

## INDEPENDENT AUDITOR'S REPORT

**To The Members of  
Moongipa RealtyPrivate Limited**

### **Report on the audit of Indian Accounting Standards ('Ind AS') Financial Statements**

We have audited the accompanying Ind AS financial statements of **Moongipa RealtyPrivate Limited** ("the Company"), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as '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 state of affairs, profit or loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

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



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

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

### **Report on other legal and regulatory requirements**

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



2. As required by section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, statement of profit and loss, statement of changes in equity and cash flow statement 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 prescribed under section 133 of the Act;

(e) on the basis of written representations received from the directors as on 31 March 2019, taken on record by the board of directors, none of the directors are disqualified as on 31 March 2019 from being appointed as a director in terms of section 164 (2) of the Act;


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

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

(i) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

(ii) there were no amounts which were required to be transferred to the investor education and protection fund by the Company.

For RVA & ASSOCIATES LLP  
CHARTERED ACCOUNTANTS  
FRN: 115003W / W100039

  
CA RAVI AGRAWAL  
M.NO. 042888  
PARTNER



PLACE: MUMBAI  
DATE: 25<sup>TH</sup> MAY 2019

## **Annexure A to the Independent Auditor's Report**

**To the Members of  
Moongipa Realty Private Limited**

**For the year ended 31 March 2019**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The Company has formulated a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. During the year, the management has carried out physical verification of certain fixed assets and no material discrepancies noticed on such verification.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties as at the year end, written confirmations have been obtained by the management. The discrepancies noted on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, there are no companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) The Company does not have any loan, investment, guarantees and security which require compliance under section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of section 73 to 76 of the Act. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act in respect of the products manufactured and activities performed by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted in the books of account in respect of undisputed statutory dues including provident fund, employees



state insurance, income tax, sales tax, duty of excise, duty of customs, service tax, value added tax, goods and services tax, cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, duty of excise, duty of customs, service tax, value added tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, duty of customs, service tax, value added tax and goods and services tax which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of duty of excise have not been deposited by the Company on account of disputes:

Name of the statute	Nature of the dues	Amount (Rs) (net of amount paid under protest) *	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	29,24,67,938/-	2007-08, 2008-09, 2009-10, 2010-11, 2011-12 & 2012-13	Commissioner of Income Tax (Appeal)

- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to any financial institutions, banks, debenture holders and government during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they have been raised.
- (x) According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company is a private limited company and hence the provisions of section 197 of 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) According to the information and explanations given to us and based on our examination of the records of the Company, we were given to understand that there are no transactions that require approvals in accordance with section 188 of the Act. Related party transactions as required by the relevant accounting standards have been disclosed in the Ind AS financial statements. The Company is a private limited company and hence the provisions of section 177 of the Act are not applicable.
- (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 under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

**For RVA & ASSOCIATES LLP**  
**CHARTERED ACCOUNTANTS**  
**FRN: 115003W / W100039**

  
**CA RAVI AGRAWAL**  
**M.NO. 048888**  
**PARTNER**  
**PLACE: MUMBAI**  
**DATE: 25<sup>TH</sup> MAY 2019**



**Annexure B to the Independent Auditor's Report to the Members of Moongipa RealtyPrivate Limited for the year ended 31 March 2019**

**Report on the Internal Financial Controls with reference to financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **Moongipa RealtyPrivate Limited** "the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For RVA & ASSOCIATES LLP  
CHARTERED ACCOUNTANTS  
FRN: 115003W / W100039

