VINEET KHETAN & ASSOCIATES
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

To
The Members of
BAHUBALI TIE-UP PRIVATE LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **BAHUBALI TIE-UP PRIVATE LIMITED,** which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, the 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, the changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, but does not includethe financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility of the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the Financial Position and Financial Performance, Cash Flowsand the statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standardsspecified under Section 133 of the Act.

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

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

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

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Auditor'sResponsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. .

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

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

Report on Other Legal and Regulatory Requirements

1. 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.

2. As required by section 143(3) of the Act, we further 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, Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.

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

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i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise.

iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

Vineet Khetan & Associates * Chartered Accountants * Kolkata

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in our Report of even date to the Members of **BAHUBALI TIE-UP PRIVATE LIMITED**, as at and for the year ended 31st March, 2019.

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) As explained to us Fixed Assets of the company are physically verified by the management according to a phased programme designed to cover all the items which considering the size and nature of operations of the company appears to be reasonable. Pursuant to such program, no material discrepancies between book records and physical inventory have been noticed on physical verification.

   c) The company does not have any immovable property under the fixed assets, hence the clause is not applicable.

2.) a) The inventory has been physically verified by the management at regular intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them.

   b) In our opinion and according to the information's and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   c) On the basis of our examinations of records of the inventory, in our opinion, the company is maintaining proper records of inventory except in respect of work-in-progress. As in earlier years, work-in-progress has been determined by the management on the basis of physical verification. The discrepancies ascertained on physical verification between the physical stock and the book records of inventory were not material in relation to the operations of the Company.

3.) The company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence clause is not applicable.

4.) According to the records of the company examined by us and according to the information and explanations given to us, in our opinion the company has neither given any guarantees or security nor has made any investments nor given a loan covered under the provisions of section 185 and 186 of the Companies Act, 2013.

5.) The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable.

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6.) The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

7.) a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

8.) According to the records of the Company examined by us and the information and explanations given to us, the Company has duly repaid loan taken from banks. Further it does not have any outstanding from any financial institutions or government nor has it any outstanding debenture.

9.) In our opinion, and according to the information's and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and the term loan has been applied, on an overall basis, for the purpose for which they were obtained.

10.) According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.

11.) As examined by us, the company has not paid remuneration to any managerial personnel during the period in accordance, hence clause is not applicable.

12.) The company is not a nidhi company. Hence clause is not applicable.

13.) According to the information and explanations given to us, we are of the opinion that all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.

14.) According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.

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15.) According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.

16.) According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

Bahubali Tie-up Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105032

Balance Sheet as on 31.03.2019

Particulars	Note	As at 31.03.19	As at 31.03.18
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	73,577	88,308
(b) Intangible	2	-	-
(c) Deferred Tax Assets	3	6,038	-
(d) Financial Assets			
(i) Other Financial Assets	4	1,81,256	1,81,256
Total Non - Current Assets		**2,60,871**	**2,69,564**
Current assets			
(a) Inventories	5	3,98,19,361	3,78,47,862
(b) Financial Assets			
(i) Trade receivables	6	1,022	1,012
(ii) Cash and cash equivalents	7	9,01,983	4,67,072
(iii) Other financial assets	8	55,59,523	34,47,212
(c) Current Tax Assets	9	3,04,104	3,04,104
(d) Other current assets	10	-	-
Total Current Assets		**4,65,85,993**	**4,20,67,262**
Total Assets		**4,68,46,864**	**4,23,36,826**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	1,00,000	1,00,000
(b) Other Equity	12	1,76,55,707	1,50,91,581
Total equity		**1,77,55,707**	**1,51,91,581**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	36,24,627	62,75,775
(ii) Other financial liabilities	14	7,65,177	7,47,086
Total non-current liabilities		**43,89,804**	**70,22,861**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	71,92,817	1,66,59,793
(ii) Trade and other payables	16		
outstanding to micro enterprises & small enterprises;		-	-
outstanding to other than micro enterprises & small enterprises		-	1,61,351
(iii) Other financial liabilities	17	1,67,93,536	26,70,240
(b) Other current liabilities	18	-	-
(c) Provisions	19	7,15,000	6,31,000
Total Current Liabilities		**2,47,01,353**	**2,01,22,384**
Total liabilities		**2,90,91,157**	**2,71,45,245**
Total Equity & Liabilities		**4,68,46,864**	**4,23,36,826**

This is the Balance Sheet referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
Place: 3B, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates * Chartered Accountants * Kolkata

For and on behalf of the Board
BAHUBALI TIE UP PVT. LTD.
Pradeep

Director
Director

BAHUBALI TIE UP PVT. LTD.

Director
Director

Bahubali Tie-up Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105032

Statement of profit and loss for the year ended 31.03.2019

Particulars	Note	Year ended 31.03.19	Year ended 31.03.18
Revenue			
Revenue from operations	20	43,97,016	43,97,016
Other income	21	10,800	-
Total Revenue		**44,07,816**	**43,97,016**
Expenses			
Construction Activity Expenses	22	19,71,499	15,40,534
Changes in inventories of work-in-progress	23	(19,71,499)	(15,40,534)
Depreciation and amortisation expense	2	34,262	13,692
Finance costs	24	7,93,827	10,29,625
Other expenses	25	3,01,355	2,85,165
Total expenses		**11,29,444**	**13,28,482**
Profit before tax		**32,78,372**	**30,68,534**
Less: Income tax expenses			
- Current tax		7,15,000	6,31,000
Tax Adjustment For Earlier Year		5,284	18,442
- Deferred Tax		(6,038)	-
Total tax expense		**7,14,246**	**6,49,442**
Profit after tax		**25,64,126**	**24,19,092**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
(i) Equity Instruments through Other Comprehensive Income		-	-
(ii) Remeasurements of the defined benefit plans		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**25,64,126**	**24,19,092**
Earnings per equity share			
Profit available for Equity Shareholders		25,64,126	24,19,092
Weighted average number of Equity Shares outstanding		10,000	10,000
Basic earnings per share		256.41	241.91
Diluted earnings per share		256.41	241.91

This is the Statement of Profit & Loss referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
Place: 3B, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates
Kolkata
Chartered Accountants

For and on behalf of the Board
BAHUBALI TIE UP PVT. LTD.

Director
Director

BAHUBALI TIE UP PVT. LTD

Director
Director

Bahubali Tie-up Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105032

Notes to the financial statements as on

	As at 31.03.19	As at 31.03.18
Note 3 Deferred tax assets (net)		
On Depreciation Allowance on Fixed Assets	6,038	-
TOTAL	**6,038**	**-**
Note 4 Financial Assets (Other Financial Assets)		
Unsecured, Considered Good		
Security Deposits	1,81,256	1,81,256
TOTAL	**1,81,256**	**1,81,256**
Note 5 Inventories		
(At lower of cost or Net Realisable value)		
Work in Progress	1,13,44,086	93,72,587
Finished Goods	2,84,75,275	2,84,75,275
Total Inventories	**3,98,19,361**	**3,78,47,862**
Note 6 Financial Assets (Trade receivables)		
Trade receivables	1,022	1,012
Receivables from related parties	-	-
Less: Allowance for doubtful debts	-	-
	1,022	**1,012**

All the trade receivables are Unsecured, considered good and does not require any provision or allowance for doubtful debts

	As at 31.03.19	As at 31.03.18
Note 7 Financial Assets (Cash and Cash Equivalents)		
(a) Balances with banks (Unrestricted in Current Account)	8,65,943	4,30,154
(b) Cash in hand	36,040	36,918
(c) Cheques, drafts on hand	-	-
(d) Others		
Cash and cash equivalents as per balance sheet	**9,01,983**	**4,67,072**
Note 8 Financial Assets (Other financial assets)		
Other Advances (Unsecured, considered good)	55,59,523	34,47,212
TOTAL	**55,59,523**	**34,47,212**
Note 9 Current tax assets and liabilities		
Current tax assets		
Advance Income Tax and TDS	3,04,104	3,04,104
TOTAL	**3,04,104**	**3,04,104**
Note 10 Other current assets		
Other Advances	-	-
TOTAL	-	-
Note 11 Equity Share Capital		
(Equity Shares of Rs.10/- each)		
a) Authorised Share Capital		
Number of Shares	20,000	20,000
Total Amount	2,00,000	2,00,000

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Bahubali Tie-up Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105032

Notes to the financial statements as on

	As at 31.03.19	As at 31.03.18
b) Issued, subscribed and fully paid Share Capital		
Number of Shares		
Total Amount	10,000	10,000
	1,00,000	1,00,000
c) Reconciliation of Number of Equity Shares Outstanding		
As at the beginning & end of the year		
No shares have either been issued, nor bought back, forfeited	10,000	10,000
d) Details of Shareholders holding more than 5% shares with voting right		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares		
Percentage of total shares held	9,800	9,800
	98.00%	98.00%

e) The rights, preferences & restrictions attaching to shares and restrictions on distribution of dividend and repayment of capital

The Company has only one class of equity shares having par value value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the 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.

	As at 31.03.19	As at 31.03.18
g) Shares held by holding, ultimate holding, or subidiaries or associates of holding		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares		
Percentage of total shares held	9,800	9,800
Ravi Prakash Pincha *	98.00%	98.00%
Number of Shares		
Percentage of total shares held	100	100
Pradeep Kumar Pugalia *	1.00%	1.00%
Number of Shares		
Percentage of total shares held	100	100
	1.00%	1.00%

** Both the shareholders holding 100 Shares each are held in capacity of nominee holder of RDB Realty & Infrastructure Ltd*

	As at 31.03.19	As at 31.03.18
g) Shares are reserved for issue under options or contracts.		
Number of Shares		
Total Amount	-	-
	-	-

h) Shares issued for consideration other than cash or bonus to shareholders or bought back from shareholders within the period of 5 years

No such shares have been issued nor there has been any buy-back

Note 12 Other equity

	As at 31.03.19	As at 31.03.18
Reserve & Surplus		
Surplus from Statement of Profit & Loss		
As at the beginning of the year		
Add: Profit for the year	1,50,91,581	1,26,72,489
Add: Ind AS Adjustments	25,64,126	24,19,092
As at the end of the year	-	-
Other Comprehensive Income	1,76,55,707	1,50,91,581
Equity Instruments through other comprehensive income		
Other items of Other Comprehensive Income	-	-
Total	-	-
	1,76,55,707	**1,50,91,581**

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Bahubali Tie-up Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105032

Notes to the financial statements as on

	As at 31.03.19	As at 31.03.18
Note 13 Financial Liabilities - Borrowings (Non Current)		
Secured - at amortised cost		
Term Loan from Bank	36,24,627	62,75,775
The loan is secured against first charge over property classified under inventories and lease rental receivable from the property. Loan is repayable in 96 equal monthly installment of Rs. 2,65,349/- (incl. interest) starting from 05.11.13 and last installment falling due on 05.10.21. The rate of interest is Base Rate Plus 2.60 %		
Total non-current borrowings	**36,24,627**	**62,75,775**
Note 14 Financial Liability (Other Financial Liability)		
Security Deposits	7,65,177	7,47,086
Total	**7,65,177**	**7,47,086**
Note 15 financial liabilities - Borrowings		
(Unsecured, repayable on Demand, including interest accrued)		
From Related Parties	-	-
From other than Related Parties		
From NBFC	67,99,036	1,54,03,279
From Others	3,93,781	12,56,514
Total	**71,92,817**	**1,66,59,793**
Note 16 financial liabilities - Trade and other payables		
outstanding dues of micro & small entreprises	-	-
Other than above	-	1,61,351
Total	**-**	**1,61,351**
Note 17 financial liabilities - Other Financial Liabilities		
Current maturity of long term debt	26,60,964	24,15,270
Interest accrued but not due on borrowings	61,934	64,932
Advances from other	1,37,00,000	-
Other payable	1,92,874	1,90,038
Statutory Liabilities	1,77,764	-
Total	**1,67,93,536**	**26,70,240**
Note 18 Other Current Liabilities		
Advances from Customer and Others	-	-
Total	**-**	**-**
Note 19 Provisions		
Provision for Income Tax	7,15,000	6,31,000
Total	**7,15,000**	**6,31,000**

