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.

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URVI BUILD TECH LTD.

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

3.8 USE OF ESTIMATES

The preparation of the financial statements in conformity with IndAS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 3.8.1 Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3.8.1 Critical accounting judgements and estimates

a. Revenue recognition

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

b. Property, plant and equipment and depreciation

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

c. Fair value measurements and valuation processes

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

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URVI BUILD TECH LTD.

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

4. Property, plant and equipment

	Plant and machinery	Furniture and Fixtures	Total
Cost or deemed cost			
Balance at 1st April, 2016	1,57,044	1,26,569	2,83,613
Additions			
Disposals	-	-	
Transfers			
Balance at 31st March, 2017	**1,57,044**	**1,26,569**	**2,83,613**
Accumulated depreciation			
Balance at 1st April, 2016	1,07,947	1,02,647	2,10,593
Eliminated on disposal of assets			
Depreciation expense	15,015	14,278	29,294
Balance at 31st March, 2017	1,22,962	1,16,925	2,39,887
Carrying amount as on 31st March 2017	**34,082**	**9,644**	**43,726**

	Plant and Machinery	Furniture and Fixtures	Total
Cost or deemed cost			
Balance at 31st March, 2017	1,57,044	1,26,569	2,83,613
Additions			
Disposals			
Balance at 31st March, 2018	**1,57,044**	**1,26,569**	**2,83,613**
Accumulated depreciation			
Balance at 31st March, 2017	1,22,962	1,16,925	2,39,887
Eliminated on disposal of assets			-
Depreciation expense	17,104	9,644	26,748
Balance at 31st March, 2018	1,40,066	1,26,569	2,66,635
Carrying amount as at 31st March 2018	**16,978**	0	**16,978**

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URVI BUILD TECH 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 and liabilities		
Advance Tax paid	89,94,190	5,82,999
Less: Provision for Tax	88,19,500	4,60,177
Curent Tax Asset	**1,74,690**	**1,22,822**

Footnotes:

Footnote:

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

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

		As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
6. Inventories			
Inventories (lower of cost or net realisable value)			
- Finished Property		60,33,073	1,20,66,146
	Total	**60,33,073**	**1,20,66,146**
7. Trade Receivables			
Current			
Trade Receivables		9,50,40,000	-
Unsecured, considered good			
Outstanding for a period exceeding six months from the date they are due for payment		7,63,551	1,32,50,657
	Total	**9,58,03,551**	**1,32,50,657**
8. Cash and cash equivalents			
Balances with banks:			
- in current accounts		17,62,086	17,68,204
Cash on hand			
Cash and cash equivalents		**17,62,086**	**17,68,204**
9. Other financial assets			
Current			
Security deposits		25,000	25,006
Other Advances and Receivables			
Advances recoverable from others			
- Related parties		29,94,428	29,94,428
- Others		89,91,566	-
	Total	**1,20,10,994**	**30,19,434**
10. Other assets			
Current			
Service tax-cenvat credit		4,340	4,040
Advances Recoverable in Cash Or in Kind		2,76,120	-
	Total	**2,80,460**	**4,040**

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URVI BUILD TECH LTD

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

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
11. Equity share capital		
Authorised Share Capital:		
50,000 (PY: 50,000) Equity Shares of ₹ 10/- each	5,00,000	5,00,000
Issued and subscribed capital comprises:		
50,000 (PY: 50,000) Equity Shares of ₹ 10/- each fully paid up	5,00,000	5,00,000
	5,00,000	5,00,000

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	50,000	5,00,000
Add : Issued during the year		-
Less : Bought back during the year	-	
Balance at 31st March,2017	50,000	5,00,000
Add : Issued during the year		
Less : Bought back during the year		
Balance at 31st March, 2018	**50,000**	**5,00,000**

(ii) Equity Shares held by its holding company or its ultimate holding company.	As at 31st March, 2018 (No.)	As at 31st March, 2017 (No.)
Hubtown Limited with its benefeciary owners	50000	50000
Total	**50000**	**50000**

(iii) 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	50,000	100%	50,000	100%
Total	**50,000**	**100%**	**50,000**	**100%**

(iv) 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.

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

URVI BUILD TECH LTD.

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

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
General reserve	9,25,00,000	9,25,00,000
Retained Earning	(10,10,41,201)	(17,97,29,169)
	(85,41,201)	**(8,72,29,169)**

	Year ended 31st March, 2018	Year ended 31st March, 2017
12. Other Equity		
(i) General reserve		
Balance at the beginning of the year	9,25,00,000	9,25,00,000
Add / (Less) :		
Balance at the end of the year	9,25,00,000	9,25,00,000
(ii) Retained Earnings		
Balance at the beginning of the year	(17,97,29,169)	(17,99,00,904)
Profit attributable to the owners of the company	7,86,87,968	1,71,735
Balance at the end of the year	**(10,10,41,201)**	**(17,97,29,169)**
Total Other Equity	**(85,41,201)**	**(8,72,29,169)**

M.K. GOHEL & ASSOCIATES
MUMBAI
M. No. 038823
Chartered Accountants

URVI BUILD TECH LTD.

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

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
13. Borrowings		
Current		
(i) Loans repayable on demand (Unsecured):		
- From Companies (Refer footnote a)	11,07,093	2,500
- From Related Party(Refer footnote b)	10,36,00,511	11,46,00,511
	10,36,00,511	11,46,00,511
TOTAL	**10,47,07,604**	**11,46,03,011**

Footnote:

a. Loans from Companies are interest free and repayable on demand.