  
CA RAVI AGRAWAL M.NO. 048888  
PARTNER  
PLACE: MUMBAI  
DATE: 25<sup>TH</sup> MAY 2019





**Moongipa Realty Private Limited**  
**Balance Sheet as at 31st March, 2019**

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>1 Non-current assets:</b>			
(a) Property, Plant and Equipment	3	21,119,743	21,201,725
(b) Capital work-in-progress	4	1,878,464,124	1,864,586,943
(c) Other non-current assets	5	900,000	900,000
		<b>1,900,483,867</b>	<b>1,886,688,668</b>
<b>(2) Current assets:</b>			
(a) Financial Assets			
(i) Investments		-	-
(ii) Inventories		-	-
(iii) Trade Receivables		1,409,379	739,741
(iv) Cash and cash equivalents	6	1,586,417	1,004,133
(v) Short term Loans & advances	7	3,854,500	4,210,500
(b) Other current assets	8	13,292,969	16,169,383
		<b>20,143,265</b>	<b>22,123,757</b>
<b>TOTAL ASSETS</b>		<b>1,920,627,132</b>	<b>1,908,812,425</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
(a) Equity share capital	9	69,703,020	69,703,020
(b) Other equity	10	(3,216,380)	(4,606,974)
(c) Share Premium		171,927,230	171,927,230
		<b>238,413,870</b>	<b>237,023,276</b>
<b>Share Application Money Pending Allotment</b>		-	-
<b>LIABILITIES:</b>			
<b>(1) Non-current liabilities:</b>			
Long Term Borrowings		29,152,900	10,396,530
Deferred Tax Liabilities	11	(181,891)	(119,479)
<b>Total non-current liabilities</b>		<b>28,971,009</b>	<b>10,277,051</b>
<b>(2) Current liabilities:</b>			
(a) Short Term Borrowings		9,905,251	8,076,201
(b) Other current liabilities	12	1,643,016,634	1,652,453,979
(c) Provisions	13	320,366	981,920
		<b>1,653,242,251</b>	<b>1,661,512,100</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,920,627,132</b>	<b>1,908,812,425</b>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; OTHER NOTES</b>	1,2 & 18	0	-

The accompanying notes form an integral part of standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **RVA & ASSOCIATES LLP**

Chartered Accountants

Firm Registration No.: 115003W/W100039

*Chauhan*

**CA RAVI AGRAWAL**

Partner

M No: 048888

Place: Mumbai

Date : 25th May, 2019



*Ravish Agarwal*

**RAJESH AGARWAL**  
(Director)

*Sanjay Agarwal*

**SANJAY AGARWAL**  
(Director)

**Moongipa Realty Private Limited**  
Statement of Profit and Loss for the year ended on 31st March, 2019

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>(I) INCOME:</b>			
Revenue from operations		-	-
Other Income	14	4,046,801	6,904,921
<b>TOTAL INCOME (I)</b>		<b>4,046,801</b>	<b>6,904,921</b>
<b>(II) EXPENSES:</b>			
Purchase of stock in trade		13,877,181	41,557,065
Changes in Inventories of FG, WIP and stock in trade		(13,877,181)	(41,557,065)
Employee benefits expense	15	519,426	296,493
Depreciation and amortisation expense	16	87,787	72,048
Other Expenses	17	2,122,566	7,534,364
<b>TOTAL EXPENSES (II)</b>		<b>2,729,778</b>	<b>7,902,904</b>
Profit Before Exceptional Item		1,317,023	(997,983)
Exceptional Item		11,158	(331,086)
<b>Profit /(Loss) before Tax (I-II)</b>		<b>1,328,181</b>	<b>(1,329,069)</b>
<b>TAX EXPENSE:</b>			
Current Tax		-	-
Deferred Tax		(62,412)	(16,732)
<b>Profit /(Loss) after Tax</b>		<b>1,390,593</b>	<b>(1,312,337)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Remeasurement of the net defined benefit liability / asset		-	-
<b>Total Other Comprehensive Income, net of taxes</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the period</b>		<b>1,390,593</b>	<b>(1,312,337)</b>
<b>Earnings per equity share:</b>			
(Nominal value per equity share of Rs 10 each)			
Basic		0.20	(0.19)
Diluted		0.20	(0.19)
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; OTHER NOTES</b>	1,2 & 18		

The accompanying notes form an integral part of standalone financial statements

As per our report of even date attached

For **RVA & ASSOCIATES LLP**

Chartered Accountants

Firm Registration No.: 115003W/W100039

*Ravi*  
**CA RAVI AGRAWAL**

Partner

M No: 048888

Place: Mumbai

Date : 25th May, 2019



For and on behalf of the Board of Directors

*Rajesh Agarwal Sanjay Agarwal*

**RAJESH AGARWAL**  
(Director)

**SANJAY AGARWAL**  
(Managing Director)

Note 1: Significant Accounting Policies and notes forming part of the Balance Sheet and Statement of Profit and Loss

A. Background

Moongipa Realty Private Limited is a Company incorporated under the Companies Act, 2013. The company's registered office is situated at Unit No. 22, 8th Floor, 23A N S Road, Kolkata – 700 001. The Company is engaged in business of development of real estate and construction of flats. The said business is carried on from the premises referred to hereinabove.