Vineet Khetan & Associates
Kolkata
Chartered Accountants

Notes to the financial statements

		Year ended 31.03.19	Year ended 31.03.18
Note 20 Revenue from Operations			
Rental & Other Charges		43,97,016	43,97,016
TOTAL		**43,97,016**	**43,97,016**
Note 21 Other Income			
Interest Income		-	-
Miscellanoues Income		10,800	-
Total		**10,800**	**-**
Note 22 Construction Activity Expenses			
Other Construction Expenses		6,71,014	2,16,338
Interest Paid		13,00,485	13,24,196
Consumption		**19,71,499**	**15,40,534**
Note 23 Changes in inventories of work-in-progress & Finished Goods			
Opening Inventory of Work in Progress		93,72,587	78,32,053
Opening Inventory of Finished Goods		2,84,75,275	2,84,75,275
	Sub Total (A)	3,78,47,862	3,63,07,328
Less : Closing Inventory of Work in Progress		1,13,44,086	93,72,587
Less : Closing Inventory of Finished Goods		2,84,75,275	2,84,75,275
	Sub Total (B)	3,98,19,361	3,78,47,862
(Increase)/decrease in inventories (A-B)		**(19,71,499)**	**(15,40,534)**
Note 24 Finance Cost			
Interest on Borrowed fund		7,75,736	9,51,741
Other Borrowing Cost			
Notional Interest on Security Deposits		18,091	76,042
Finance Charges		-	1,842
Total		**7,93,827**	**10,29,625**
Note 25 Others Expenses			
Rates & Taxes		4,650	4,710
Filing Fees		2,566	2,572
Repairs & Maintenance		2,53,405	2,41,893
Conveyance Expenses		1,173	-
Insurance Charges		21,240	
Printing & Stationary		10,178	24,160
Miscellaneous Expenses		1,993	5,860
Professional Charges		1,150	600
Interest Penalty charges		-	370
Auditor's Remuneration			
Statutory Audit Fees		5,000	5,000
Total		**3,01,355**	**2,85,165**

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Bahubali Tie-up Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105032

Notes to the financial statements

A. Share Capital

Particulars	Amount (Rs.)
Equity Share Capital as on 01.04.2017	1,00,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2018	1,00,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2019	1,00,000

B. Other Equity

Other Equity

Reserves and surplus attributable to Equity Share holders of the Company	Amount (Rs.)
Balance at 1 April 2017	**1,26,72,489**
Transfers	-
Profit for the year	24,19,092
Add:IND AS adjustmnents	-
Other comprehensive income	-
Total comprehensive income for the year	**1,50,91,581**
Balance at 31 March 2018	**1,50,91,581**
Transfers	-
Profit for the Year	25,64,126
Add:IND AS adjustmnents	-
Other comprehensive income	-
Total comprehensive income for the year	**1,76,55,707**
Balance at 31 March 2019	**1,76,55,707**

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Kolkata
Chartered Accountants

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Notes to the financial statements

A. Share Capital

Particulars	Amount (Rs.)
Equity Share Capital as on 01.04.2017	1,00,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2018	1,00,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2019	1,00,000

B. Other Equity
Other Equity

Reserves and surplus attributable to Equity Share holders of the Company	Amount (Rs.)
Balance at 1 April 2017	**1,26,72,489**
Transfers	-
Profit for the year	24,19,092
Add:IND AS adjustmnents	-
Other comprehensive income	-
Total comprehensive income for the year	**1,50,91,581**
Balance at 31 March 2018	**1,50,91,581**
Transfers	-
Profit for the Year	25,64,126
Add:IND AS adjustmnents	-
Other comprehensive income	-
Total comprehensive income for the year	**1,76,55,707**
Balance at 31 March 2019	**1,76,55,707**

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Bahubali Tie-up Private Limited
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Notes to the financial statements as on

Note 1 & 2 - Property, Plant and Equipment

Particulars	(1) Tangible Office Equipment	(1) Tangible Data Processing Items	Total	(2) Intangible
Gross carrying amount				
Deemed cost as at 01.04.17	-	-	-	-
Additions	-	1,02,000	1,02,000	-
Disposals	-	-	-	-
Closing gross carrying amount as on 31.03.18	-	1,02,000	1,02,000	-
Additions	19,531	-	19,531	-
Disposals	-	-	-	-
Closing gross carrying amount as on 31.03.19	19,531	1,02,000	1,21,531	-
Accumulated depreciation as at 01.04.17	-	-	-	-
Depreciation charge during the year	-	13,692	13,692	-
Disposals	-	-	-	-
Closing accumulated depreciation as on 31.03.18	-	13,692	13,692	-
Depreciation charge during the year	1,962	32,300	34,262	-
Disposals	-	-	-	-
Closing accumulated depreciation as on 31.03.19	1,962	45,992	47,954	-
Net carrying amount as at 01.04.17	-	-	-	-
Net carrying amount as at 31.03.18	-	88,308	88,308	-
Net carrying amount as at 31.03.19	17,569	56,008	73,577	-

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Cash Flow Statement for the year ended 31st March, 2019

Cash Flow Statement	For the year ended 31st March,2019 (Amount in `)		For the year ended 31st March,2018 (Amount in `)	
A. Cash flow from operating activities :				
Net profit before tax as per Statement of Profit and Loss		32,78,372		30,68,534
Adjustments for				
Depreciation & Amortisation	34,262		13,692	
Notional Interest on Security Deposits	18,091		76,042	
Interest Paid	7,75,736	8,28,089	9,51,741	10,41,475
Operating Profit Before Working Capital Changes		**41,06,461**		**41,10,009**
(Increase) / Decrease in Inventories	(6,71,014)		(2,16,338)	
(Increase) / Decrease in Trade receivables	(10)		12,158	
(Increase) / Decrease of Advances	(21,12,311)		(16,69,439)	
Increase / (Decrease) in Trade Payables	(1,61,351)		(24,739)	
Increase / (Decrease) of Other financial liabilities	1,38,80,600		64,995	
Increase / (Decrease) of Other Current Liabilities	-	1,09,35,914	-	(18,33,363)
Cash generated from operations		**1,50,42,375**		**22,76,646**
Less: Direct taxes paid/ (Refunds) including Interest (Net)		6,36,285		5,47,936
Cash Flow before Exceptional Items		1,44,06,090		17,28,710
Net cash Generated/(used) from operating activities		**1,44,06,090**		**17,28,710**
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets		(19,531)		(1,02,000)
Net cash from investing activities		**(19,531)**		**(1,02,000)**
C. Cash flow from financing activities :				
Proceeds / (Repayment) of Short Term Borrowings	(94,66,976)		28,53,070	
Proceeds / (Repayment) of Long Term Borrowings	(24,05,454)		(21,98,591)	
Interest Paid	(20,79,219)	(1,39,51,649)	(23,09,793)	(16,55,314)
Net cash generated/(used) in financing activities		**(1,39,51,649)**		**(16,55,314)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**4,34,910**		**(28,604)**
Cash and cash equivalents -Opening balance		4,67,072		4,95,676
		9,01,983		**4,67,072**
Cash and cash equivalents -Closing balance				
CASH AND CASH EQUIVALENTS :				
Balances with Banks		8,65,943		4,30,154
Cash on hand (As certified by the management)		36,040		36,918
		9,01,983		**4,67,072**

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

BAHUBALI TIE UP PVT. LTD. BAHUBALI TIE UP PVT. LTD.

Pradeep hiran

Director Director

Director Director

Vineet Khetan
Proprietor
Membership No.060270
Place: 3B, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates Kolkata Chartered Accountants

BAHUBALI TIE-UP PRIVATE LIMITED

1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata – 700001
CIN: U51109WB2005PTC105032

26. NOTES TO THE FINANCIAL STATEMENTS

A. Corporate Information

Bahubali Tie-up Private Limited (The Company) is a deemed Public limited company, private company being a subsidiary of Listed Public Company domiciled and incorporated in India. It is a part of a group leading in real estate activities in Eastern India. The registered office of the Company is situated at 8/1, Lalbazar Street, Bikaner Building, 1 Floor, Room No.10, Kolkata-700001. The principle business activity of the company is Real Estate Development.

B. Summary of Significant Accounting Policies

a) Basis of preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable

Basis of Preparation

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Classification of Assets and Liabilities into Current/Non-Current

All the assets and liabilities have been classified as current and non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.The normal operating cycle of the company has been considered as 12 months.

b) Use of estimates and management judgments :

The preparation of financial statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, 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.

i) Key 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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ii) **Revenue recognition, contract costs and valuation of unbilled revenue**

The Company uses the percentage of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate and contractual projects. 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. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

iii) **Estimation of net realisable value for inventory property (including land advance)**

Inventory property is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory 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 property under construction 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 Land advance given, 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.

c) **Property, Plant and Equipment**

The cost of an item of property, plant and equipment comprises of its purchase price, any costs directly attributable to its acquisition and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs when the item is acquired. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is derecognised.

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d) **Revenue Recognition-**

Revenue is recognized as follows:

i. Revenue from own construction projects are recognised on Percentage Completion Method. Revenue recognition starts when 25 % of estimated project cost excluding land and marketing cost is incurred, atleast 25% of the saleable project area is secured by contracts or agreements with buyers and Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

ii. Revenue from Construction Contracts are recognised on "Percentage of Completion Method" measured by reference to the survey of works done up to the reporting date and certified by the client before finalisation of projects accounts.

iii. Real Estate: Sales is exclusive of service tax, if any, net of sales return.

iv. Revenue from services are recognised on rendering of services to customers except otherwise stated

v. Rental income from assets is recognised for an accrual basis except in case where ultimate collection is considered doubtful. Rental income is exclusive of service tax

vi. Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

e) **Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of a qualifying asset are carried as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the year they are incurred.

f) **Impairment of Non-Financial Assets**

The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

g) **Inventories**

Constructed properties, shown as work in progress, includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development costs, construction costs, overheads, borrowing costs, construction materials including material lying at respective sites, finance and administrative expenses which contribute to bring the inventory to their present location and condition and is valued at lower of cost/ estimated cost and net realizable value.

On completion of projects, unsold stocks are transferred to project finished stock under the head "Inventory" and the same is carried at cost or net realizable value, whichever is less.

Finished Goods – Flats: Valued at cost and net realizable value.

Land Inventory: Valued at lower of cost and net realizable value.

Provision for obsolescence in inventories is made, wherever required.

h) **Retirement Benefits**

No such benefits are payable to any employee.

i) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if the company has a present obligation as a result of past event and the amount of obligation can be reliably estimated.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated is disclosed as contingent liability in the financial statement.

j) **Taxes on Income**

i. Tax expense comprises both current and deferred tax. Current tax is determined in respect of taxable income for the year based on applicable tax rates and laws.
ii. Deferred tax Asset/liability is recognized, subject to consideration of prudence, on timing differences being the differences between taxable incomes and accounting income that originates in one year and is capable of reversal in one or more subsequent year and measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

iii. Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. 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 that 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 Alternative 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 specified period.

k) **Segment Reporting**

The company has identified that its operating activity is a single primary business segment viz. Real Estate Development and Services carried out in India. Accordingly, whole of India has been considered as one geographical segment

l) **Earnings Per Share**

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

m) **Cash & Cash Equivalents**

Cash and cash equivalents comprise cash & cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management and that are readily convertible to known amounts of cash to be cash equivalents.

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n) **Financial Instruments**

- **Financial Instruments - Initial recognition and measurement**

  Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognized initially 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.

- **Financial assets –Subsequent measurement**

  The Subsequent measurement of financial assets depends on their classification which is as follows:

  - Financial assets at fair value through profit or loss

    Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.

  - Financial assets measured at amortized cost

    Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

    Debt instruments at amortised cost:

    A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

    i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

    ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

    This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

    Debt instrument at FVTOCI

    A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

    i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

    ii. The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

    Debt instrument at FVTPL

    FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

    In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

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- Financial assets at fair value through OCI
  All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable. If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

- **Financial assets –Derecognition**
  The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

- **Financial liabilities –**
  Initial recognition and measurement
  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.
  The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.
  Subsequent measurement
  The Subsequent measurement of financial liabilities depends on their classification which is as follows:
  - Financial liabilities at fair value through profit or loss
    Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any, and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
    Gains or losses on liabilities held for trading are recognised in the profit or loss.

  - Financial liabilities measured at amortized cost
    Interest bearing loans and borrowings including debentures issued by the company are subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortized is included in finance costs in the statement of profit and loss.

  - **Financial liabilities –Derecognition**
    A financial liability is derecognized when the obligation under the liability is discharged or expires.

o) **Fair Value measurement**

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is

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based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p) **Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

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27 Reconciliation of Effective Tax Rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit before tax	3278372	3068534
Income tax expense calculated @ 26.00% (2018: 25.75%)	852377	790148
Effect of tax relating to items not allowable	79497	
Effect of tax relating to items allowable	-347110	---
Difference in tax rates of subsidiary companies	---	---
Effect of income not taxable	---	---
Other differences	130236	(159148)
Benefit of previously unrecognised tax loss to reduce current tax expense	---	---
Benefit of previously unrecognised tax loss to reduce deferred tax expense	---	---
Total	715000	631000
Adjustments recognised in the current year in relation to the current tax of prior years	5284	18442
Income tax recognised in profit or loss	720284	649442

The tax rate used for the year 2017-18 and 2018-19 reconciliations above is the corporate tax payable on taxable profits under the Income Tax Act, 1961.