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

14. Trade payables		
Trade Payables(Refer Footnote)	24,15,038	6,96,383
TOTAL	**24,15,038**	**6,96,383**

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

15. Other financial liabilities		
Current		
Security deposits (Refundable)	-	84,763
Other payables	4,68,657	21,863
TOTAL	**4,68,657**	**1,06,626**
16. Other current liabilities		
Current		
Advance from customers	-	4,29,167
Other payables :		
- Statutory dues	1,65,31,734	11,69,011
TOTAL	**1,65,31,734**	**15,98,178**

M. K. GOHEL & ASSOCIATES
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URVI BUILD TECH LTD.

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

		As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
17. Revenue from operations			
Sale from operations :			
Sale of properties / rights (Net)		78,00,000	1,40,00,000
		78,00,000	**1,40,00,000**
Other operating revenue :			
Liabilities written back to the extent no longer required		9,09,610	2,34,872
		9,09,610	**2,34,872**
	Total	**87,09,610**	**1,42,34,872**
*** Other Income**			
Project Management Fees Received		8,80,00,000	
	Total	**8,80,00,000**	-
18. EXPENSES			
Changes in Inventories of Finished Property			
Opening Inventory :			
Finished Property		1,20,66,146	2,44,29,000
Closing Inventory :			
Finished Property		**60,33,073**	**1,20,66,146**
	Total	**60,33,073**	**1,23,62,854**
19. Finance Costs			
Delayed/penal interest on loans and statutory dues		3,08,280	76,987
	Total	**3,08,280**	**76,987**
20. Depreciation and Amortisation Expenses			
Depreciation of property, plant and equipment		26,748	29,294
	Total	**26,748**	**29,294**
21. Other Expenses			
Legal and professional fees		57,186	20,500
PMC Fees		**15,00,000**	-
Debit Balance Written off		-	9,12,575
Auditors Remuneration (Refer footnote)		43,150	34,500
Other expenses		12,33,705	6,26,427
	Total	**28,34,041**	**15,94,002**
Footnote:			
Auditor's Remuneration			
Audit fees		15,000	15,000
Tax Audit Fees		15,000	15,000
GST on above		5,400	2,250
	Total	**35,400**	**32,250**

M. K. GOHEL & ASSOCIATES
MKG
MUMBAI
M. No.
038823
Chartered Accountants

URVI BUILD TECH LTD.

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

	Year Ended 31st March, 2018 ₹	Year Ended 31st March, 2017 ₹
22. EARNINGS PER SHARE (EPS)		
Basic and Diluted Earning Per Share	1,573.76	3.43

(i) Basic and Diluted EPS

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

	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Profit for the year attributable to the owners of the Company	7,86,87,968	1,71,735
Earnings used in the calculation of basic and diluted earnings per share	7,86,87,968	1,71,735

	As at 31 March, 2018	As at 31 March, 2017
(ii) Weighted average number of equity shares for the purposes of basic and diluted earnings per share	50,000	50,000

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

URVI BUILD TECH LTD.

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

23. RELATED PARTY TRANSACTIONS

A. List Of Related Parties:

i) Holding Company
Hubtown Limited

ii) Fellow Subsidiary
Devkrupa Build Tech Limited

iii) Other Significant Influences
City Gold Management Services Pvt Ltd
Akruti Jay Developers

Footnote:
Related parties are identified by the Company and relied upon by the auditors.

B. Transactions with Related Parties:

(₹)

Sr. No.	Particulars	Holding Company	Fellow Subsidiary	Other Significant Influences
1	**Loans and advances received /recovered:**			
	Hubtown limited	-	- -	- -
2	**Loans and advances Repaid/Given:**			
	Hubtown limited	1,10,00,000 (11,00,000)	- -	
3	**Reimburesement of Expenses**			
	City Gold Management Services Pvt Ltd	-		16,29,048
	Akruti Jay Developers	-	-	89,91,566

Footnote:
Figures in bracket pertains to previous year.

Balance outstanding payables / receivables:

	Nature of Transactions	Amount (₹)		
		31st March, 2018	31st March, 2017	1st April, 2016
1	**Holding Company**			
	Hubtown limited	10,36,00,511	11,46,00,511	11,57,00,511
2	**Fellow Subsidiary**			
	Devkrupa Build Tech Limited	29,94,428	29,94,428	29,94,428
3	**Other Significant Influences**			
	City Gold Management Services Pvt Ltd	16,29,048	-	-
	Akruti Jay Developers	89,91,566	-	-

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MUMBAI
M. No. 038823
Chartered Accountants

URVI BUILD TECH LTD.

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

24. Financial Risk Management Objectives

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

1) Market Risk

Interest rate risk

Company has received intrest free loan and it receives interest funds for operating cash flow from its hnlding company as and when required (Refer note 13), hence the company is not exposed to intrest risk.

2) Credit Risk

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

3) Liquidity Risk

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

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

26. CONTINGENT LIABILITIES

The Company does not have any contingent liabilities as at balance sheet date, as certified by management a relied upnn by the auditors.

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

28. 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 th capital structure on an annual basis.

M. K. GOHEL & ASSOCIATES MUMBAI M. No. 038823 Chartered Accountants

URVI BUILD TECH LTD.