B. Basis of preparation

B1. Compliance with Ind AS

These financial statements up to and for the year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2017 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Company's accounting policies are included in Note C.

B2. Basis of measurement

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

Items	Measurement Basis	Certain financial assets and liabilities	Fair value	External commercial borrowings	Amortised cost (Effective interest rate)	Assets held for sale	Fair value less cost to sell	Net defined benefit plans – (assets)/liabilities	Fair value of plan assets less present value of defined benefit obligations	Share-based payments	Fair value
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B3. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency under Ind-AS. All amounts have been rounded-off to the nearest Rupees, unless otherwise indicated.

B4. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.



Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

## Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

### C. Significant Accounting Policies

#### C1. Operating cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of assets and liabilities as current and non-current.

#### C2. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

##### C2.1. Cash and cash equivalents (for the purposes of cash flow statements)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### C3. Financial instruments

##### C3.1. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.



## C3.2. Classification and subsequent measurement

### Financial asset

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through OCI (FVOCI) – equity investment; or
- Fair value through profit or loss (FVTPL)

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. This election is made on an investment-by-investment basis and all equity instruments are routed through FVTPL.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

All other financial assets are measured at an amortised cost using risk adjusted discount rate.

### Financial Liability

Financial liabilities are classified as measured at amortised cost or FVTPL

After initial measurement, financial liability including debt instruments are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit or Loss.

## C3.3. Derecognition

### Financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Company has transferred its rights to receive cash flows from the asset and either -
  - i. the Company has transferred substantially all the risks and rewards of the asset, or
  - ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



## Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### C3.6. Impairment

The Company recognises loss allowances for expected credit losses on

- Financial assets measured at amortised cost
- Financial assets measured at FVOCI

At each reporting date, the Company assesses whether financial assets carried at amortised cost and at FVOCI are credit impaired. A financial asset is credit impaired when one or more events have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cashflows due to the company in accordance with the contract and the cash flows that the company expects to receive).

### C4. Property, Plant and Equipment

The tangible fixed assets acquired by the Company are recorded and stated at acquisition cost, which includes directly attributable cost of bringing the assets to their working condition for their intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use, less accumulated depreciation and impairment losses, if any.

Tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under Long Term Loans and Advances and cost of fixed assets not ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest and are disclosed under "Capital Work- in- Progress.



#### C4.1. Depreciation

The assets acquired including those upon acquisition, are depreciated / amortized on a WDV basis over the estimated useful life as determined by the management (as given below) based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Fixed assets individually costing less than USD 5,000 or equivalent INR are fully depreciated in the year of purchase. The estimated average useful lives of major categories of tangible assets are as follows:

Assets	Estimated useful life
Plant & Machinery	02-22 years
Computer & Software	03-21 years
Office Equipment	03-21 years
Furniture & Fixture	10 years
Vehicles	08-10 years

#### C4.2. Goodwill, Intangible Assets and Amortization

Not applicable to the company, as company do not hold any intangible assets during the year under review.

#### C4.3. Impairment

The Company determines whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

#### C4.4. Expenditure Capitalized

Direct expenditure on assets under construction or development is shown under Capital work-in-progress, while indirect expenditure is expensed.

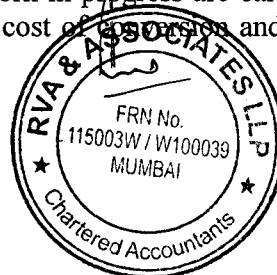
#### C4.5. Research and Development

Operating expenditure incurred on research and development activities is expensed. Fixed assets, relating to research and development are capitalized and depreciation provided there on.

#### C5. Inventories

Inventories are valued at the lower of cost and net realizable value.

Consumables, Stores and Spares and Work-in-progress are carried at the weighted average cost method. Cost includes cost of purchase, cost of ~~of~~ and other costs incurred in bringing



the inventories to the present location and condition. Costs of Finished Goods are determined using absorption costing principles. Cost includes cost of materials consumed, labor and an allocation of variable and fixed production overheads apportioned on the basis of normal capacity of production facilities.

#### C6. Non-current assets held for sale

Non-current assets, comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit or Loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment are no longer amortised or depreciated.

#### C7. Revenue Recognition

Revenue from sale of flats is recognized when significant risks and rewards are transferred to customers and when collection of the receivable is reasonably certain. Sales exclude sales tax and state value added tax.