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1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata – 700001
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28	**Related Party Disclosure**
	Related Party Relationship Enterprises where control exists - RDB Realty & Infrastructure Ltd – Holding Transactions & Balanaces : No related party transactions nor any balances have been reported by the management.
29	In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realised in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no contingent liability except stated and informed by the Management.
30	**Contingent Liabilities:-** Nil (P. Y. Nil)
31.	**Financial Instruments and Related Disclosures As on 31.03.2019**

Particulars	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Trade receivables	1,022	1,022	1,022
(ii) Cash and cash equivalents	9,01,983	9,01,983	9,01,983
(iii)Other financial assets	57,40,779	57,40,779	57,40,779
Total Financial Assets	**66,43,784**	**66,43,784**	**66,43,784**
(a) Financial Liabilities			
(i) Borrowings	1,08,17,444	1,08,17,444	1,08,17,444
(ii)Trade and other payables	---	---	---
(iii) Other financial liabilities	1,75,58,713	1,75,58,713	1,89,48,034
Total Financial Liabilities	**2,83,76,157**	**2,83,76,157**	**2,97,65,478**

As on 31.03.2019

Particulars	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Trade receivables	1,012	1,012	1,012
(ii) Cash and cash equivalents	4,67,072	4,67,072	4,67,072
(iii)Other financial assets	36,28,468	36,28,468	36,28,468
Total Financial Assets	**40,96,552**	**40,96,552**	**40,96,552**
(a) Financial Liabilities			
(i) Borrowings	2,29,35,568	2,29,35,568	2,29,35,568
(ii)Trade and other payables	1,61,351	1,61,351	1,61,351
(iii) Other financial liabilities	34,17,326	34,17,326	34,17,326
Total Financial Liabilities	**2,65,14,245**	**2,65,14,245**	**2,65,14,245**

A. **Capital Requirements**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a

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gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents

	31-Mar-19 (in Rs.)	31-Mar-18 (in Rs.)
Borrowings (long-term and short-term, including current maturities of long term borrowings)	1,08,17,444	2,53,50,838
Trade payables	---	1,61,351
Other payables (current and non-current, excluding current maturities of long term borrowings)	1,75,58,713	10,02,056
Less: Cash and cash equivalents	-9,01,983	-4,67,072
Net debt	2,74,74,174	2,60,47,173
Equity share capital	1,00,000	1,00,000
Other equity	1,76,55,707	1,50,91,581
Total Capital	1,77,55,707	1,51,91,581
Gearing ratio	**0.65**	**0.58**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

33 Disclosure of Financial Instruments

Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and loans and advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities

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are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuatebecause of changes in market prices. Market risk comprises two types of risk: interest rate riskand other price risk, such as equity price risk and commodity/ real estate risk. The Company has not entered into any foreign exchange or commodity derivative contracts. Accordingly, there is no significant exposure to the market risk other than interest risk.

(i) 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 the Company's long-term debt obligations with floating interest rates. The Company has borrowed fund from bank at fixed rate borrowings. The Company does not enter into any interest rate swaps.

(ii) Price risk

The Company has not made any investments for trading purposes. The surpluses have been deployed in bank deposits as explained above.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

- Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

The ageing of trade receivables are as follows:

Particulars	As on 31.03.2018	As on 31.03.2018
More than 6 months	1022	---
Others	---	1012

Deposits with banks and financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

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		Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.
	(c)	<u>Liquidity Risk</u> The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. In case of short term requirements, it obtains short-term loans from its Bankers.

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Kolkata
Chartered Accountants

VINEET KHETAN & ASSOCIATES
CHARTERED ACCOUNTANTS
5th Floor, R. No. : 7, 3B, Lal Bazar Street, Kolkata - 1, Mobile : 9331040655, Phone : (033) 4066 1047
E-mail : khousehouse71@gmail.com

INDEPENDENT AUDITOR'S REPORT

To
The Members of
BARON SUPPLIERS PRIVATE LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **BARON SUPPLIERS PRIVATE LIMITED**, which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flowsfor the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, the changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, but does not includethe financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility of the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the Financial Position and Financial Performance, Cash Flowsand the statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standardsspecified under Section 133 of the Act.

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

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

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

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Vineet Khetan & Associates Chartered Accountants Kolkata

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. 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.

2. As required by section 143(3) of the Act, we further 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, Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.

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

Kolkata

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise.

iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in our Report of even date to the Members of **BARON SUPPLIERS PRIVATE LIMITED**, as at and for the year ended 31st March, 2019.

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) As explained to us Fixed Assets of the company are physically verified by the management according to a phased programme designed to cover all the items which considering the size and nature of operations of the company appears to be reasonable. Pursuant to such program, no material discrepancies between book records and physical inventory have been noticed on physical verification.

   c) The company does not have any immovable property under the fixed assets, hence the clause is not applicable.

2.) a) The inventory has been physically verified by the management at regular intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them.

   b) In our opinion and according to the information's and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   c) On the basis of our examinations of records of the inventory, in our opinion, the company is maintaining proper records of inventory except in respect of work-in-progress. As in earlier years, work-in-progress has been determined by the management on the basis of physical verification. The discrepancies ascertained on physical verification between the physical stock and the book records of inventory were not material in relation to the operations of the Company.

3.) The company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence clause is not applicable.

4.) According to the records of the company examined by us and according to the information and explanations given to us, in our opinion the company has neither given any guarantees or security nor has made any investments nor given a loan covered under the provisions of section 185 and 186 of the Companies Act, 2013.

5.) The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable.

6.) The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

7.) a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

8.) According to the records of the Company examined by us and the information and explanations given to us, the Company has duly repaid loan taken from banks. Further it does not have any outstanding from any financial institutions or government nor has it any outstanding debenture.

9.) In our opinion, and according to the information's and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and the term loan has been applied, on an overall basis, for the purpose for which they were obtained.

10.) According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.

11.) As examined by us, the company has not paid remuneration to any managerial personnel during the period in accordance, hence clause is not applicable.

12.) The company is not a nidhi company. Hence clause is not applicable.

13.) According to the information and explanations given to us, we are of the opinion that all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.

14.) According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.

Vineet Khetan & Associates * Chartered Accountants * Kolkata

15.) According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.

16.) According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

Baron Suppliers Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105030

Balance Sheet as on 31.03.2019

Particulars	Note	As at 31.03.19	As at 31.03.18
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	56,008	88,308
(b) Intangible	2	-	-
(c) Deferred Tax Assets	3	6,289	-
(c) Financial Assets			
(i) Other Financial Assets	4	180,125	180,125
Total Non - Current Assets		**242,422**	**268,433**
Current assets			
(a) Inventories	5	41,713,011	39,753,443
(b) Financial Assets			
(i) Trade receivables	6	21,788	21,779
(ii) Cash and cash equivalents	7	747,732	517,494
(iii) Other financial assets	8	-	-
(c) Current Tax Assets	9	304,104	304,104
(d) Other current assets	10	-	27,671
Total Current Assets		**42,786,635**	**40,624,491**
Total Assets		**43,029,057**	**40,892,924**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	100,000	100,000
(b) Other Equity	12	16,486,173	13,942,504
Total equity		**16,586,173**	**14,042,504**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	3,624,627	6,275,775
(ii) Other financial liabilities	14	2,083,543	1,850,393
Total non-current liabilities		**5,708,170**	**8,126,168**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	15,225,704	14,538,186
(ii) Trade and other payables	16	-	67,145
(iii) Other financial liabilities	17	4,959,010	3,479,921
(b) Other current liabilities	18	-	-
(c) Provisions	19	550,000	639,000
Total Current Liabilities		**20,734,714**	**18,724,252**
Total liabilities		**26,442,884**	**26,850,420**
Total Equity & Liabilities		**43,029,057**	**40,892,923**

This is the Balance Sheet referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
Place: 3b, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates Kolkata Chartered Accountants

For and on behlaf of the Board
BARON SUPPLIERS PVT. LTD.
Pradeep Hirew
Director
Director

BARON SUPPLIERS PVT. LTD.
Director
Director

Baron Suppliers Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105030

Statement of profit and loss for the year ended 31.03.2019

Particulars	Note	Year ended 31.03.19	Year ended 31.03.18
Revenue			
Revenue from operations	20	4,397,016	4,397,016
Other income	21	10,800	-
Total Revenue		**4,407,816**	**4,397,016**
Expenses			
Construction Activity Expenses	22	1,959,568	1,435,541
Changes in inventories of work-in-progress	23	(1,959,568)	(1,435,541)
Depreciation and amortisation expense	2	32,300	13,692
Finance costs	24	1,008,886	1,159,984
Other expenses	25	274,616	251,720
Total expenses		**1,315,802**	**1,425,396**
Profit before tax		**3,092,014**	**2,971,620**
Less: Income tax expenses			
- Current tax		550,000	639,000
- Tax Adjustment For Earlier Year		4,634	7,497
- Deferred Tax		(6,289)	-
Total tax expense		**548,345**	**646,497**
Profit after tax		**2,543,669**	**2,325,123**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
(i) Equity Instruments through Other Comprehensive Income		-	-
(ii) Remeasurements of the defined benefit plans		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**2,543,669**	**2,325,123**
Earnings per equity share			
Profit available for Equity Shareholders		2,543,669	2,325,123
Weighted average number of Equity Shares outstanding		10,000	10,000
Basic earnings per share		254.37	232.51
Diluted earnings per share		254.37	232.51

This is the Statement of Profit & Loss referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
Place: 3b, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates Chartered Accountants Kolkata

For and on behlaf of the Board
BARON SUPPLIERS PVT. LTD.
Pradeep Hirawat
Director
Director

BARON SUPPLIERS PVT. LTD
Director
Director

Baron Suppliers Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105030

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 3 Deferred tax assets (net)		
On Depreciation Allowance on Fixed Assets	6,289	-
TOTAL	**6,289**	**-**
Note 4 Financial Assets (Other Financial Assets)		
Unsecured, Considered Good		
Security Deposits	180,125	180,125
TOTAL	**180,125**	**180,125**
Note 5 Inventories		
(At lower of cost or Net Realisable value)		
Work in Progress	14,364,496	12,404,928
Finished Goods	27,348,515	27,348,515
Total Inventories	**41,713,011**	**39,753,443**
Note 6 Financial Assets (Trade receivables)		
Trade receivables	21,788	21,779
Receivables from related parties	-	-
Less: Allowance for doubtful debts	-	-
	21,788	**21,779**

Note: All the trade receivables are Unsecured, considered good and does not require any provision or allowance for doubtful debts

Note 7 Financial Assets (Cash and Cash Equivalents)		
(a) Balances with banks (Unrestricted in Current Account)	689,199	457,811
(b) Cash in hand	58,533	59,683
(c) Cheques, drafts on hand	-	-
(d) Others		
Cash and cash equivalents as per balance sheet	**747,732**	**517,494**
Note 8 Financial Assets (Other financial assets)		
Other Advances (Unsecured, considered good)	-	-
TOTAL	**-**	**-**
Note 9 Current tax assets and liabilities		
Current tax assets		
Advance Income Tax and TDS	304,104	304,104
TOTAL	**304,104**	**304,104**
Note 10 Other current assets		
Other Advances	-	27,671
TOTAL	**-**	**27,671**

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Baron Suppliers Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105030

Notes to the financial statements as on	**As at 31.03.19**	**As at 31.03.18**
Note 11 Equity Share Capital		
(Equity Shares of Rs.10/- each)		
a) Authorised Share Capital		
Number of Shares	20,000	20,000
Total Amount	200,000	200,000
b) Issued, subscribed and fully paid Share Capital		
Number of Shares	10,000	10,000
Total Amount	100,000	100,000
c) Reconciliation of Number of Equity Shares Outstanding		
As at the beginning & end of the year	10,000	10,000
No shares have either been issued, nor bought back, forfeited		
d) Details of Shareholders holding more than 5% shares with voting right		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	9,800	9,800
Percentage of total shares held	98.00%	98.00%

e) The rights, preferences & restrictions attaching to shares and restrictions on distribution of dividend and repayment of capital

The Company has only one class of equity shares having par value value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the 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.

g) Shares held by holding, ultimate holding, or subidiaries or associates of holding		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	9,800	9,800
Percentage of total shares held	98.00%	98.00%
Ravi Prakash Pincha *		
Number of Shares	100	100
Percentage of total shares held	1.00%	1.00%
Pradeep Kumar Pugalia *		
Number of Shares	100	100
Percentage of total shares held	1.00%	1.00%

** Both the shareholders holding 100 Shares each are held in capacity of nominee holder of RDB Realty & Infrastructure Ltd*

g) Shares are reserved for issue under options or contracts.		
Number of Shares	-	-
Total Amount	-	-

h) Shares issued for consideration other than cash or bonus to shareholders or bought back from shareholders within the period of 5 years