URVI BUILD TECH LIMITED

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

Note 29 :FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(₹)

	31st March 2018			31st March 2017		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Trade receivables			9,58,03,551			1,32,50,657
Cash and cash equivalent			17,62,086	-		17,68,204
Other financial assets	-	-	1,20,10,994			30,19,434
Total of Financial Assets	-	-	10,95,76,631	-	-	1,80,38,295
Financial Liabilities						
Borrowings			10,47,07,604	-	-	11,46,03,011
Trade payables		-	24,15,038	-	-	6,96,383
Other Financial liabilities		-	4,68,657		-	1,06,626
Total of Financial Liabilities	-	-	10,75,91,299	-	-	11,54,06,020

As per our report of even date

For and on behalf of the Board of Directors

For M. K. GOHEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.: 103256W

MKGohel

MUKESH K GOHEL
PROPRIETOR
Membership No. 038823

M. K. GOHEL & ASSOCIATES
MUMBAI
M. No.
038823
Chartered Accountants

Mumbai
Date: 22nd June, 2018

URVI BUILD TECH LTD.

KAMAL MATALIA
DIRECTOR
DIN : 00009695

JASMIN RATHOD
DIRECTOR
DIN : 03147669

301/308, Balaji Darshan,
Tilak Road, Santacruz (W),
Mumbai - 400 054.
Phone : 2649 4807
: 2649 0862
E-mail : mhdalal@gmail.com
Website : www.dalalgroup.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEET BUILDERS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Heet 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), the Cash Flow Statement and the statement for changes in equity for the year 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, 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 the 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 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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 financial statements.

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

Basis for Qualified Opinion

The Company has not provided for part interest @ 6 % amounting to Rs. 13,23,37,233 on a term loan for the year. Consequently, finance cost for the year ended 31st March, 2018 has been understated by the said amount and loss for the year and inventory as at 31st March 2018 is lower by Rs. 26,24,354 and Rs. 12,97,12,879 respectively.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit/loss and its cash flows for the year ended on that date.

Other Matter

The audited financial statements for the year ended 31^{st} March, 2018, was carried out and reported by Dalal Doshi & Associates, vide their unmodified audit report dated 5^{th} August, 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 sub-section (11) of section 143 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 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.

M. H. DALAL & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

(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"**.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its 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.

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

Place: Mumbai
Date: 21st June, 2018

"ANNEXURE A" REFERRED TO IN OUR REPORT TO THE MEMBERS OF HEET BUILDERS 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 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 nature of its assets. According to information and explanation give 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 had been conducted at reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts;

(iii) According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to companies, firms, or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (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 securities 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 the dues in respect of Tax deducted at source, the Company is generally regular in

DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI depositing undisputed statutory dues, including Service tax, Goods and Service Tax, provident fund, duty of customs, Value added tax, cess and other statutory dues as applicable, with the appropriate authorities. The extent of arrears of statutory dues outstanding as at the Balance Sheet date, for a period extending six months from the date they become payable are Rs. 1,65,23,719/- relating to Tax deducted at source, Rs. 6,51,213/- relating to Maharashtra Value Added Tax, Rs. 18,241/- relating to Works Contract Tax, Rs. 20,186/- relating to Employee State Insurance Corporation.

(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, Goods and Service Tax, Service Tax, Custom Duty, Sales tax, Value added tax, Excise Duty or Cess.

(viii) On the basis of the records examined by us and the information and explanations given to us, the Company has delayed in repayment of dues to financial institutions. Attention is invited to Footnote (v) to Note 14 with regards the amounts and period of delay in payment of interest in case of financial institution;

(ix) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained;

(x) Based on the audit procedures performed and the information and explanations given by the management, we report that no 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 are in compliance with the Section 177 and 188 of the Act. The details of such related party transaction have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year, the provisions 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

M. DALAL & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

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;

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: 21st June, 2018

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF HEET BUILDERS 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 HEET BUILDERS 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 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 judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

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

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Devang Dalal
Partner
Membership No.: 109049

Place: Mumbai
Date: 21st June, 2018

HEET BUILDERS PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2018

	Note No.	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
I ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	3	7,977	20,136
(b) Financial assets			
Investments	4	10,000	10,000
(c) Current tax assets (Net)	5	29,86,709	21,01,497
(d) Deferred tax assets (Net)	6	59,05,699	27,61,549
Total Non-Current assets		**89,10,385**	**48,93,182**
Current assets			
(a) Inventories	7	2,94,76,10,141	2,60,18,44,665
(b) Financial assets			
(i) Trade receivables	8	3,13,25,000	6,07,62,838
(ii) Cash and cash equivalents	9	3,36,75,851	12,06,452
(iv) Other financial assets	10	50,30,659	5,37,000
(c) Other current assets	11	16,20,15,151	4,25,30,396
Total Current Assets		**3,17,96,56,802**	**2,70,68,81,351**
TOTAL ASSETS		**3,18,85,67,187**	**2,71,17,74,533**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	5,00,000	5,00,000
(b) Other equity	13	(4,80,50,225)	(3,77,47,657)
Total Equity		**(4,75,50,225)**	**(3,72,47,657)**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	91,31,35,290	2,05,76,93,770
(ii) Other Financial Liabilities	15	42,44,595	44,79,797
Total Non-Current Liabilities		**91,73,79,885**	**2,06,21,73,567**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	16	3,55,23,966	13,99,28,295
(ii) Other financial liabilities	15	2,05,52,30,501	31,09,06,732
(b) Other current liabilities	17	22,79,04,923	23,59,22,464
(c) Provisions	18	78,137	91,132
Total Current Liabilities		**2,31,87,37,527**	**68,68,48,623**
Total Liabilities		**3,23,61,17,412**	**2,74,90,22,190**
TOTAL EQUITY AND LIABILITIES		**3,18,85,67,187**	**2,71,17,74,533**