Interest income is recognized using time proportion method based on the rates implicit in the transaction when collection of the interest is reasonably certain.

#### C8. Foreign Currency Transactions

The Company did not deal in foreign currency transactions during the year under review.

#### C9. Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

##### Defined Benefit Plans

##### C9.1 Gratuity

None of the employee is eligible for gratuity.

##### C9.2. Compensated Absences

Provisions for Compensated Absences for employees of the Company, payable at the time of resignation / retirement are determined as on the Balance Sheet date, based on an actuarial valuation using the Projected Unit Credit Method and is provided for.





The cost of short-term compensated absences is accounted for as follows:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement to future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

#### Defined Contribution Plans

##### C9.3. Superannuation

None of the employee is eligible for superannuation scheme.

##### C9.4. Provident Fund and Employees State Insurance

The PF and ESIC Acts are not applicable to the Company as the no. of employees are less than 10 in the Company.

#### Short-term employee benefits

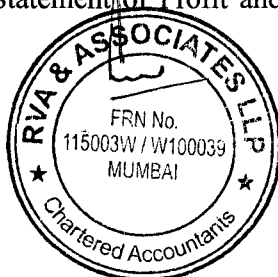
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and other benefits which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

##### C9.5. Employee share based payments

Compensation cost related to the ultimate holding company's options granted to the employees of the Company are accounted on the basis of fair value of the amount payable to employees in respect to the options issued by the ultimate holding company and in accordance with the terms and conditions of the plan assessed, managed and administered by the ultimate holding company. These options are recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to the payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the options. Any changes in the fair value of the liability are recognised in Statement of Profit and Loss.

#### C10. Borrowing costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.



Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

#### C11. Segment reporting

An operating segment is a component of the Component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The management has evaluated the internal reporting and has adopted a single operating segment for the Company.

#### C12. Operating & Finance leases as Lessee

Not applicable to the Company

#### C13. Earnings per share

Basic earnings per equity share is computed by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti-dilutive.

#### C14. Income Taxes

##### C14.1 Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax levies.

##### C14.2 Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;



Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

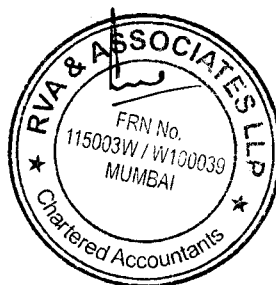
Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### C14.3 Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT Credit Entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

#### C15. Provisions, contingent liabilities and assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.



## **C1. Recent accounting pronouncement - amendments**

Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 01, 2018.

### **C16.1 Ind AS 115: Revenue from contracts with customers**

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The Application of Ind AS 115 did not have any significant impact on financial statement of the Company.

### **C16.2 Ind AS 21: The effects of changes in foreign exchange rates**

The amendment 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 Company is in the process of evaluating the impact of adoption of amendment to Ind AS 21 on its financial statements.

### **C16.3 Ind AS 12: Income taxes**

The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax (DDT) when it recognizes a liability to pay a dividend. The Liability of DDT shall be recorded in the statement of profit & loss, other comprehensive income or equity, as the case may be.

The second amendment related to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not.

If there is uncertainty over tax treatment of an item an entity should predict then resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/taxes, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty.

The Company is in the process of evaluating the impact of adoption of amendment to Ind AS 12 on its financial statements.



Note 1: Significant Accounting Policies and notes forming part of the Balance Sheet and Statement of Profit and Loss

A. Background

Moongipa Realty Private Limited is a Company incorporated under the Companies Act, 2013. The company's registered office is situated at Unit No. 22, 8th Floor, 23A N S Road, Kolkata – 700 001. The Company is engaged in business of development of real estate and construction of flats. The said business is carried on from the premises referred to hereinabove.

B. Basis of preparation

B1. Compliance with Ind AS

These financial statements up to and for the year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2017 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Company's accounting policies are included in Note C.

B2. Basis of measurement

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

Items Measurement Basis  
Certain financial assets and liabilities Fair value  
External commercial borrowings Amortised cost (Effective interest rate)  
Assets held for sale Fair value less cost to sell  
Net defined benefit plans – (assets)/liabilities Fair value of plan assets less present value of defined benefit obligations  
Share-based payments Fair value

B3. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency under Ind-AS. All amounts have been rounded-off to the nearest Rupees, unless otherwise indicated.