No such shares have been issued nor there has been any buy-back

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Notes to the financial statements as on	**As at 31.03.19**	**As at 31.03.18**
Note 12 Other equity		
Reserve & Surplus		
Surplus from Statement of Profit & Loss		
As at the beginning of the year	13,942,504	11,617,381
Add: Profit for the year	2,543,669	2,325,123
Add: Ind AS Adjustments	-	-
As at the end of the year	16,486,173	13,942,504
Other Comprehensive Income		
Equity Instruments through other comprehensive income	-	-
Other items of Other Comprehensive Income	-	-
Total	**16,486,173**	**13,942,504**
Note 13 Financial Liabilities - Borrowings (Non Current)		
Secured - at amortised cost		
Term Loan from Bank	3,624,627	6,275,775
The loan is secured against first charge over property classified under inventories and lease rental receivable from the property. Loan is repayable in 96 equal monthly installment of Rs. 2,65,349/- (incl. interest) starting from 05.11.13 and last installment falling due on 05.10.21. The rate of interest is Base Rate Plus 2.60 %		
Total non-current borrowings	**3,624,627**	**6,275,775**
Note 14 Financial Liability (Other Financial Liability)		
Security Deposits	2,083,543	1,850,393
Total	**2,083,543**	**1,850,393**
Note 15 financial liabilities - Borrowings		
(Unsecured, repayable on Demand, including interest accrued)		
From other than Related Parties		
From NBFC	12,479,863	10,512,064
From Others	2,745,841	4,026,122
Total	**15,225,704**	**14,538,186**
Note 16 financial liabilities - Trade and other payables		
outstanding dues of micro & small entreprises	-	-
Other than above	-	67,145
Total	**-**	**67,145**
Note 17 financial liabilities - Other Financial Liabilities		
Current maturity of long term debt	2,660,964	2,415,270
Interest accrued but not due on borrowings	61,934	64,932
Advances from other	1,986,368	821,354
Other payable	73,953	178,364
Statutory Liabilities	175,791	-
Total	**4,959,010**	**3,479,921**
Note 18 Other Current Liabilities		
Advances from Customer and Others	-	-
Total	**-**	**-**
Note 19 Provisions		
Provision for Income Tax	550,000	639,000
Total	**550,000**	**639,000**

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Notes to the financial statements		Year ended 31.03.19	Year ended 31.03.18
Note 20 Revenue from Operations			
Rental & Other Charges		4,397,016	4,397,016
TOTAL		**4,397,016**	**4,397,016**
Note 21 Other Income			
Interest Income		-	-
Miscellanoues Income		10,800	-
Total		**10,800**	**-**
Note 22 Construction Activity Expenses			
Other Construction Expenses		671,014	216,338
Interest Paid		1,288,554	1,219,203
Consumption		**1,959,568**	**1,435,541**
Note 23 Changes in inventories of work-in-progress & Finished Goods			
Opening Inventory of Work in Progress		12,404,928	10,969,387
Opening Inventory of Finished Goods		27,348,515	27,348,515
	Sub Total (A)	39,753,443	38,317,902
Less : Closing Inventory of Work in Progress		14,364,496	12,404,928
Less : Closing Inventory of Finished Goods		27,348,515	27,348,515
	Sub Total (B)	41,713,011	39,753,443
(Increase)/decrease in inventories (A-B)		**(1,959,568)**	**(1,435,541)**
Note 24 Finance Cost			
Interest on Borrowed fund		775,736	951,741
Other Borrowing Cost			
Notional Interest on Security Deposits		233,150	207,060
Finance Charges		-	1,183
Total		**1,008,886**	**1,159,984**
Note 25 Others Expenses			
Rates & Taxes		4,650	4,710
Filing Fees		2,500	2,579
Miscellaneous Expenses		2,560	---
Repairs & Maintenance		237,770	237,768
Professional Charges		22,100	600
Interest Penalty charges		36	1,063
Auditor's Remuneration			
Statutory Audit Fees		5,000	5,000
Total		**274,616**	**251,720**

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Notes to the financial statements

A. Share Capital

Particulars	Amount (Rs.)
Equity Share Capital as on 01.04.2017	1,00,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2018	1,00,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2019	1,00,000

B. Other Equity

Other Equity

Reserves and surplus attributable to Equity Share holders of the Company	Amount (Rs.)
Balance at 1 April 2017	**1,16,17,381**
Transfers	-
Profit for the year	23,25,123
Add:IND AS adjustments	-
Other comprehensive income	-
Total comprehensive income for the year	**1,39,42,504**
Balance at 31 March 2018	**1,39,42,504**
Transfers	-
Profit for the Year	25,43,669
Add:IND AS adjustments	-
Other comprehensive income	-
Total comprehensive income for the year	**1,64,86,173**

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Notes to the financial statements as on

Note 1 & 2 - Property, Plant and Equipment

Particulars	**(1) Tangible Office Equipment**		**(2) Intangible**
Gross carrying amount			
Deemed cost as at 01.04.17	-		-
Additions	102,000		-
Disposals	-		-
Closing gross carrying amount as on 31.03.18	102,000		-
Additions	-		-
Disposals	-		-
Closing gross carrying amount as on 31.03.19	102,000		-
Accumulated depreciation as at 01.04.17	-		-
Depreciation charge during the year	13,692		-
Disposals	-		-
Closing accumulated depreciation as on 31.03.18	13,692		-
Depreciation charge during the year	32,300		-
Disposals	-		-
Closing accumulated depreciation as on 31.03.19	45,992		-
Net carrying amount as at 01.04.17	-		-
Net carrying amount as at 31.03.18	88,308		-
Net carrying amount as at 31.03.19	56,008		-

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Baron Suppliers Private Limited

Cash Flow Statement for the year ended 31st March, 2019

Cash Flow Statement	**For the year ended 31st March,2019**		**For the year ended 31st March,2018**	
A. Cash flow from operating activities :				
Net profit before tax as per Statement of Profit and Loss		3,092,014		2,971,620
Adjustments for				
Depreciation & Amortisation	32,300		13,692	
Notional Interest on Security Deposits	233,150		207,060	
Interest Paid	775,736	1,041,186	951,741	1,172,493
Operating Profit Before Working Capital Changes		**4,133,200**		**4,144,113**
(Increase) / Decrease in Inventories	(671,014)		(216,338)	
(Increase) / Decrease in Trade receivables	(9)		15,725	
(Increase) / Decrease of Advances	-		-	
(Increase) / Decrease of Other Current Assets	27,671		-	
Increase / (Decrease) in Trade Payables	(67,145)		(24)	
Increase / (Decrease) of Other financial liabilities	1,236,394		277,357	
Increase / (Decrease) of Other Current Liabilities	-	525,897	-	76,720
Cash generated from operations		**4,659,097**		**4,220,832**
Less: Direct taxes paid/ (Refunds) including Interest (Net)		643,635		549,091
Cash Flow before Exceptional Items		4,015,462		3,671,741
Net cash Generated/(used) from operating activities		**4,015,462**		**3,671,741**
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets		-		(102,000)
Net cash from investing activities		-		**(102,000)**
C. Cash flow from financing activities :				
Proceeds / (Repayment) of Short Term Borrowings	687,518		860,811	
Proceeds / (Repayment) of Long Term Borrowings	(2,405,454)		(2,198,591)	
Interest Paid	(2,067,288)	(3,785,224)	(2,204,800)	(3,542,580)
Net cash generated/(used) in financing activities		**(3,785,224)**		**(3,542,580)**
Net increase/(decrease) in cash and cash equivalents (A+B		**230,238**		**27,161**
Cash and cash equivalents -Opening balance		517,494		490,332
		747,731		**517,493**
Cash and cash equivalents -Closing balance				
CASH AND CASH EQUIVALENTS :				
Balances with Banks		689,199		457,811
Cash on hand (As certified by the management)		58,533		59,683
		747,732		**517,494**

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
Place: 3b, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

BARON SUPPLIERS PVT. LTD. BARON SUPPLIERS PVT LTD.

Director Director

Director **Director**

Vineet Khetan & Associates Kolkata Chartered Accountants

BARON SUPPLIERS PRIVATE LIMITED

1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata – 700001
CIN: U51109WB2005PTC105030

26. NOTES TO THE FINANCIAL STATEMENTS

A. Corporate Information

Baron Suppliers Private Limited (The Company) is a deemed Public limited company, private company being a subsidiary of Listed Public Company domiciled and incorporated in India. It is a part of a group leading in real estate activities in Eastern India. The registered office of the Company is situated at 8/1, Lalbazar Street, Bikaner Building, 1 Floor, Room No.10, Kolkata-700001. The principle business activity of the company is Real Estate Development.

B. Summary of Significant Accounting Policies

a) Basis of preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable

Basis of Preparation

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Classification of Assets and Liabilities into Current/Non-Current

All the assets and liabilities have been classified as current and non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.The normal operating cycle of the company has been considered as 12 months.

b) Use of estimates and management judgments :

The preparation of financial statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, 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.

i) Key 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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ii) **Revenue recognition, contract costs and valuation of unbilled revenue**
The Company uses the percentage of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate and contractual projects. 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. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.
For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

iii) **Estimation of net realisable value for inventory property (including land advance)**
Inventory property is stated at the lower of cost and net realisable value (NRV).
NRV for completed inventory 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 property under construction 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 Land advance given, 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.

c) **Property, Plant and Equipment**
The cost of an item of property, plant and equipment comprises of its purchase price, any costs directly attributable to its acquisition and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs when the item is acquired. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.
An item of property, plant and equipment and any significant part initially recognized is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is derecognised.

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d) **Revenue Recognition-**

Revenue is recognized as follows:

i. Revenue from own construction projects are recognised on Percentage Completion Method. Revenue recognition starts when 25 % of estimated project cost excluding land and marketing cost is incurred, atleast 25% of the saleable project area is secured by contracts or agreements with buyers and Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

ii. Revenue from Construction Contracts are recognised on "Percentage of Completion Method" measured by reference to the survey of works done up to the reporting date and certified by the client before finalisation of projects accounts.

iii. Real Estate: Sales is exclusive of service tax, if any, net of sales return.

iv. Revenue from services are recognised on rendering of services to customers except otherwise stated

v. Rental income from assets is recognised for an accrual basis except in case where ultimate collection is considered doubtful. Rental income is exclusive of service tax

vi. Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

e) **Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of a qualifying asset are carried as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the year they are incurred.

f) **Impairment of Non-Financial Assets**

The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

g) **Inventories**

Constructed properties, shown as work in progress, includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development costs, construction costs, overheads, borrowing costs, construction materials including material lying at respective sites, finance and administrative expenses which contribute to bring the inventory to their present location and condition and is valued at lower of cost/ estimated cost and net realizable value.

On completion of projects, unsold stocks are transferred to project finished stock under the head "Inventory" and the same is carried at cost or net realizable value, whichever is less.

Finished Goods – Flats: Valued at cost and net realizable value.

Land Inventory: Valued at lower of cost and net realizable value.

Provision for obsolescence in inventories is made, wherever required.

h) **Retirement Benefits**

No such benefits are payable to any employee.

i) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if the company has a present obligation as a result of past event and the amount of obligation can be reliably estimated.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
Possible future or present obligations that may but will probably not require outflow of resources or where the same can not be reliably estimated is disclosed as contingent liability in the financial statement.

j) **Taxes on Income**

i. Tax expense comprises both current and deferred tax. Current tax is determined in respect of taxable income for the year based on applicable tax rates and laws.

ii. Deferred tax Asset/liability is recognized, subject to consideration of prudence, on timing differences being the differences between taxable incomes and accounting income that originates in one year and is capable of reversal in one or more subsequent year and measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

iii. Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. 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 that 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 Alternative 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 specified period.

k) **Segment Reporting**

The company has identified that its operating activity is a single primary business segment viz. Real Estate Development and Services carried out in India. Accordingly, whole of India has been considered as one geographical segment

l) **Earnings Per Share**

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

m) **Cash & Cash Equivalents**

Cash and cash equivalents comprise cash & cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management and that are readily convertible to known amounts of cash to be cash equivalents.

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n) **Financial Instruments**

➢ **Financial Instruments - Initial recognition and measurement**

Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognized initially 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.

➢ **Financial assets –Subsequent measurement**

The Subsequent measurement of financial assets depends on their classification which is as follows:

- <u>Financial assets at fair value through profit or loss</u>
  Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.
- <u>Financial assets measured at amortized cost</u>
  Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
   This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
ii. The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

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- <u>Financial assets at fair value through OCI</u>
  All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable. If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

- **Financial assets –Derecognition**
  The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

- **Financial liabilities –**
  <u>Initial recognition and measurement</u>
  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.
  The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.
  <u>Subsequent measurement</u>
  The Subsequent measurement of financial liabilities depends on their classification which is as follows:
  - <u>Financial liabilities at fair value through profit or loss</u>
    Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any, and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
    Gains or losses on liabilities held for trading are recognised in the profit or loss.

  - <u>Financial liabilities measured at amortized cost</u>
    Interest bearing loans and borrowings including debentures issued by the company are subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortized is included in finance costs in the statement of profit and loss.

  - **Financial liabilities –Derecognition**
    A financial liability is derecognized when the obligation under the liability is discharged or expires.

o) **Fair Value measurement**

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is

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based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p) **Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

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Notes to the financial statements

27 Reconciliation of Effective Tax Rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31.03.19	Year ended 31.03.18
Profit before tax	3,092,014	2,971,620
Income tax expense calculated @ 26.00% (P.Y: 25.75%)	803,924	765,192
Effect of items not allowable for Tax purpose	130,837	-
Effect of Allowances for Tax purpose	(346,349)	-
Other differences	(38,412)	(126,192)
Total	550,000	639,000
Adjustments recognised in the current year in relation to the current tax of prior years	4,634	7,497
Income tax recognised in profit or loss	554,634	646,497

The tax rate used for the year 2017-18 and 2018-19 reconciliations above is the corporate tax payable on taxable profits under the Income Tax Act, 1961.