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For M H DALAL AND ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 112449W

DEVANG DALAL
PARTNER
Membership No. 109049
Mumbai
Date: 21st June, 2018

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

FOR AND ON BEHALF OF THE BOARD

KAMAL MATALIA
DIRECTOR
DIN: 00009695

HEET BUILDERS PRIVATE LIMITED

R.F. Joshi

RAJESH DOSHI
DIRECTOR
DIN: 03626861
Date: 21st June, 2018

HEET BUILDERS PRIVATE LIMITED

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

		Note No.	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
I	**INCOME**			
	Revenue from Operations	19	11,59,01,256	4,05,56,927
	Other Income	20	2,01,395	2,35,599
	Share of Profit / (Loss) in Firm		(1,580)	(365)
	TOTAL INCOME		**11,61,01,071**	**4,07,92,161**
II	**EXPENSES**			
	Costs Of Construction / Development	21	11,38,77,424	1,04,96,98,760
	Purchase of Stock-in-Trade		21,33,756	-
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	22	(34,66,29,656)	(1,48,87,90,007)
	Employee Benefits Expense	23	1,40,37,283	9,37,172
	Finance Costs	24	33,71,23,109	47,33,99,316
	Depreciation and Amortisation Expenses	25	4,079	1,361
	Other Expenses	26	90,01,795	1,63,59,629
	TOTAL EXPENSES		**12,95,47,790**	**5,16,06,231**
	Profit / (Loss) before Tax		**(1,34,46,718)**	**(1,08,14,070)**
	Tax Expense			
	(1) Current Tax		-	(3,26,619)
	(2) Deferred tax (charge) / credit		31,44,150	27,61,549
			31,44,150	24,34,930
	Profit / (Loss) for the year		**(1,03,02,568)**	**(83,79,140)**
	Other comprehensive income for the year		-	-
	Total comprehensive income for the year		**(1,03,02,568)**	**(83,79,140)**
	Earning per equity share of nominal value of ₹ 10/- each			
	Basic and Diluted	27	(2,060.51)	(1,675.83)

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

As per our report of even date

For M H DALAL AND ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 112449W

DEVANG DALAL
PARTNER
Membership No. 109049

Mumbai
Date: 21st June, 2018

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

FOR AND ON BEHALF OF THE BOARD

KAMAL MATALIA
DIRECTOR
DIN: 00009695

HEET BUILDERS PRIVATE LIMITED

R.F. Joshi

RAJESH DOSHI
DIRECTOR
DIN: 03626861
Date: 21st June, 2018

HEET BUILDERS 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	**(1,34,46,718)**	**(1,08,14,070)**
Add / (Less) :		
Finance costs	33,71,23,109	47,33,99,316
Depreciation and amortisation	4,079	1,361
Advances and other debit balances written off	1,12,000	-
Interest income	(2,01,395)	(2,35,599)
Share of Profit / (Loss) of Joint Ventures	(1,580)	(365)
	33,70,36,213	**47,31,64,713**
Operating profit before working capital changes	**32,35,89,495**	**46,23,50,643**
Add / (Less) :		
Increase/ decrease in Inventories	(34,57,65,476)	(1,49,01,61,516)
Increase/ decrease in Trade/Other Receivable	(9,46,50,996) •	(2,93,63,616)
Increase/ decrease in Trade/Other Payable	1,63,66,43,674	25,09,64,795
Direct taxes paid	(8,85,212)	(9,75,826)
	1,19,53,41,990	**(1,26,95,36,163)**
Net cash flow from operating activities	**1,51,89,31,485**	**(80,71,85,520)**
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Interest income received	2,01,395	2,35,599
Decrease in loans given	-	45,23,57,009
Purchase of fixed assets	8,080	(17,680)
Net cash flow from investing activities	**2,09,475**	**45,25,74,928**
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Proceeds from long term borrowings	(1,14,45,58,480)	65,98,93,134
Finance costs paid	(34,21,13,081) •	(30,48,96,018)
Net cash flow from financing activities	**(1,48,66,71,561)**	**35,49,97,116**
Net increase in cash and cash equivalents (I + II + III)	**3,24,69,399**	**3,86,523**
Add: Balance at the beginning of the year	**12,06,452**	**8,19,929**
Cash and cash equivalents at the end of the year	**3,36,75,851**	**12,06,452**
Components of cash and cash equivalents (Refer Note 09)		
Cash on hand	32,613	15,703
Balances with banks		
- in Current and escrow accounts	3,36,43,238	11,90,749
	3,36,75,851	**12,06,452**

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 M H DALAL AND ASSOCIATES
Chartered Accountants
Firm Registration No. 112449W

DEVANG DALAL
PARTNER
Membership No. 109049

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Mumbai
Date: 21st June, 2018

FOR AND ON BEHALF OF THE BOARD

HEET BUILDERS PRIVATE LIMITED

KAMAL MATALIA
DIRECTOR
DIN: 00009695

RAJESH DOSHI
DIRECTOR
DIN: 03626861

Date: 21st June, 2018

HEET BUILDERS PRIVATE LIMITED

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

(in ₹)

	Notes	Amount
A. EQUITY SHARE CAPITAL	14	
As at 1st April, 2016		5,00,000
Changes in equity share capital		-
As at 31st March, 2017		**5,00,000**
Changes in equity share capital		-
As at 31st March, 2018		**5,00,000**