B4. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.



Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

## Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

### C. Significant Accounting Policies

#### C1. Operating cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of assets and liabilities as current and non-current.

#### C2. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

##### C2.1. Cash and cash equivalents (for the purposes of cash flow statements)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### C3. Financial instruments

##### C3.1. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.



### C3.2. Classification and subsequent measurement

#### Financial asset

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through OCI (FVOCI) – equity investment; or
- Fair value through profit or loss (FVTPL)

#### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. This election is made on an investment-by-investment basis and all equity instruments are routed through FVTPL.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

All other financial assets are measured at an amortised cost using risk adjusted discount rate.

#### Financial Liability

Financial liabilities are classified as measured at amortised cost or FVTPL

After initial measurement, financial liability including debt instruments are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit or Loss.

### C3.3. Derecognition

#### Financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Company has transferred its rights to receive cash flows from the asset and either -
  - i. the Company has transferred substantially all the risks and rewards of the asset, or
  - ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



## Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### C3.6. Impairment

The Company recognises loss allowances for expected credit losses on

- Financial assets measured at amortised cost
- Financial assets measured at FVOCI

At each reporting date, the Company assesses whether financial assets carried at amortised cost and at FVOCI are credit impaired. A financial asset is credit impaired when one or more events have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cashflows due to the company in accordance with the contract and the cash flows that the company expects to receive).

### C4. Property, Plant and Equipment

The tangible fixed assets acquired by the Company are recorded and stated at acquisition cost, which includes directly attributable cost of bringing the assets to their working condition for their intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use, less accumulated depreciation and impairment losses, if any.

Tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under Long Term Loans and Advances and cost of fixed assets not ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest and are disclosed under "Capital Work- in- Progress.





#### C4.1. Depreciation

The assets acquired including those upon acquisition, are depreciated / amortized on a WDV basis over the estimated useful life as determined by the management (as given below) based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Fixed assets individually costing less than USD 5,000 or equivalent INR are fully depreciated in the year of purchase. The estimated average useful lives of major categories of tangible assets are as follows:

Assets	Estimated useful life
Plant & Machinery	02-22 years
Computer & Software	03-21 years
Office Equipment	03-21 years
Furniture & Fixture	10 years
Vehicles	08-10 years

#### C4.2. Goodwill, Intangible Assets and Amortization

Not applicable to the company, as company do not hold any intangible assets during the year under review.

#### C4.3. Impairment

The Company determines whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

#### C4.4. Expenditure Capitalized

Direct expenditure on assets under construction or development is shown under Capital work-in-progress, while indirect expenditure is expensed.

#### C4.5. Research and Development

Operating expenditure incurred on research and development activities is expensed. Fixed assets, relating to research and development are capitalized and depreciation provided there on.

#### C5. Inventories

Inventories are valued at the lower of cost and net realizable value.

Consumables, Stores and Spares and Work-in-progress are carried at the weighted average cost method. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing



the inventories to the present location and condition. Costs of Finished Goods are determined using absorption costing principles. Cost includes cost of materials consumed, labor and an allocation of variable and fixed production overheads apportioned on the basis of normal capacity of production facilities.

#### C6. Non-current assets held for sale

Non-current assets, comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit or Loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment are no longer amortised or depreciated.

#### C7. Revenue Recognition

Revenue from sale of flats is recognized when significant risks and rewards are transferred to customers and when collection of the receivable is reasonably certain. Sales exclude sales tax and state value added tax.

Interest income is recognized using time proportion method based on the rates implicit in the transaction when collection of the interest is reasonably certain.

#### C8. Foreign Currency Transactions

The Company did not deal in foreign currency transactions during the year under review.

#### C9. Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

##### Defined Benefit Plans

##### C9.1 Gratuity

None of the employee is eligible for gratuity.

##### C9.2. Compensated Absences

Provisions for Compensated Absences for employees of the Company, payable at the time of resignation / retirement are determined as on the Balance Sheet date, based on an actuarial valuation using the Projected Unit Credit Method and is provided for.



The cost of short-term compensated absences is accounted for as follows:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement to future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

#### Defined Contribution Plans

##### C9.3. Superannuation

None of the employee is eligible for superannuation scheme.