28 Related Party Disclosure

Related Party Relationship

Enterprises where control exists - RDB Realty & Infrastructure Ltd – Holding

Transactions & Balanaces :

No related party transactions nor any balances have been reported by the management.

29 In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realised in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no contingent liability except stated and informed by the Management.

30 **Contingent Liabilities:-** Nil (P. Y. Nil)

31 Financial Instruments and Related Disclosures As on 31.03.2019

Particulars at	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Trade receivables	21,788	21,788	21,788
(ii) Cash and cash equivalents	747,732	747,732	747,732
(iii) Other financial assets	180,125	180,125	180,125
Total Financial Assets	949,645	949,645	949,645
(a) Financial Liabilities			
(i) Borrowings	18,850,331	18,850,331	18,850,331
(ii) Trade and other payables	-	-	-
(iii) Other financial liabilities	7,113,508	7,042,553	7,113,508
Total Financial Liabilities	25,963,839	25,892,884	25,963,839

As on 31.03.2018

Particulars	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Trade receivables	21,779	21,779	21,779
(ii) Cash and cash equivalents	517,494	517,494	517,494
(iii) Other financial assets	180,125	180,125	180,125
Total Financial Assets	719,398	719,398	719,398
(a) Financial Liabilities			
(i) Borrowings	22,663,313	22,663,313	22,663,313
(ii) Trade and other payables	67,169	67,169	67,169
(iii) Other financial liabilities	4,368,181	5,634,419	4,368,181
Total Financial Liabilities	27,098,663	28,364,901	27,098,663

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Notes to the financial statements

A. Capital Requirements

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents

Particulars	31-03-2019 (Rs.)	31-03-2018 (Rs.)
Borrowings (long-term and short-term, including current maturities of long term borrowings)	18,850,331	22,663,313
Trade payables	-	67,169
Other payables (current and non-current, excluding current maturities of long term borrowings)	7,113,508	4,368,181
Less: Cash and cash equivalents	(747,732)	(517,494)
Net debt	25,216,107	26,581,169
Equity share capital	100,000	100,000
Other equity	16,486,173	13,942,504
Total Capital	16,586,173	14,042,504
Gearing ratio	**0.66**	**0.53**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018

31 Disclosure of Financial Instruments

Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and loans and advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuatebecause of changes in market prices. Market risk comprises two types of risk: interest rate riskand other price risk, such as equity price risk and commodity/ real estate risk. The Company has not entered into any foreign exchange or commodity derivative contracts. Accordingly, there is no significant exposure to the market risk other than interest risk.

(i) 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 the Company's long-term debt obligations with floating interest rates.

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 the Company's long-term debt obligations with floating interest rates.

The Company has borrowed fund from bank at fixed rate borrowings. The Company does not enter into any interest rate swaps.

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Notes to the financial statements

(ii) Price risk

The Company has not made any investments for trading purposes. The surpluses have been deployed in bank deposits as explained above.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

The ageing of trade receivables are as follows:

Particulars	**As on 31.03.2019**	**As on 31.03.2018**
More than 6 months	21,779	---
Others	9	21,779

Deposits with banks and financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2019 and 2018 is the carrying amounts.

Liquidity Risk

The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. In case of short term requirements, it obtains short-term loans from its Bankers.

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CHARTERED ACCOUNTANTS
5th Floor, R. No. : 7, 3B, Lal Bazar Street, Kolkata - 1, E-mail : khousehouse71@gmail.com, Mobile : 9331040655
Phone : (033) 3022 2030, 4066 1047

INDEPENDENT AUDITOR'S REPORT

To
The Members of
HEADMAN MERCANTILE PRIVATE LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **HEADMAN MERCANTILE PRIVATE LIMITED,** which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flowsfor the year then ended andasummary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, the changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, but does not includethe financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility of the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the Financial Position and Financial Performance, Cash Flowsand the statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standardsspecified under Section 133 of the Act.

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

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

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

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Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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Chartered Accountants

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. 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.

2. As required by section 143(3) of the Act, we further 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, Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.

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

Vineet Khetan & Associates
Kolkata
Chartered Accountants

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise.

iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

Vineet Khetan & Associates
Kolkata
Chartered Accountants

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in our Report of even date to the Members of **HEADMAN MERCANTILE PRIVATE LIMITED**, as at and for the year ended 31st March, 2019.

1.) The company does not have any fixed assets hence the clause is not applicable.

2.) a) The inventory has been physically verified by the management at regular intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them.

b) In our opinion and according to the information's and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c) On the basis of our examinations of records of the inventory, in our opinion, the company is maintaining proper records of inventory except in respect of work-in-progress. As in earlier years, work-in-progress has been determined by the management on the basis of physical verification. The discrepancies ascertained on physical verification between the physical stock and the book records of inventory were not material in relation to the operations of the Company.

3.) The company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence clause is not applicable.

4.) According to the records of the company examined by us and according to the information and explanations given to us, in our opinion the company has neither given any guarantees or security nor has made any investments nor given a loan covered under the provisions of section 185 and 186 of the Companies Act, 2013.

5.) The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable.

6.) The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

7.) a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities and there is no arrears of

Vineet Khetan & Associates Kolkata Chartered Accountants

outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

8.) According to the records of the Company examined by us and the information and explanations given to us, the Company has duly repaid loan taken from banks. Further it does not have any outstanding from any financial institutions or government nor has it any outstanding debenture.

9.) In our opinion, and according to the information's and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and the term loan has been applied, on an overall basis, for the purpose for which they were obtained.

10.) According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.

11.) As examined by us, the company has not paid remuneration to any managerial personnel during the period in accordance, hence clause is not applicable.

12.) The company is not a nidhi company. Hence clause is not applicable.

13.) According to the information and explanations given to us, we are of the opinion that all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.

14.) According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.

15.) According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.

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16.) According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

Vineet Khetan & Associates
Kolkata
Chartered Accountants

Headman Mercantile Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC104940

Balance Sheet as on 31.03.2019

Particulars	Note	As at 31.03.19	As at 31.03.18
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	-	-
(b) Intangible	3	-	-
(c) Financial Assets			
(i) Other Financial Assets	4	172,796	172,796
Total Non - Current Assets		**172,796**	**172,796**
Current assets			
(a) Inventories	5	36,843,996	35,205,568
(b) Financial Assets			
(i) Trade receivables	6	669	676
(ii) Cash and cash equivalents	7	864,481	722,731
(iii) Other financial assets	8	-	-
(c) Current Tax Assets	9	249,156	249,156
(d) Other current assets	10	-	-
Total Current Assets		**37,958,302**	**36,178,131**
Total Assets		**38,131,098**	**36,350,927**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	100,100	100,100
(b) Other Equity	12	14,222,337	11,980,106
Total equity		**14,322,437**	**12,080,206**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	3,624,627	6,275,775
(ii) Other financial liabilities	14	1,707,000	2,396,956
Total non-current liabilities		**5,331,627**	**8,672,731**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	11,324,109	11,318,002
(ii) Trade and other payables	16	-	6,000
(iii) Other financial liabilities	17	3,676,461	3,480,988
(b) Other current liabilities	18	2,956,464	300,000
(c) Provisions	19	520,000	493,000
Total Current Liabilities		**18,477,034**	**15,597,990**
Total liabilities		**23,808,661**	**24,270,721**
Total Equity & Liabilities		**38,131,098**	**36,350,927**

This is the Balance Sheet referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Kheten
Proprietor
Membership No.060270
Place: 3B, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates Kolkata Chartered Accountants

For and on behalf of the Board
HEADMAN MERCANTILE PVT. LTD.
Director **Director**
HEADMAN MERCANTILE PVT. LTD.
Director **Director**

Headman Mercantile Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC104940

Statement of Profit and Loss for the year ended 31.03.2019

Particulars	Note	Year ended 31.03.19	Year ended 31.03.18
Revenue			
Revenue from operations	20	3,602,376	3,602,376
Other income	21	-	-
Total Revenue		**3,602,376**	**3,602,376**
Expenses			
Construction Activity Expenses	22	1,638,428	1,153,543
Changes in inventories of work-in-progress	23	(1,638,428)	(1,153,543)
Depreciation and amortisation expense	2	-	-
Finance costs	24	816,093	1,122,766
Other expenses	25	28,766	185,180
Total expenses		**844,859**	**1,307,946**
Profit before tax		**2,757,517**	**2,294,430**
Less: Income tax expenses			
Current tax		520,000	493,000
- Tax Adjustment For Earlier Year		(4,714)	22,496
Total tax expense		**515,286**	**515,496**
Profit after tax		**2,242,231**	**1,778,934**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
(i) Equity Instruments through Other Comprehensive Income		-	-
(ii) Remeasurements of the defined benefit plans		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**2,242,231**	**1,778,934**
Earnings per equity share			
Profit available for Equity Shareholders		2,242,231	1,778,934
Weighted average number of Equity Shares outstanding		10,010	10,010
Basic earnings per share		224.00	177.72
Diluted earnings per share		224.00	177.72

This is the Statement of Profit & Loss referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Kheten
Proprietor
Membership No.060270
Place: 3B, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates Kolkata Chartered Accountants

For and on behalf of the Board
HEADMAN MERCANTILE PVT. LTD.
Pradip Hirsaw
Director
Director

HEADMAN MERCANTILE PVT. LTD.
Director
Director

Headman Mercantile Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC104940

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 4 Financial Assets (Other Financial Assets)		
Unsecured, Considered Good		
Security Deposits	172,796	172,796
TOTAL	172,796	172,796
Note 5 Inventories		
(At lower of cost or Net Realisable value)		
Work in Progress	9,834,596	8,196,168
Finished Goods	27,009,400	27,009,400
Total Inventories	**36,843,996**	**35,205,568**
Note 6 Financial Assets (Trade receivables)		
Trade receivables	669	676
Receivables from related parties	-	-
Less: Allowance for doubtful debts	-	-
	669	676

All the trade receivables are Unsecured, considered good and does not require any provision or allowance for doubtful debts

Note 7 Financial Assets (Cash and Cash Equivalents)		
(a) Balances with banks (Unrestricted in Current Account)	807,461	664,560
(b) Cash in hand	57,020	58,171
(c) Cheques, drafts on hand	-	-
(d) Others		
Cash and cash equivalents as per balance sheet	**864,481**	**722,731**
Note 8 Financial Assets (Other financial assets)		
Other Advances (Unsecured, considered good)	-	-
TOTAL	-	-
Note 9 Current tax assets and liabilities		
Current tax assets		
Advance Income Tax and TDS	249,156	249,156
TOTAL	**249,156**	**249,156**
Note 10 Other current assets		
Other Advances	-	-
TOTAL	-	-

Vineet Khetan & Associates
Kolkata
Chartered Accountants

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CIN: U51109WB2005PTC104940

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 11 Equity Share Capital		
(Equity Shares of Rs.10/- each)		
a) Authorised Share Capital		
Number of Shares	20,000	20,000
Total Amount	200,000	200,000
b) Issued, subscribed and fully paid Share Capital		
Number of Shares	10,010	10,010
Total Amount	100,100	100,100
c) Reconciliation of Number of Equity Shares Outstanding		
As at the beginning & end of the year	10,100	10,100
No shares have either been issued, nor bought back, forfeited		
d) Details of Shareholders holding more than 5% shares with voting right		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	9,810	9,810
Percentage of total shares held	97.13%	97.13%

e) The rights, preferences & restrictions attaching to shares and restrictions on distribution of dividend and repayment of capital

The Company has only one class of equity shares having par value value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the 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.

f) Shares held by holding, ultimate holding, or subidiaries or associates of holding		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	9,810	9,810
Percentage of total shares held	97.13%	97.13%
Ravi Prakash Pincha *		
Number of Shares	100	100
Percentage of total shares held	0.99%	0.99%
Pradeep Kumar Pugalia *		
Number of Shares	100	100
Percentage of total shares held	0.99%	0.99%

** Both the shareholders holding 100 Shares each are held in capacity of nominee holder of RDB Realty & Infrastructure Ltd*

g) Shares are reserved for issue under options or contracts.		
Number of Shares	-	-
Total Amount	-	-

h) Shares issued for consideration other than cash or bonus to shareholders or bought back from shareholders within the period of 5 years

No such shares have been issued nor there has been any buy-back

Vineet Khetan & Associates * Chartered Accountants * Kolkata

Headman Mercantile Private Limited
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CIN: U51109WB2005PTC104940

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 12 Other equity		
Reserve & Surplus		
Surplus from Statement of Profit & Loss		
As at the beginning of the year	11,980,106	10,201,172
Add: Profit for the year	2,242,231	1,778,934
Add: Ind AS Adjustments	-	-
As at the end of the year	14,222,337	11,980,106
Other Comprehensive Income		
Equity Instruments through other comprehensive income	-	-
Other items of Other Comprehensive Income	-	-
Total	**14,222,337**	**11,980,106**