B. OTHER EQUITY

₹

	Reserves and Surplus		Total
	Securities Premium Reserve	**Retained Earnings**	
Balance at 1st April, 2016	-	**(2,93,68,517)**	**(2,93,68,517)**
Profit / (Loss) for the year	-	(83,79,140)	**(83,79,140)**
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year		(83,79,140)	**(83,79,140)**
Balance at 31st March, 2017	-	**(3,77,47,657)**	**(3,77,47,657)**
Profit / (Loss) for the year	-	(1,03,02,568)	**(1,03,02,568)**
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year		(1,03,02,568)	**(1,03,02,568)**
Balance at 31st March, 2018	-	**(4,80,50,225)**	**(4,80,50,225)**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For M H DALAL AND ASSOCIATES
Chartered Accountants
Firm Registration No. 112449W

DEVANG DALAL
PARTNER
Membership No. 109049

Mumbai
Date: 21st June, 2018

For and on behalf of the Board of Directors

KAMAL MATALIA
DIRECTOR
DIN: 00009695

R.F. Joshi

RAJESH DOSHI
DIRECTOR
DIN: 03626861

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

Heet Builders Private Limited is company domiciled in India, incorporated under the provision of the Companies Act. The Company is engaged in real estate business of construction and development of residential premises.

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.

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. Revenue recognition

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.

ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

HEET BUILDERS PRIVATE LIMITED

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

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.

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. **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.

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.

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

IV. Property plant and equipment, investment property and depreciation / ammortisation

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

B. Depreciation is provided 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)
Computer desktops and laptops	3
Office Equipments	5
Furniture and Fixture	10

V. Financial Instruments

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

A. **Investments and Financial Assets**

i. **Initial recognition**
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.

ii. **Subsequent measurement**

a **Non-derivative financial instruments**

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

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

iii. **Financial assets at fair value through profit or loss**
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

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

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

(4)

HEET BUILDERS PRIVATE LIMITED

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

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.

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.

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. '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 in 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. Employee benefits

Post-Employment Benefits

Defined benefit plans:

Short-term employee benefits:

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

M. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

(1) HEET BUILDERS PRIVATE LIMITED R.P. [illegible]

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

Other Long Term employee Benefits:

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

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

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

XI. 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.

XII. 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.

XIII. Foreign currency transactions

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

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

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

XIV. Provisions, contingent liabilities and contingent assets

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.

XV. 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.

M. A. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

HEET BUILDERS PRIVATE LIMITED

HEET BUILDERS PRIVATE LIMITED

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

Note 3. property, Plant and Equipment

	Computers and Laptops	Furniture and Fixtures	Office Equipment	Total
Cost or deemed cost				
Balance at 1st April, 2016	70,406	16,369	31,807	1,18,582
Additions	-	-	17,680	17,680
Disposals	-	-	-	-
Balance at 31st March, 2017	70,406	16,369	49,487	1,36,262
Accumulated depreciation				
Balance at 1st April, 2016	70,406	12,552	31,807	1,14,765
Eliminated on disposal of assets	-	-	-	-
Depreciation expense	-	1,361	-	1,361
Balance at 31st March, 2017	70,406	13,913	31,807	1,16,126
Carrying amount as at 31st March 2017	-	2,456	17,680	20,136

	Computers and Laptops	Furniture and Fixtures	Office Equipment	Total
Cost or deemed cost				
Balance at 1st April, 2017	70,406	16,369	49,487	1,36,262
Additions	-	-		-
Disposals	-	-	(12,955)	(12,955)
Balance at 31st March, 2018	70,406	16,369	36,532	1,23,307
Accumulated depreciation				
Balance at 1st April, 2017	70,406	13,913	31,807	1,16,126
Eliminated on disposal of assets	-	-	(4,875)	(4,875)
Depreciation expense	-	559	3,520	4,079
Balance at 31st March, 2018	70,406	14,472	30,452	1,15,330
Carrying amount as at 31st March 2018	-	1,897	6,080	7,977

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

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HEET BUILDERS PRIVATE LIMITED

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 4. Investments		
Non Current Investments		
(Trade, unless otherwise specified)		
Capital Investment in Partnership Firms and Joint Ventures (Refer footnote)		
M/s Rising Glory Developers	10,000	10,000
Less: Provision for Diminution in the value of investments	-	-
Aggregate amount of unquoted investments	**10,000**	**10,000**

	Particulars		31 March, 2018 Profit Sharing Ratio	31 March, 2017 Profit Sharing Ratio
1	Hubtown Limited		20.00%	20.00%
2	Ackruti Safeguard System Private Limited		5.33%	5.33%
3	Citygold Education Research Limited		5.33%	5.33%
4	Citygold Farming Private Limited		5.33%	5.33%
5	Diviniti Projects Private Limited		5.33%	5.33%
6	Halitious Developers Limited		5.33%	5.33%
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%
16	Yantti Buildcon Private Limited		5.33%	5.33%
	Total Capital of the firm in ₹		**1,50,000**	**1,50,000**

Note 5. Current tax assets

Advance Tax paid	33,13,328	24,28,116
Less: Provision for Tax	(3,26,619)	(3,26,619)
Total	**29,86,709**	**21,01,497**

(a) **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 6. Deferred Tax Asset (Net)

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

Deferred Tax Asset	59,05,699	27,61,669
Deferred Tax Liability	-	(120)
Total	**59,05,699**	**27,61,549**

2017-2018	**Opening Balance**	**Recognised in profit or loss**	**Closing Balance**
Deferred tax assets / (liabilities) in relation to:			
Deffered tax on account of unused losses	27,61,669	31,38,920	59,00,589
Deffered tax on account of depreciation	(120)	5,230	5,110
Total	**27,61,549**	**31,44,150**	**59,05,699**