##### C9.4. Provident Fund and Employees State Insurance

The PF and ESIC Acts are not applicable to the Company as the no. of employees are less than 10 in the Company.

#### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and other benefits which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

##### C9.5. Employee share based payments

Compensation cost related to the ultimate holding company's options granted to the employees of the Company are accounted on the basis of fair value of the amount payable to employees in respect to the options issued by the ultimate holding company and in accordance with the terms and conditions of the plan assessed, managed and administered by the ultimate holding company. These options are recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to the payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the options. Any changes in the fair value of the liability are recognised in Statement of Profit and Loss.

#### C10. Borrowing costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.



Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

#### C11. Segment reporting

An operating segment is a component of the Component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The management has evaluated the internal reporting and has adopted a single operating segment for the Company.

#### C12. Operating & Finance leases as Lessee

Not applicable to the Company

#### C13. Earnings per share

Basic earnings per equity share is computed by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti-dilutive.

#### C14. Income Taxes

##### C14.1 Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax levies.

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Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;



Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### C14.3 Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT Credit Entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

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The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.



## **C1. Recent accounting pronouncement - amendments**

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The amendment 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 Company is in the process of evaluating the impact of adoption of amendment to Ind AS 21 on its financial statements.

### **C16.3 Ind AS 12: Income taxes**

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If there is uncertainty over tax treatment of an item an entity should predict then resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/taxes, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty.

The Company is in the process of evaluating the impact of adoption of amendment to Ind AS 12 on its financial statements.



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

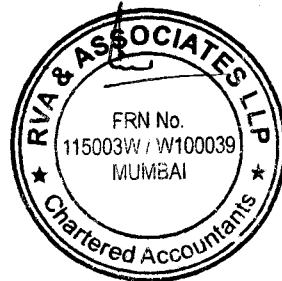
**(A) EQUITY SHARE CAPITAL**

**For the year ended 31st March, 2019**

Balance as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
69,703,020	-	69,703,020

**For the year ended 31st March, 2018**

Balance as at 1st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
69,703,020	-	69,703,020



## Statement of Cash Flows

	31.03.2019	31.03.2018
<b>Cash flows from operating activities</b>		
Profit before taxation	1,328,181	-1,329,069
<b>Adjustments for:</b>		
Depreciation	87,787	72,048
Investment income	-	-
Interest expense	-	-
Profit / (Loss) on the sale of property, plant & equipment	-	-
Preliminary Expenses written off	-	-
Net Profit before Working Capital changes	<u>1,415,968</u>	<u>-1,257,021</u>
<b>Working capital changes:</b>		
(Increase) / Decrease in trade and other receivables	-669,638	-739,741
(Increase) / Decrease in inventories	-13,877,181	-41,557,065
(Increase)/ Decrease in Short Term Loans & Advances	356,000	2,106,000
(Increase)/ Decrease in Other Current Assets	2,876,414	-6,253,372
Increase / (Decrease) in trade payables	-	-5,513,166
Increase / (Decrease) in Short term Borrowings	1,829,050	1,209,337
Increase / (Decrease) in Other Current Liabilities	-9,437,342	49,513,192
Increase / (Decrease) in Short term Provisions	-661,554	217,000
Cash generated from operations	<u>-18,168,283</u>	<u>-2,274,835</u>
Interest paid	-	-
Income taxes paid	-	-
Dividends paid	-	-
<b>Net cash from operating activities</b>	<u>-18,168,283</u>	<u>-2,274,835</u>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	-5,804	-141,703
Adjustments in Fixed Assets	-	-
Profit from sale of Fixed Assets	-	-
Sale of investments	-	99,800
Investment income	-	-
<b>Net cash used in investing activities</b>	<u>-5,804</u>	<u>-41,903</u>
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	18,756,370	2,748,830
Payment of long-term borrowings	-	-
Book Overdraft	-	-
<b>Net cash used in financing activities</b>	<u>18,756,370</u>	<u>2,748,830</u>
<b>Net increase in cash and cash equivalents</b>	<u>582,284</u>	<u>432,091</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>1,004,133</u>	<u>572,042</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>1,586,417</u></u>	<u><u>1,004,133</u></u>





3 Property, Plant and Equipment

Amount in Rs.