Note 13 Financial Liabilities - Borrowings (Non Current)		
Secured - at amortised cost		
Term Loan from Bank	3,624,627	6,275,775
The loan is secured against first charge over property classified under inventories and lease rental receivable from the property. Loan is repayable in 96 equal monthly installment of Rs. 2,65,349/- (incl. interest) starting from 05.11.13 and last installment falling due on 05.10.21. The rate of interest is Base Rate Plus 2.60 %		
Total non-current borrowings	**3,624,627**	**6,275,775**

Note 14 Financial Liability (Other Financial Liability)		
Security Deposits	1,707,000	1,666,643
Advance from parties	-	730,313
Total	**1,707,000**	**2,396,956**

Note 15 financial liabilities - Borrowings		
(Unsecured, repayable on Demand, including interest accrued)		
From Related Parties	-	-
From other than Related Parties		
From NBFC	11,307,930	10,286,047
From Others	16,179	1,031,955
Total	**11,324,109**	**11,318,002**

Note 16 financial liabilities - Trade and other payables		
outstanding dues of micro & small entreprises	-	-
Other than above	-	6,000
Total	-	**6,000**

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Kolkata

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Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 17 financial liabilities - Other Financial Liabilities		
Current maturity of long term debt	2,660,964	2,415,270
Interest accrued but not due on borrowings	61,934	64,932
Advances from other	799,408	881,059
Other payable	5,000	119,727
Statutory Liabilities	149,155	-
Total	**3,676,461**	**3,480,988**
Note 18 Other Current Liabilities		
Advances from Customer and Others	2,956,464	300,000
Total	**2,956,464**	**300,000**
Note 19 Provisions		
Provision for Income Tax	520,000	493,000
Total	**520,000**	**493,000**

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Headman Mercantile Private Limited
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CIN: U51109WB2005PTC104940

Notes to the financial statements		Year ended 31.03.19	Year ended 31.03.18
Note 20 Revenue from Operations			
Rental Income		3,602,376	3,602,376
TOTAL		**3,602,376**	**3,602,376**
Note 21 Other Income			
Interest Income		-	-
Total		-	-
Note 22 Construction Activity Expenses			
Other Construction Expenses		671,014	216,338
Interest Paid		967,414	937,205
Consumption		**1,638,428**	**1,153,543**
Note 23 Changes in inventories of work-in-progress & Finished Goods			
Opening Inventory of Work in Progress		8,196,168	7,042,625
Opening Inventory of Finished Goods		27,009,400	27,009,400
	Sub Total (A)	35,205,568	34,052,025
Less : Closing Inventory of Work in Progress		9,834,596	8,196,168
Less : Closing Inventory of Finished Goods		27,009,400	27,009,400
	Sub Total (B)	36,843,996	35,205,568
(Increase)/decrease in inventories (A-B)		**(1,638,428)**	**(1,153,543)**
Note 24 Finance Cost			
Interest on Borrowed fund		775,736	951,741
Other Borrowing Cost			
Notional Interest on Security Deposits		40,357	169,640
Finance Charges		-	1,385
Total		**816,093**	**1,122,766**
Note 25 Others Expenses			
Rates & Taxes		4,650	4,710
Filing Fees		2,747	2,579
Repairs & Maintenance		12,638	171,353
Professional Charges		2,100	600
Miscellaneous Expenses		1,631	---
Interest Penalty charges		---	938
Auditor's Remuneration			
Statutory Audit Fees		5,000	5,000
Total		**28,766**	**185,180**

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Kolkata
Chartered Accountants

Headman Mercantile Private Limited
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CIN: U51109WB2005PTC104940

Notes to the financial statements

A. Share Capital

Particulars	Amount (Rs.)
Equity Share Capital as on 01.04.2017	100,100
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2018	100,100
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2019	100,100

B. Other Equity

Other Equity

Reserves and surplus attributable to Equity Share holders of the Company	**Amount (Rs.)**
Balance at 1 April 2018	**10,201,172**
Transfers	-
Profit for the year	1,778,934
Add:IND AS adjustmnents	-
Other comprehensive income	-
Total comprehensive income for the year	**11,980,106**
Balance at 31 March 2018	**11,980,106**
Transfers	-
Profit for the Year	2,242,231
Add:IND AS adjustmnents	-
Other comprehensive income	-
Total comprehensive income for the year	**14,222,337**
Balance at 31 March 2019	**14,222,337**

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Headman Mercantile Private Limited

Cash Flow Statement for the year ended 31st March, 2019

Cash Flow Statement	For the year ended 31st March,2019 (Amount in `)		For the year ended 31st March,2018 (Amount in `)	
A. Cash flow from operating activities :				
Net profit before tax as per Statement of Profit and Loss		27,57,517		22,94,430
Adjustments for				
Notional Interest on Security Deposits	40,357		1,69,640	
Interest Paid	7,75,736	8,16,093	9,51,741	11,21,381
Operating Profit Before Working Capital Changes		**35,73,610**		**34,15,811**
(Increase) / Decrease in Inventories	(6,71,014)		(2,16,338)	
(Increase) / Decrease in Trade receivables	7		9,978	
(Increase) / Decrease of Advances	-		-	
(Increase) / Decrease of Other Financial Assets	-		-	
(Increase) / Decrease of Other Current Assets	-		-	
Increase / (Decrease) in Trade Payables	(6,000)		-	
Increase / (Decrease) of Other financial liabilities	(7,77,536)		2,30,941	
Increase / (Decrease) of Other Current Liabilities	26,56,464	12,01,921	3,00,000	3,24,581
Cash generated from operations		**47,75,531**		**37,40,392**
Less: Direct taxes paid/ (Refunds) including Interest (Ne		4,88,286		3,83,952
Cash Flow before Exceptional Items		42,87,245		33,56,440
Net cash Generated/(used) from operating activities		**42,87,245**		**33,56,440**
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets		-		
Net cash from investing activities		-		-
C. Cash flow from financing activities :				
Proceeds / (Repayment) of Short Term Borrowings	6,107		10,64,684	
Proceeds / (Repayment) of Long Term Borrowings	(24,05,454)		(21,98,591)	
Interest Paid	(17,46,148)	(41,45,495)	(19,22,802)	(30,56,709)
Net cash generated/(used) in financing activities		**(41,45,495)**		**(30,56,709)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**1,41,750**		**2,99,731**
Cash and cash equivalents -Opening balance		7,22,731		4,23,000
		8,64,481		**7,22,731**
Cash and cash equivalents -Closing balance				
CASH AND CASH EQUIVALENTS :				
Balances with Banks		8,07,461		6,64,560
Cash on hand (As certified by the management)		57,020		58,171
		8,64,481		**7,22,731**

This is the Cash Flow Statement referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Kheten
Proprietor
Membership No.060270
Place: 3B, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates, Chartered Accountants, Kolkata

For and on behalf of the Board

HEADMAN MERCANTILE PVT. LTD. HEADMAN MERCANTILE PVT. LTD.

Pradeep Biswas
Director Director

Director Director

26. NOTES TO THE FINANCIAL STATEMENTS

A. Corporate Information

Headman Mercantile Private Limited (The Company) is a deemed Public limited company, private company being a subsidiary of Listed Public Company domiciled and incorporated in India. It is a part of a group leading in real estate activities in Eastern India. The registered office of the Company is situated at 8/1, Lalbazar Street, Bikaner Building, 1 Floor, Room No.10, Kolkata-700001. The principle business activity of the company is Real Estate Development.

B. Summary of Significant Accounting Policies

a) Basis of preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable

Basis of Preparation

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Classification of Assets and Liabilities into Current/Non-Current

All the assets and liabilities have been classified as current and non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.The normal operating cycle of the company has been considered as 12 months.

b) Use of estimates and management judgments :

The preparation of financial statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, 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.

i) Key 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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Kolkata
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ii) **Revenue recognition, contract costs and valuation of unbilled revenue**

The Company uses the percentage of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate and contractual projects. 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. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

iii) **Estimation of net realisable value for inventory property (including land advance)**

Inventory property is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory 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 property under construction 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 Land advance given, 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.

c) **Revenue Recognition-**

Revenue is recognized as follows:

i. Revenue from own construction projects are recognised on Percentage Completion Method. Revenue recognition starts when 25 % of estimated project cost excluding land and marketing cost is incurred, atleast 25% of the saleable project area is secured by contracts or agreements with buyers and Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

ii. Revenue from Construction Contracts are recognised on "Percentage of Completion Method" measured by reference to the survey of works done up to the reporting date and certified by the client before finalisation of projects accounts.

iii. Real Estate: Sales is exclusive of service tax, if any, net of sales return.

iv. Revenue from services are recognised on rendering of services to customers except otherwise stated

v. Rental income from assets is recognised for an accrual basis except in case where ultimate collection is considered doubtful. Rental income is exclusive of service tax

vi. Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

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d) **Borrowing Costs**
Borrowing costs attributable to the acquisition or construction of a qualifying asset are carried as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the year they are incurred.

e) **Impairment of Non-Financial Assets**
The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

f) **Inventories**
Constructed properties, shown as work in progress, includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development costs, construction costs, overheads, borrowing costs, construction materials including material lying at respective sites, finance and administrative expenses which contribute to bring the inventory to their present location and condition and is valued at lower of cost/ estimated cost and net realizable value.
On completion of projects, unsold stocks are transferred to project finished stock under the head "Inventory" and the same is carried at cost or net realizable value, whichever is less.
Finished Goods – Flats: Valued at cost and net realizable value.
Land Inventory: Valued at lower of cost and net realizable value.
Provision for obsolescence in inventories is made, wherever required.

g) **Retirement Benefits**
No such benefits are payable to any employee.

h) **Provisions, Contingent Liabilities and Contingent Assets**
Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if the company has a present obligation as a result of past event and the amount of obligation can be reliably estimated.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
Possible future or present obligations that may but will probably not require outflow of resources or where the same can not be reliably estimated is disclosed as contingent liability in the financial statement.

i) **Taxes on Income**

i. Tax expense comprises both current and deferred tax. Current tax is determined in respect of taxable income for the year based on applicable tax rates and laws.
ii. Deferred tax Asset/liability is recognized, subject to consideration of prudence, on timing differences being the differences between taxable incomes and accounting income that originates in one year and is capable of reversal in one or more subsequent year and measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

iii. Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in

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subsequent years, as per the provisions of Income Tax Act. 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 that 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 Alternative 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 specified period.

j) **Segment Reporting**

The company has identified that its operating activity is a single primary business segment viz. Real Estate Development and Services carried out in India. Accordingly, whole of India has been considered as one geographical segment

k) **Earnings Per Share**

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

l) **Cash & Cash Equivalents**

Cash and cash equivalents comprise cash & cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management and that are readily convertible to known amounts of cash to be cash equivalents.

m) **Financial Instruments**

➢ **Financial Instruments - Initial recognition and measurement**

Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognized initially 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.

➢ **Financial assets –Subsequent measurement**

The Subsequent measurement of financial assets depends on their classification which is as follows:

- Financial assets at fair value through profit or loss

  Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.
- Financial assets measured at amortized cost

  Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for

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impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
ii. The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

- <u>Financial assets at fair value through OCI</u>

  All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable. If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

- **Financial assets –Derecognition**

  The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

- **Financial liabilities –**

  <u>Initial recognition and measurement</u>

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Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.
The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The Subsequent measurement of financial liabilities depends on their classification which is as follows:

- Financial liabilities at fair value through profit or loss
  Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any, and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
  Gains or losses on liabilities held for trading are recognised in the profit or loss.
- Financial liabilities measured at amortized cost
  Interest bearing loans and borrowings including debentures issued by the company are subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortized is included in finance costs in the statement of profit and loss.
- **Financial liabilities –Derecognition**
  A financial liability is derecognized when the obligation under the liability is discharged or expires.

n) **Fair Value measurement**

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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Headman Mercantile Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC104940

Notes to the financial statements as on

27 **Reconciliation of Effective Tax Rate**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31.03.19	Year ended 31.03.18
Profit before tax	27,57,517	22,94,430
Income tax expense calculated @ 26.00% (P.Y: 25.75%)	7,16,954	5,90,816
Effect of items not allowable for Tax purpose	13,779	-
Effect of Allowances for Tax purpose	(2,80,985)	-
Other differences	70,252	(97,816)
Total	5,20,000	4,93,000
Adjustments recognised in the current year in relation to the current tax of prior years	(4,714)	22,496
Income tax recognised in profit or loss	5,15,286	5,15,496

The tax rate used for the year 2017-18 and 2018-19 reconciliations above is the corporate tax payable on taxable profits under the Income Tax Act, 1961.

28 **Related Party Disclosure**

Related Party Relationship

Enterprises where control exists - RDB Realty & Infrastructure Ltd – Holding

Transactions & Balanaces :

No related party transactions nor any balances have been reported by the management.

29 In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realised in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no contingent liability except stated and informed by the Management.