2016-2017	**Opening Balance**	**Recognised in profit or loss**	**Closing Balance**
Deferred tax assets / (liabilities) in relation to:			
Deffered tax on account of unused losses	-	27,61,669	27,61,669
Deffered tax on account of depreciation	-	(120)	(120)
Total	-	**27,61,549**	**27,61,549**

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HEET BUILDERS PRIVATE LIMITED

	As at 31st March, 2018	As at 31st March, 2017
Note 7. Inventories		
Inventories (lower of cost or net realisable value)		
- Stock of material at site	5,07,330	13,71,510
- Incomplete projects	2,94,71,02,811	2,60,04,73,155
Total	**2,94,76,10,141**	**2,60,18,44,665**

Footnote : The project is mortgaged in favour of of ECL Finance Limited for loan availed by Vishal Techno Commerce Limited, a fellow subsidiary.

Note 8. Trade Receivables

Current		
Trade Receivables (unsecured)	3,13,25,000	6,07,62,838
Total	**3,13,25,000**	**6,07,62,838**

Note 9. Cash and cash equivalents

Balances with banks:		
- in current and escrow accounts	3,36,43,238	11,90,749
Cash on hand	32,613	15,703
Total	**3,36,75,851**	**12,06,452**

Note 10. Other financial assets

Current		
Security deposits	25,000	5,32,000
Advances recoverable from Related parties (Refer Note 28)	50,05,659	-
Other receivables (Other than Trade Receivables)	-	5,000
Total	**50,30,659**	**5,37,000**

Note 11. Other assets

Current		
Advances to suppliers	1,80,79,958	1,47,49,551
Unbilled revenue	62,01,727	2,48,35,707
Balances with statutory authorities	64,41,385	7,13,332
Prepaid Expense	42,081	22,31,806
Advance Against Loan Processing fees	13,12,50,000	-
Total	**16,20,15,151**	**4,25,30,396**

M. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

HEET BUILDERS PRIVATE LIMITED

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Note 12. Equity share capital		
Authorised Share Capital:		
5,000 (P.Y.: 5,000) Equity Shares of ₹ 100/- each	5,00,000	5,00,000
Issued and subscribed capital comprises:		
5,000 (P.Y.: 5,000) Equity Shares of ₹ 100/- each fully paid up	5,00,000	5,00,000
	5,00,000	5,00,000

13.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Fully paid equity shares	Number of shares	Share Capital ₹
Balance at 1st April, 2016	5,000	5,00,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2017	5,000	5,00,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
Balance at 31st March, 2018	5,000	5,00,000

13.2 Shares held by its holding company or its ultimate holding company, subsidiaries or associates of the holding company or the ultimate holding company

	No of shares	
	As at 31st March, 2018	As at 31st March, 2017
Hubtown Limited	4,720	4,720
Total	4,720	4,720

13.3 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	4,720	94.40%	4,720	94.40%
Others	280	5.60%	280	5.60%
Total	5,000	100%	5,000	100%

13.4 Terms / Right attached to ordinary Equity Shares

The company has a single class of equity shares having a face value of ₹ 100/- per share. The shareholders are entitled to receive dividend on their shares, as and when the same is declared by the Company. 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.

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

HEET BUILDERS PRIVATE LIMITED

HEET BUILDERS 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 13. Other Equity		
Retained Earnings		
Balance at the beginning of the year	(37,747,657)	(29,368,517)
Profit attributable to the owners of the company	(10,302,568)	(8,379,140)
Total	**(48,050,225)**	**(37,747,657)**
Note 14. Non-current borrowings		
Non current		
Term Loans		
- From related party - Unsecured (Refer footnote)	2,415,715,290	2,057,693,770
From financial institutions - Secured	-	100,000,000
	2,415,715,290	**2,157,693,770**
Less: Transferred to Current Maturities		
Of Long Term Loan from a Company	(1,502,580,000)	-
Of financial institutions	-	(100,000,000)
Total	**913,135,290**	**2,057,693,770**

Footnotes:

i. The company has borrowed funds from Vishal Techno Commerce Limited, a fellow subsidiary who has borrowed funds from ECL Finance Limited for the project under execution. All the cost of borrowing, upfront fees and processing cost are borne by Heet Builders Private Limited to the extent of loans advanced to Heet Builders Private Limited by Vishal Techno Commerce Limited.

ii. The rate of interest for the loans borrowed from Vishal Techno Commerce Limited is 21% p.a. to be paid directly to ECL Finance Limited. (15% payable Quarterly & 6% Payable on 1st Repayment i.e. 30th September, 2018)

iii The above loan is secured against :

a. First Mortgage and Charge on the project developed by Company and entire receivables of the project.

b. Charge by way of mortgage of units of Hubtown Sunmist, and land situated at Mulund.

c. Corporate Guarantee of Hubtown Limited, Corporate Guarantee of Vishal Techno Commerce Limited, and Personal Guarantee of Mr. Hemant Shah and Mr. Vyomesh Shah Director's of Holding Company Hubtown Limited.

d. Pledge of 94.4% shares of Heet Builders Private Limited, 100% Shares of Vishal Techno Commerce Limited and 45,00,000 shares of Hubtown Limited and Corporate Guarantee of Vishal Techno Commerce Limited.

iv. Details of repayment of long term borrowings are as follows :

Particulars	Up to 1 year	2 to 5 years	Total
Term loans from Company *	1,502,580,000	913,135,290	**2,415,715,290**