Particulars	Land & Building	Plant & Machinery	Computer & Software	Furniture & Fixtures	Vehicles	Total
<b>Cost</b>						
At 1st April 2017	20,836,050	1,080,357	621,447	228,250	589,821	23,355,925
Additions	-	141,703	-	-	-	141,703
Disposals	-	-	-	-	-	-
At 31st March 2017	20,836,050	1,222,060	621,447	228,250	589,821	23,497,628
						-
At 1st April 2018	20,836,050	1,222,060	621,447	228,250	589,821	23,497,628
Additions	-	5,804	-	-	-	5,804
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
At 31st March 2019	20,836,050	1,227,864	621,447	228,250	589,821	23,503,432
						-
<b>Accumulated depreciation and impairment</b>						
						-
At 1st April 2017	-	920,788	567,059	192,470	543,535	2,223,852
Depreciation charge for the year	-	37,147	14,753	11,911	8,237	72,048
Disposals / transfers	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
At 31st March 2018	-	957,935	581,812	204,381	551,772	2,295,900
Depreciation charge for the year	-	52,077	21,474	7,806	6,430	87,787
Disposals / transfers	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
At 31st March 2019	-	1,010,012	603,286	212,187	558,202	2,383,687
<b>Net book value</b>						
At 31st March 2017	20,836,050	264,125	39,635	23,869	38,049	21,201,728
At 31st March 2018	20,836,050	217,852	18,161	16,063	31,619	21,119,743
Useful Life of the assets (range) (years)						
Method of depreciation (SLM/WDV/etc)		WDV	WDV	WDV	WDV	



<b>Note 4: Capital Work in Progress</b>		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	1,864,586,943	1,823,029,878
Add:	13,877,181	41,557,065
<b>Total</b>	<b>1,878,464,124</b>	<b>1,864,586,943</b>
<b>Note 5: Other non current assets</b>		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Advances	-	-
Indirect tax balances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Investment</b>		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in Equities	900,000	900,000
<b>Total</b>	<b>900,000</b>	<b>900,000</b>



<b>Note 6: Cash and cash equivalents</b>		
Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Balances with banks:</b>		
- in current account	718,776	257,457
Cash on hand	867,641	746,676
<b>Total</b>	<b>1,586,417</b>	<b>1,004,133</b>
<b>Other bank balances</b>	-	-
<b>Total</b>	-	-
<b>Total</b>	<b>1,586,417</b>	<b>1,004,133</b>
<b>Note 7: Short term loans and advances</b>		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Deposits	-	-
Reveivable from Related Parties	-	-
Other Loans & Advances	3,854,500	4,210,500
<b>Total</b>	<b>3,854,500</b>	<b>4,210,500</b>
<b>Note 8: Other current assets</b>		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Sundry Advances	5,468,641	4,062,162
Income Tax paid / Refund / TDS Receivable	5,467,105	5,263,612
Cenvat Credit		
Deposit	194,832	194,832
TDS Receivable		
Prepaid Insurance	6,192	4,670
Other Receivables	1,627,202	6,154,538
Miscellaneous Expenditure		
Interest Receivable	528,997	489,568
<b>Total</b>	<b>13,292,969</b>	<b>16,169,383</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Note 9 : SHARE CAPITAL</b>		
<b>Authorised :</b> 70,00,000 (Previous Year: 70,00,000) Equity Shares of Rs.10 each	70,00,000	70,00,000
<b>Issued :</b> 69,70,302 (Previous Year: 69,70,302) Equity Shares of Rs.10 each fully paid up	69,703,020	69,703,020
<b>Subscribed and Paid up:</b> 33,60,850 (Previous Year: 33,60,850) Equity Shares of Rs.10 each fully paid up	69,703,020	69,703,020
	<b>69,703,020</b>	<b>69,703,020</b>

**NOTE 9(a) : Reconciliation of number of shares**

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Number	Number
Shares outstanding at the beginning of the year	6,970,302	6,970,302
Shares issued during the year	-	-
Shares outstanding at the closing of the year	<b>6,970,302</b>	<b>6,970,302</b>
	Rs.	Rs.
Shares outstanding at the beginning of the year	69,703,020	69,703,020
Shares issued during the year	-	-
Shares outstanding at the closing of the year	<b>69,703,020</b>	<b>69,703,020</b>

**NOTE 9(b) : Equity Shares**

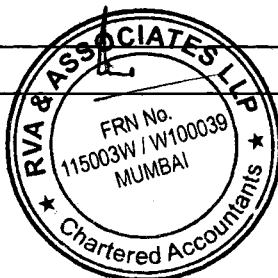
The company has one class of equity shares having a par value of Rs 10 each. Each shareholder is eligible for one vote per share. 100% shares are held by JSW Steel Ltd , the Holding Company.