30 **Contingent Liabilities:-** Nil (P. Y. Nil)

31 **Financial Instruments and Related Disclosures As on 31.03.2019**

Particulars at	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Trade receivables	669	669	669
(ii) Cash and cash equivalents	8,64,481	8,64,481	8,64,481
(iii) Other financial assets	1,72,796	1,72,796	1,72,796
Total Financial Assets	10,37,946	10,37,946	10,37,946
(a) Financial Liabilities			
(i) Borrowings	1,49,48,736	1,49,48,736	1,49,48,736
(ii) Trade and other payables	-	-	-
(iii) Other financial liabilities	53,83,461	54,41,593	54,41,593
Total Financial Liabilities	2,03,32,197	2,03,90,329	2,03,90,329

As on 31.03.2018

Particulars	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Trade receivables	676	676	676
(ii) Cash and cash equivalents	7,22,731	7,22,731	7,22,731
(iii) Other financial assets	1,72,796	1,72,796	1,72,796
Total Financial Assets	8,96,203	8,96,203	8,96,203
(a) Financial Liabilities			
(i) Borrowings	1,75,93,777	1,75,93,777	1,75,93,777
(ii) Trade and other payables	6,000	6,000	6,000
(iii) Other financial liabilities	58,77,944	59,76,433	59,76,433
Total Financial Liabilities	2,34,77,721	2,35,76,210	2,35,76,210

A. **Capital Requirements**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of

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the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents

Particulars	31-Mar-19 (in Rs.)	31-Mar-18 (in Rs.)
Borrowings (long-term and short-term, including current maturities of long term borrowings)	1,49,48,736	1,75,93,777
Trade payables	-	6,000
Other payables (current and non-current, excluding current maturities of long term borrowings)	53,83,461	58,77,944
Less: Cash and cash equivalents	(8,64,481)	(7,22,731)
Net debt	1,94,67,716	2,27,54,990
Equity share capital	1,00,100	1,00,100
Other equity	1,42,22,337	1,19,80,106
Total Capital	1,43,22,437	1,20,80,206
Gearing ratio	**0.74**	**0.53**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

32 Disclosure of Financial Instruments

Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and loans and advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuatebecause of changes in market prices. Market risk comprises two types of risk: interest rate riskand other price risk, such as equity price risk and commodity/ real estate risk. The Company has not entered into any foreign exchange or commodity derivative contracts. Accordingly, there is no significant exposure to the market risk other than interest risk.

(i) 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 the Company's long-term debt obligations with floating interest rates.

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 the Company's long-term debt obligations with floating interest rates.

The Company has borrowed fund from bank at fixed rate borrowings. The Company does not enter into any interest rate swaps.

(ii) Price risk

The Company has not made any investments for trading purposes. The surpluses have been deployed in bank deposits as explained above.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a

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Notes to the financial statements as on

financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

The ageing of trade receivables are as follows:

Particulars	As on 31.03.2019	As on 31.03.2018
More than 6 months	669	---
Others	-	676

Deposits with banks and financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2019 and 2018 is the carrying amounts.

Liquidity Risk

The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. In case of short term requirements, it obtains short-term loans from its Bankers.

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CHARTERED ACCOUNTANTS
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Phone : (033) 3022 2030, 4066 1047

INDEPENDENT AUDITOR'S REPORT

To
The Members of
KASTURI TIE-UP PRIVATE LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **KASTURI TIE-UP PRIVATE LIMITED,** which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flowsfor the year then ended andasummary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, the changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, but does not includethe financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility of the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the Financial Position and Financial Performance, Cash Flowsand the statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standardsspecified under Section 133 of the Act.

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

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

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

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Auditor'sResponsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Kolkata

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. .

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

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

Report on Other Legal and Regulatory Requirements

1. 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.

2. As required by section 143(3) of the Act, we further 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, Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.

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

Kolkata
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i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise.

iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in our Report of even date to the Members of **KASTURI TIE-UP PRIVATE LIMITED**, as at and for the year ended 31st March, 2019.

1.) The company does not have any fixed assets hence the clause is not applicable.

2.) a) The inventory has been physically verified by the management at regular intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them.

b) In our opinion and according to the information's and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c) On the basis of our examinations of records of the inventory, in our opinion, the company is maintaining proper records of inventory except in respect of work-in-progress. As in earlier years, work-in-progress has been determined by the management on the basis of physical verification. The discrepancies ascertained on physical verification between the physical stock and the book records of inventory were not material in relation to the operations of the Company.

3.) The company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence clause is not applicable.

4.) According to the records of the company examined by us and according to the information and explanations given to us, in our opinion the company has neither given any guarantees or security nor has made any investments nor given a loan covered under the provisions of section 185 and 186 of the Companies Act, 2013.

5.) The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable.

6.) The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

7.) a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities and there is no arrears of

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outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

8.) According to the records of the Company examined by us and the information and explanations given to us, the Company has duly repaid loan taken from banks. Further it does not have any outstanding from any financial institutions or government nor has it any outstanding debenture.

9.) In our opinion, and according to the information's and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and the term loan has been applied, on an overall basis, for the purpose for which they were obtained.

10.) According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.

11.) As examined by us, the company has not paid remuneration to any managerial personnel during the period in accordance, hence clause is not applicable.

12.) The company is not a nidhi company. Hence clause is not applicable.

13.) According to the information and explanations given to us, we are of the opinion that all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.

14.) According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.

15.) According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.

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16.) According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

Kasturi Tie-up Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105031

Balance Sheet as on 31.03.2019

Particulars	Note	As at 31.03.19	As at 31.03.18
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	-	-
(b) Intangible	3	-	-
(c) Financial Assets			
(i) Other Financial Assets	4	180,125	180,125
Total Non - Current Assets		**180,125**	**180,125**
Current assets			
(a) Inventories	5	39,885,842	38,060,919
(b) Financial Assets			
(i) Trade receivables	6	5,240	5,231
(ii) Cash and cash equivalents	7	741,285	496,998
(iii) Other financial assets	8	-	-
(c) Current Tax Assets	9	304,104	304,104
(d) Other current assets	10	-	-
Total Current Assets		**40,936,471**	**38,867,252**
Total Assets		**41,116,596**	**39,047,377**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	100,000	100,000
(b) Other Equity	12	16,478,580	13,901,245
Total equity		**16,578,580**	**14,001,245**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	3,624,627	6,275,775
(ii) Other financial liabilities	14	2,083,543	1,850,393
Total non-current liabilities		**5,708,170**	**8,126,168**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	13,978,609	12,746,368
(ii) Trade and other payables	16	-	67,145
(iii) Other financial liabilities	17	4,301,237	3,469,451
(b) Other current liabilities	18	-	-
(c) Provisions	19	550,000	637,000
Total Current Liabilities		**18,829,846**	**16,919,964**
Total liabilities		**24,538,016**	**25,046,132**
Total Equity & Liabilities		**41,116,596**	**39,047,376**

This is the Balance Sheet referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Kheten
Proprietor
Membership No.060270
Place: 3B, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

For and behalf of the Board
For KASTURI TIE-UP PVT. LTD.
Pradeep Mishra
Director Director

For KASTURI TIE-UP PVT. LTD.
Director Director

Vineet Khetan & Associates * Kolkata * Chartered Accountants

Kasturi Tie-up Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105031

Statement of profit and loss for the year ended 31.03.2019

Particulars	Note	Year ended 31.03.19	Year ended 31.03.18
Revenue			
Revenue from operations	20	4,397,016	4,397,016
Other income	21	3,623	-
Total Revenue		**4,400,639**	**4,397,016**
Expenses			
Construction Activity Expenses	22	1,824,923	1,293,069
Changes in inventories of work-in-progress	23	(1,824,923)	(1,293,069)
Depreciation and amortisation expense	2	-	-
Finance costs	24	1,008,886	1,160,597
Other expenses	25	258,304	272,593
Total expenses		**1,267,190**	**1,433,190**
Profit before tax		**3,133,449**	**2,963,826**
Le[illegible] ncome tax expenses			
- Current tax		550,000	637,000
- Tax Adjustment For Earlier Year		6,114	18,223
Total tax expense		**556,114**	**655,223**
Profit after tax		**2,577,335**	**2,308,603**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
(i) Equity Instruments through Other Comprehensive Income		-	-
(ii) Remeasurements of the defined benefit plans		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**2,577,335**	**2,308,603**
[illegible] ings per equity share			
Profit available for Equity Shareholders		2,577,335	2,308,603
Weighted average number of Equity Shares outstanding		10,000	10,000
Basic earnings per share		257.73	230.86
Diluted earnings per share		257.73	230.86

This is the Statement of Profit & Loss referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Kheten
Proprietor
Membership No.060270
Place: 3B, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates Kolkata Chartered Accountants

For and behalf of the Board
For KASTURI TIE-UP PVT. LTD.

Director Director

For KASTURI TIE-UP PVT. LTD.

Director
Director

Kasturi Tie-up Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC105031

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 4 Financial Assets (Other Financial Assets)		
Unsecured, Considered Good		
Security Deposits	180,125	180,125
TOTAL	**180,125**	**180,125**
Note 5 Inventories		
(At lower of cost or Net Realisable value)		
Work in Progress	14,453,517	12,628,594
Finished Goods	25,432,325	25,432,325
Total Inventories	**39,885,842**	**38,060,919**
Note 6 Financial Assets (Trade receivables)		
Trade receivables	5,240	5,231
Receivables from related parties	-	-
Less: Allowance for doubtful debts	-	-
TOTAL	**5,240**	**5,231**

All the trade receivables are Unsecured, considered good and does not require any provision or allowance for doubtful debts

Note 7 Financial Assets (Cash and Cash Equivalents)		
(a) Balances with banks (Unrestricted in Current Account)	690,817	446,380
(b) Cash in hand	50,468	50,618
(c) Cheques, drafts on hand	-	-
(d) Others		
Cash and cash equivalents as per balance sheet	**741,285**	**496,998**
Note 8 Financial Assets (Other financial assets)		
Other Advances (Unsecured, considered good)	-	-
TOTAL	-	-
Note 9 Current tax assets and liabilities		
Current tax assets		
Advance Income Tax and TDS	304,104	304,104
TOTAL	**304,104**	**304,104**
Note 10 Other current assets		
Other Advances	-	-
TOTAL	-	-

Khetan & Associates
Chartered Accountants
Kolkata

Kasturi Tie-up Private Limited
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CIN: U51109WB2005PTC105031

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 11 Equity Share Capital		
(Equity Shares of Rs.10/- each)		
a) Authorised Share Capital		
Number of Shares	20,000	20,000
Total Amount	200,000	200,000
b) Issued, subscribed and fully paid Share Capital		
Number of Shares	10,000	10,000
Total Amount	100,000	100,000
c) Reconciliation of Number of Equity Shares Outstanding		
As at the beginning & end of the year	10,000	10,000
No shares have either been issued, nor bought back, forfeited		
d) Details of Shareholders holding more than 5% shares with voting right		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	10,000	10,000
Percentage of total shares held	100.00%	100.00%

e) The rights, preferences & restrictions attaching to shares and restrictions on distribution of dividend and repayment of capital

The Company has only one class of equity shares having par value value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the 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.

	As at 31.03.19	As at 31.03.18
g) Shares held by holding, ultimate holding, or subidiaries or associates of holding		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	9,800	9,800
Percentage of total shares held	98.00%	98.00%
Ravi Prakash Pincha *		
Number of Shares	100	100
Percentage of total shares held	1.00%	1.00%
Pradeep Kumar Pugalia *		
Number of Shares	100	100
Percentage of total shares held	1.00%	1.00%

** Both the shareholders holding 100 Shares each are held in capacity of nominee holder of RDB Realty & Infrastructure Ltd*

	As at 31.03.19	As at 31.03.18
g) Shares are reserved for issue under options or contracts.		
Number of Shares	-	-
Total Amount	-	-

h) Shares issued for consideration other than cash or bonus to shareholders or bought back from shareholders within the period of 5 years

No such shares have been issued nor there has been any buy-back

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Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 12 Other equity		
Reserve & Surplus		
Surplus from Statement of Profit & Loss		
As at the beginning of the year	13,901,245	11,592,642
Add: Profit for the year	2,577,335	2,308,603
Add: Ind AS Adjustments	-	-
As at the end of the year	16,478,580	13,901,245
Other Comprehensive Income		
Equity Instruments through other comprehensive income	-	-
Other items of Other Comprehensive Income	-	-
Total	**16,478,580**	**13,901,245**
Note 13 Financial Liabilities - Borrowings (Non Current)		
Secured - at amortised cost		
Term Loan from Bank	3,624,627	6,275,775
The loan is secured against first charge over property classified under inventories and lease rental receivable from the property. Loan is repayable in 96 equal monthly installment of Rs. 2,65,349/- (incl. interest) starting from 05.11.13 and last installment falling due on 05.10.21. The rate of interest is Base Rate Plus 2.60 %		
Total non-current borrowings	**3,624,627**	**6,275,775**
Note 14 Financial Liability (Other Financial Liability)		
Security Deposits	2,083,543	1,850,393
Total	**2,083,543**	**1,850,393**
Note 15 financial liabilities - Borrowings		
(Unsecured, repayable on Demand, including interest accrued)		
From Related Parties	-	-
From other than Related Parties		
From NBFC	11,372,528	10,333,788
From Others	2,606,081	2,412,580
Total	**13,978,609**	**12,746,368**
Note 16 financial liabilities - Trade and other payables		
outstanding dues of micro & small entreprises	-	-
Other than above	-	67,145
Total	**-**	**67,145**