* Measured at amortized cost (net of transaction cost)

v. Period and amount of continuing default as on balance sheet date in repayment of term loans and interest :

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
Term loan from Financial Institutions		
Overdue instalments	-	-
Overdue Interest	67,236,847	72,226,819
	67,236,847	**72,226,819**

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

HEET BUILDERS 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 15. Other financial liabilities		
Non-current		
Retention money payable (Refer Footnote)	42,44,595	44,79,797
Total	**42,44,595**	**44,79,797**

Retention Money liability to the contractors which are not due for payment as at 31st March, 2018 have been shown under the head "Other Financial Liabilities" as per Ind AS-32. As per the management, the retention liability is in the nature of holding the amount as guarantee towards performance and does not relate to credit period given by the contractor. Further in the opinion of the management, there has not been any authoritative clarification / interpretation with regard to measurement of fair value in respect of above item hence retention liability has not been discounted as on 31st March, 2018.

Current		
Current maturities of long-term debts	1,50,25,80,000	10,00,00,000
Interest accrued and due on borrowings	6,72,36,847	7,22,26,819
Interest accrued but not due on borrowings	9,96,64,236	13,66,96,110
Current account balance in firms and joint ventures (Refer Note 28)	12,637	1,057
Business Advances from related party (Refer Note 28)	38,02,69,285	-
Security deposits (Refundable)	1,82,880	88,080
Other payables	52,84,616	18,94,666
Total	**2,05,52,30,501**	**31,09,06,732**

Note 16. Trade payables		
Due to micro and small enterprises (Refer Footnote)	-	-
Due to others	3,55,23,966	13,99,28,295
Total	**3,55,23,966**	**13,99,28,295**

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 17. Other current liabilities		
Current		
Advance from customers	3,19,36,875	8,83,73,372
Overdrawn bank balances as per books of accounts	4,19,495	-
Other payables :		
- Statutory dues	19,25,03,995	14,72,92,829
-Employee Benefits Payables	30,44,558	2,56,263
Total	**22,79,04,923**	**23,59,22,464**

Note 18. Provisions		
Current		
Employee Benefits		
Provision for leave benefit	78,137	91,132
Total	**78,137**	**91,132**

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HEET BUILDERS PRIVATE LIMITED

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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 19. Revenue from operations		
Sale from operations :		
Sale of properties / rights (Net)	11,17,54,610	4,00,56,927
Revenue from sale of Trading Materials	21,15,154	
Other operating revenue :		
Liabilities written back to the extent no longer required	3,79,213	-
Others	16,52,279	5,00,000
Total	**11,59,01,256**	**4,05,56,927**
Note 20. Other income		
Interest Income:		
- Bank fixed deposits	-	2,35,599
Other gains and losses		
Foreign Exchange Gain	2,01,395	-
Total	**2,01,395**	**2,35,599**
Note 21. Costs Of Construction / Development		
Construction costs incurred during the year:		
Land / rights acquired	5,60,75,530	96,13,62,600
Material and labour costs	3,39,11,151	3,74,56,477
Approval and consultation expenses	1,50,76,431	1,83,35,469
Other direct development expenses	88,14,312	3,25,44,214
Total	**11,38,77,424**	**1,04,96,98,760**
Note 22. Changes In Inventories Of Incomplete Projects		
Opening Inventory :		
Incomplete projects	2,60,04,73,155	1,11,16,83,148
Closing Inventory :		
Incomplete projects	2,94,71,02,811	2,60,04,73,155
Total	**(34,66,29,656)**	**(1,48,87,90,007)**
Note 23. Employee Benefits Expense		
Salaries, bonus, etc.	1,35,12,183	9,00,884
Contribution to provident and other funds	4,83,308	-
Staff welfare expenses	41,792	36,288
Total	**1,40,37,283**	**9,37,172**
Note 24. Finance Costs		
Interest costs:-		
Interest on Fixed loans	31,36,87,959	45,92,38,564
Delayed/penal interest on loans and statutory dues	2,34,35,150	1,41,60,752
Total	**33,71,23,109**	**47,33,99,316**
Note 25. Depreciation and Amortisation Expenses		
Depreciation of property, plant and equipment	4,079	1,361
Total	**4,079**	**1,361**
Note 26. Other Expenses		
Insurance	99,153	82,807
Rent	15,00,000	3,79,800
Advertisement and Marketing expenses	16,26,720	13,75,550
Advances and other debit balances written off	1,12,000	-
Brokerage	11,95,118	15,06,626
Legal and professional fees	20,74,648	41,27,687
Other expenses	23,94,156	88,87,159
Total	**90,01,795**	**1,63,59,629**

Footnote :

Auditors Remuneration (included in other expensess):		
Statutory Audit Fees	50,000	50,000
GST/Service tax on above	-	-
Total	**50,000**	**50,000**

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

HEET BUILDERS PRIVATE LIMITED

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

	Year ended 31 March, 2018 ₹	Year ended 31 March, 2016 ₹
Note 27. Earning per share (EPS)		
Basic and Diluted Earning Per Share	(2,060.51)	(1,675.83)

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	(1,03,02,568)	(83,79,140)
Earnings used in the calculation of basic and diluted earnings per share	(1,03,02,568)	(83,79,140)
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	5000	5000

Note 28. Related party disclosure

A) Names of Related Parties and description of Relationships

I **Holding Company**
Hubtown Limited

II **Fellow Subsidiary Companies**
Vishal Techno Commerce Limited
Citywood Builders Private Limited