**NOTE 9(c) : Shares held by its holding company are as follows:**

Equity Shares	As at 31st March, 2019	As at 31st March, 2018
	Number	Number
Yogi Infra Projects Ltd	5,159,600	5,159,600
	Rs.	Rs.
	51,596,000	51,596,000

**NOTE 9(d) : Details of shareholders holding more than 5% shares in the company:**

Equity shares of Rs. 10 each fully paid up	As at 31st March, 2019	As at 31st March, 2018
	Number	Number
Yogi Infra Projects Ltd	5,159,600	5,159,600
	% of holding	% of holding
Yogi Infra Projects Ltd	74.02	74.02



**Note 10: Other Equity:****Surplus / (Deficit) balance in Statement of Profit and Loss**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance as per last financial statements	(4,606,974)	(3,294,637)
(+) Net Profit for the Year	1,390,593	(1,312,337)
(-) Deferred Tax adjustments of earlier years	-	-
Depreciation adjustment on transition to schedule II of the Co's Act, 2013	-	-
<b>Total</b>	<b>(3,216,380)</b>	<b>(4,606,974)</b>

**Note 11: Long term provisions :**

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Deferred Tax Liabilities	(181,891)	(119,479)
<b>Total</b>	<b>(181,891)</b>	<b>(119,479)</b>

**Note 12: Other current liabilities**

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Statutory Dues Payable	51,952	40,566
Advance from Customers	1,616,729,435	1,608,156,249
Trade Payables	9,832,792	10,837,271
Other payable	16,402,455	33,419,893
<b>Total</b>	<b>1,643,016,634</b>	<b>1,652,453,979</b>

**Note 13: Short term provisions:**

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
<b>Provision for employee benefits :</b>		
Salary payable	320,000	981,920
Provision for expenses	366	-
<b>Other provisions (Statutory Audit Remuneration)</b>	-	-
<b>Total</b>	<b>320,366</b>	<b>981,920</b>



**14 Other Income**

Amount in Rs.

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Other Income	4,046,801.00	6,904,921.00
<b>Total Other income</b>	<b>4,046,801.00</b>	<b>6,904,921.00</b>



**15 Employee benefit expense**

Amount in Rs.

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries and wages	445,649	248,800
Staff welfare expenses	73,777	47,693
<b>Employee benefit expense</b>	<b>519,426</b>	<b>296,493</b>

**16 Depreciation**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Depreciation	87,787	72,048
<b>Depreciation</b>	<b>87,787</b>	<b>72,048</b>

**17 Other Expenses**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Audit Fees	23,600	23,600
Power and Fuel	337,387	180,603
Stamp Paper & Franking Charges	13,170	10,690
Rent paid	432,000	432,000
Advertisement Expenses	10,000	10,000
Bank Charges	26,127	6,694
Computer expense	47,585	46,450
Travelling & Conveyance Expenses	185,165	51,113
Consultancy Charges	-	-
Commission & Brokerage	60,000	-
Fees & Subscription	15,727	112,884
Interest on Service Tax	-	-
Interest on TDS	-	30,299
Interest on booking cancellation	-	3,607,828
Interest on GST	-	17,856
Insurance Charges	6,231	7,248
Loan Processing charges	-	25,000
Penalty on service tax	-	4,800
Property Tax	-	2,000,000
S W Cess Tax	-	-
Regn Charges for L & L	-	5,020
Loss on subsidiary shares	-	99,800
Legal and Professional fees	401,000	472,500
MVAT Composition	-	47,900
GST & ST Expenses	42,057	6,006
Postage & Courier	29,896	24,142
Office Expenses	192,705	89,814
Printing & Stationery	137,704	61,535
Parking / Toll Charges	596	-
Preliminary Expenses Written off	-	-
Profession Tax (Company)	2,500	2,500
ROC Filing Fees	-	-
Rounding off	-	-
Swachh Bharat Cess Expenses	-	-
Sundry Expenses	-	40,000
Repairs & Maintenance	88,841	67,192
Telephone Expenses	70,276	50,890
<b>Total</b>	<b>2,122,566</b>	<b>7,534,364</b>