III **JOINT CONTROLLED ENTITIES**
Hubtown bus terminal (ahmadabad) pvt. ltd.
Hubtown bus terminal (vadodara) pvt ltd

IV **Firm in which the company is 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 party

Sr. No.	Nature of Transaction	Holding Company	Others Significant Influence	JOINT CONTROLLED ENTITIES	Firm in which Company is a partner
1	**Construction cost - Purchase of FSI**				
	Hubtown Limited	- (58,41,00,000)	-	-	-
2	**Interest paid**				
	Vishal Techno Commerce Limited	-	- (17,00,24,040)	-	-
3	**Loans and Advances Given/Repaid/Adjusted**				
	Vishal Techno Commerce Limited	-	16,51,46,190 (10,29,42,535)	-	-
4	**Loans and Advances Received/Recovered/Adjusted**				
	Vishal Techno Commerce Limited	-	35,46,96,439 (78,55,35,165)	-	-
5	**On Behalf Payment made**				
	Vishal Techno Commerce Limited	-	- (52,49,400)	-	-
6	**Loans and Advances Given/Repaid/Adjusted**				
	Hubtown Limited	- (14,62,60,000)	-	-	-
7	**Loans and Advances received**				
	Hubtown Limited	26,51,32,036 (10,16,30,553)	-	-	-
8	**Reimbursement of expenses**				
	Hubtown Limited	(2,33,76,581)	-	-	-
9	**On behalf payment made**				
	Citywood Builders Private Limited	-	4,988 (24,788)	-	-
	Hubtown bus terminal (ahmedabad) pvt. ltd.	-	-	45,460 (-)	-
	Hubtown bus terminal (vadodara) pvt ltd	-	-	4,50,030 (-)	-
10	**On behalf payment made recovered**				
	Citywood Builders Private Limited	-	- (24,788)	-	-

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HEET BUILDERS PRIVATE LIMITED

11	**Corporate gurantees vacated during the year for loan taken**				
	Hubtown limited and Vishal Techno Commerce Limited	10,12,75,047 (14,61,19,267)	-	-	-
12	**Share of loss from partnership firm**				
	M/s Rising Glory Developers	-	-	-	1,580 (365)
13	**Corporate guarantee given**				
	Vishal Techno Commerce Limited	49,45,79,306 (2,38,18,11,491)	-	-	-

Footnote:
Previous Year figures are given in brackets

	Balance outstanding	As at 31st March, 2018	As at 31st March, 2017
i	**Balance Payables**		
	Rising Glory Developers (Current Account)	12,637	1,057
	Hubtown Limited (Adjusted)	38,02,69,285	11,51,37,249
	Vishal Techno Commerce Limited (Loan)	2,50,43,00,000	2,14,69,33,860
ii	**Balance Receivables**		
	Citywood Builders Private Limited	4,988	-
	Hubtown bus terminal (ahmedabad) pvt. ltd.	45,460	-
	Hubtown bus terminal (vadodara) pvt ltd	4,50,030	-
	Vishal Techno Commerce Limited	45,05,182	
iii.	**Balance of corporate guarantee**		
	Hubtown Limited and Vishal Techno Commerce Limited	-	10,12,75,047
iv.	**Corporate Guarantees given for loans availed by others**		
	Vishal Techno Commerce Private Limited (Refer Footnote)	2,87,63,90,797	2,38,18,11,491

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.

The rate of interest, processing fees, any other charges levied by the lenders on the entitiy availing loans are based on internal guidelines of the lenders depending on the merits of the underlying projects and their estimated cashflows. The corporate guarantee issued by the Company is basically to provide comfort by the Company as a shareholder of the Borrower entity to the Lenders. The corporate guarantees, in any case, do not result in any additional benefits to the borrower. Accordingly, the fair value of the corporate guarantee are excepted to be immaterial in such cases.

M. H. DALAL & ASSOCIATES
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Note 29. Contingent Liability

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

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.

Note 31.

Loans and advances, other receivables, debtors and creditors are subject to confirmations and are considered payable / realisable, as the case may be.

Note 32. 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 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.

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HEET BUILDERS PRIVATE LIMITED

Note 34. Financial Instruments

Fair Value measurement

	31st March 2018			31st March 2017		
	FVPL	**FVOCI**	**Amortised Cost**	**FVPL**	**FVOCI**	**Amortised Cost**
Financial Assets						
Other financial assets	-	-	50,30,659	-	-	5,37,000
Cash and cash equivalent	-	-	3,36,75,851	-	-	12,06,452
Investments			10,000			10,000
Trade receivables			3,13,25,000			6,07,62,838
Total of Financial Assets	-	-	**7,00,41,510**	-	-	**6,25,16,291**
Financial Liabilities						
Borrowings	-	-	91,31,35,290		-	2,05,76,93,770
Trade payables	-	-	3,55,23,966	-	-	13,99,28,295
Other Financial liabilities	-	-	2,05,94,75,096	-	-	31,53,86,529
Total of Financial Liabilities	-	-	**3,00,81,34,352**	-	-	**2,51,30,08,594**

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

As per our report of even date

For M H DALAL AND ASSOCIATES
Chartered Accountants
Firm Registration No. 112449W

DEVANG DALAL
PARTNER
Membership No. 109049

Mumbai
Date: 21st June, 2018

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

FOR AND ON BEHALF OF THE BOARD

HEET BUILDERS PRIVATE LIMITED

KAMAL MATALIA
DIRECTOR
DIN: 00009695

R.F. Doshi
RAJESH DOSHI
DIRECTOR
DIN: 03626861
Date: 21st June, 2018