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Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 17 financial liabilities - Other Financial Liabilities		
Current maturity of long term debt	2,660,964	2,415,270
Interest accrued but not due on borrowings	61,934	64,932
Advances from other	1,340,872	821,884
Other payable	75,142	167,364
Statutory Liabilities	162,325	-
Total	**4,301,237**	**3,469,451**
Note 18 Other Current Liabilities		
Advances from Customer and Others	-	-
Total	-	-
Note 19 Provisions		
Provision for Income Tax	550,000	637,000
Total	**550,000**	**637,000**

Vineet Khetan & Associates
Kolkata
Chartered Accountants

Kasturi Tie-up Private Limited
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Notes to the financial statements		Year ended 31.03.19	Year ended 31.03.18
Note 20 Revenue from Operations			
Rental & Other Charges		4,397,016	4,397,016
TOTAL		**4,397,016**	**4,397,016**
Note 21 Other Income			
Sundry Balances written back (net)		3,623	-
Total		**3,623**	**-**
Note 22 Construction Activity Expenses			
Other Construction Expenses		671,014	216,338
Interest Paid		1,153,909	1,076,731
Consumption		**1,824,923**	**1,293,069**
Note 23 Changes in inventories of work-in-progress & Finished Goods			
Opening Inventory of Work in Progress		12,628,594	11,335,525
Opening Inventory of Finished Goods		25,432,325	25,432,325
	Sub Total (A)	38,060,919	36,767,850
Less : Closing Inventory of Work in Progress		14,453,517	12,628,594
Less : Closing Inventory of Finished Goods		25,432,325	25,432,325
	Sub Total (B)	39,885,842	38,060,919
(Increase)/decrease in inventories (A-B)		**(1,824,923)**	**(1,293,069)**
Note 24 Finance Cost			
Interest on Borrowed fund		775,736	951,741
Other Borrowing Cost			
Notional Interest on Security Deposits		233,150	207,060
Finance Charges		-	1,796
Total		**1,008,886**	**1,160,597**
Note 25 Others Expenses			
Rates & Taxes		4,650	4,710
Miscellaneous Expenses		1,278	---
Filing Fees		2,498	2,579
Repairs & Maintenance		237,770	259,468
Professional Charges		7,100	800
Interest Penalty charges		8	36
Auditor's Remuneration			
Statutory Audit Fees		5,000	5,000
Total		**258,304**	**272,593**

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Kasturi Tie-up Private Limited
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Notes to the financial statements

A. Share Capital

Particulars	Amount (Rs.)
Equity Share Capital as on 01.04.2017	100,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2018	100,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2019	100,000

B. Other Equity

Other Equity

Reserves and surplus attributable to Equity Share holders of the Company	**Amount (Rs.)**
Balance at 1 April 2017	**11,592,642**
Transfers	-
Profit for the year	2,308,603
Add:IND AS adjustmnents	-
Other comprehensive income	-
Total comprehensive income for the year	**13,901,245**
Balance at 31 March 2018	**13,901,245**
Transfers	-
Profit for the Year	2,577,335
Add:IND AS adjustmnents	-
Other comprehensive income	-
Total comprehensive income for the year	**16,478,580**
Balance at 31 March 2019	**16,478,580**

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Kasturi Tie-up Private Limited

Cash Flow Statement for the year ended 31st March, 2019

Cash Flow Statement	For the year ended 31st March,2019 (Amount in `)		For the year ended 31st March,2018 (Amount in `)	
A. Cash flow from operating activities :				
Net profit before tax as per Statement of Profit and Loss		3,133,449		2,963,826
Adjustments for				
Notional Interest on Security Deposits	233,150		207,060	
Interest Paid	775,736	1,008,886	951,741	1,158,801
Operating Profit Before Working Capital Changes		**4,142,335**		**4,122,627**
(Increase) / Decrease in Inventories	(671,014)		(216,338)	
(Increase) / Decrease in Trade receivables	(9)		12,158	
(Increase) / Decrease of Advances	-		-	
(Increase) / Decrease of Other Current Assets	-		-	
Increase / (Decrease) in Trade Payables	(67,145)		(6,554)	
Increase / (Decrease) of Other financial liabilities	589,091		281,354	
Increase / (Decrease) of Other Current Liabilities	-	(149,077)	-	70,620
Cash generated from operations		**3,993,258**		**4,193,247**
Less: Direct taxes paid/ (Refunds) including Interest (Net)		643,114		547,717
Cash Flow before Exceptional Items		3,350,144		3,645,530
Net cash Generated/(used) from operating activities		**3,350,144**		**3,645,530**
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets		-		-
Net cash from investing activities		-		-
C. Cash flow from financing activities :				
Proceeds / (Repayment) of Short Term Borrowings	1,232,241		586,212	
Proceeds / (Repayment) of Long Term Borrowings	(2,405,454)		(2,198,591)	
Interest Paid	(1,932,643)	(3,105,856)	(2,062,328)	(3,674,707)
Net cash generated/(used) in financing activities		**(3,105,856)**		**(3,674,707)**
Net increase/(decrease) in cash and cash equivalents		**244,288**		**(29,177)**
Cash and cash equivalents -Opening balance		496,998		526,175
		741,285		**496,998**
Cash and cash equivalents -Closing balance				
CASH AND CASH EQUIVALENTS :				
Balances with Banks		690,817		446,380
Cash on hand (As certified by the management)		50,468		50,618
		741,285		**496,998**

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For VINEET KHETAN & ASSOCIATES

Chartered Accountants

For KASTURI TIE-UP PVT. LTD.

For KASTURI TIE-UP PVT. LTD.

Pradeep Hiri

Vineet Kheten

Proprietor

Membership No.060270

Place: 3B, Lal Bazar Street

Kolkata - 700 001.

The 20th day of May 2019

Director Director

Director Director

Vineet Khetan & Associates Kolkata Chartered Accountants

26. NOTES TO THE FINANCIAL STATEMENTS

A. Corporate Information

Kasturi Tie-up Private Limited (The Company) is a deemed Public limited company, private company being a subsidiary of Listed Public Company domiciled and incorporated in India. It is a part of a group leading in real estate activities in Eastern India. The registered office of the Company is situated at 8/1, Lalbazar Street, Bikaner Building, 1 Floor, Room No.10, Kolkata-700001. The principle business activity of the company is Real Estate Development.

B. Summary of Significant Accounting Policies

a) Basis of preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable

Basis of Preparation

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Classification of Assets and Liabilities into Current/Non-Current

All the assets and liabilities have been classified as current and non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.The normal operating cycle of the company has been considered as 12 months.

b) Use of estimates and management judgments :

The preparation of financial statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, 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.

i) Key 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.

ii) **Revenue recognition, contract costs and valuation of unbilled revenue**
The Company uses the percentage of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate and contractual projects. 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. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.
For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

iii) **Estimation of net realisable value for inventory property (including land advance)**
Inventory property is stated at the lower of cost and net realisable value (NRV).
NRV for completed inventory 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 property under construction 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 Land advance given, 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.

c) **Revenue Recognition-**
Revenue is recognized as follows:

i. Revenue from own construction projects are recognised on Percentage Completion Method. Revenue recognition starts when 25 % of estimated project cost excluding land and marketing cost is incurred, atleast 25% of the saleable project area is secured by contracts or agreements with buyers and Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.
ii. Revenue from Construction Contracts are recognised on "Percentage of Completion Method" measured by reference to the survey of works done up to the reporting date and certified by the client before finalisation of projects accounts.
iii. Real Estate: Sales is exclusive of service tax, if any, net of sales return.
iv. Revenue from services are recognised on rendering of services to customers except otherwise stated
v. Rental income from assets is recognised for an accrual basis except in case where ultimate collection is considered doubtful. Rental income is exclusive of service tax
vi. Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

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d) **Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of a qualifying asset are carried as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the year they are incurred.

e) **Impairment of Non-Financial Assets**

The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

f) **Inventories**

Constructed properties, shown as work in progress, includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development costs, construction costs, overheads, borrowing costs, construction materials including material lying at respective sites, finance and administrative expenses which contribute to bring the inventory to their present location and condition and is valued at lower of cost/ estimated cost and net realizable value.
On completion of projects, unsold stocks are transferred to project finished stock under the head "Inventory" and the same is carried at cost or net realizable value, whichever is less.
Finished Goods – Flats: Valued at cost and net realizable value.
Land Inventory: Valued at lower of cost and net realizable value.
Provision for obsolescence in inventories is made, wherever required.

g) **Retirement Benefits**

No such benefits are payable to any employee.

h) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if the company has a present obligation as a result of past event and the amount of obligation can be reliably estimated.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
Possible future or present obligations that may but will probably not require outflow of resources or where the same can not be reliably estimated is disclosed as contingent liability in the financial statement.

i) **Taxes on Income**

i. Tax expense comprises both current and deferred tax. Current tax is determined in respect of taxable income for the year based on applicable tax rates and laws.
ii. Deferred tax Asset/liability is recognized, subject to consideration of prudence, on timing differences being the differences between taxable incomes and accounting income that originates in one year and is capable of reversal in one or more subsequent year and measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

iii. Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in

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subsequent years, as per the provisions of Income Tax Act. 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 that 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 Alternative 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 specified period.

j) **Segment Reporting**

The company has identified that its operating activity is a single primary business segment viz. Real Estate Development and Services carried out in India. Accordingly, whole of India has been considered as one geographical segment

k) **Earnings Per Share**

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

l) **Cash & Cash Equivalents**

Cash and cash equivalents comprise cash & cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management and that are readily convertible to known amounts of cash to be cash equivalents.

m) **Financial Instruments**

➢ **Financial Instruments - Initial recognition and measurement**

Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognized initially 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.

➢ **Financial assets –Subsequent measurement**

The Subsequent measurement of financial assets depends on their classification which is as follows:

- Financial assets at fair value through profit or loss

  Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.
- Financial assets measured at amortized cost

  Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for

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impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
ii. The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

- Financial assets at fair value through OCI

  All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable. If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

- **Financial assets –Derecognition**

  The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

- **Financial liabilities –**

  Initial recognition and measurement

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Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The Subsequent measurement of financial liabilities depends on their classification which is as follows:

- Financial liabilities at fair value through profit or loss
  Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any, and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
  Gains or losses on liabilities held for trading are recognised in the profit or loss.
- Financial liabilities measured at amortized cost
  Interest bearing loans and borrowings including debentures issued by the company are subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortized is included in finance costs in the statement of profit and loss.
- **Financial liabilities –Derecognition**
  A financial liability is derecognized when the obligation under the liability is discharged or expires.

n) **Fair Value measurement**

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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o) **Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

27 Reconciliation of Effective Tax Rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit before tax	3133449	2963826
Income tax expense calculated @ 26.00% (2018: 25.75%)	814697	763185
Effect of tax relating to items not allowable	---	
Effect of tax relating to items allowable	---	---
Difference in tax rates of subsidiary companies	---	---
Effect of income not taxable	---	---
Other differences	(264697)	(126185)
Benefit of previously unrecognised tax loss to reduce current tax expense	---	---
Benefit of previously unrecognised tax loss to reduce deferred tax expense	---	---
Total	550000	637000
Adjustments recognised in the current year in relation to the current tax of prior years	6114	18223
Income tax recognised in profit or loss	556114	655223

The tax rate used for the year 2018-19 and 2019-2020 reconciliations above is the corporate tax payable on taxable profits under the Income Tax Act, 1961.

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28 Related Party Disclosure

Related Party Relationship

Enterprises where control exists - RDB Realty & Infrastructure Ltd – Holding

Transactions & Balanaces :

No related party transactions nor any balances have been reported by the management.

29 In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realised in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no contingent liability except stated and informed by the Management.

30 **Contingent Liabilities:-** Nil (P. Y. Nil)

31. **Financial Instruments and Related Disclosures As on 31.03.2019**

Particulars	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Trade receivables	5240	5240	5240
(ii) Cash and cash equivalents	741285	741285	741285
(iii)Other financial assets	180125	180125	180125
Total Financial Assets	**949645**	**949645**	**949645**
(a) Financial Liabilities			
(i) Borrowings	17603236	17603236	17603236
(ii)Trade and other payables	---	---	---
(iii) Other financial liabilities	6384780	6384780	6384780
Total Financial Liabilities	**25892864**	**25892864**	**25892864**

As on 31.03.2018

Particulars	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Trade receivables	5231	5231	5231
(ii) Cash and cash equivalents	496998	496998	496998
(iii)Other financial assets	180125	180125	180125
Total Financial Assets	**682354**	**682354**	**682354**
(a) Financial Liabilities			
(i) Borrowings	19022143	19022143	19022143
(ii)Trade and other payables	67145	67145	67145
(iii) Other financial liabilities	5319844	5319844	5319844
Total Financial Liabilities	**24409132**	**24409132**	**24409132**

A. **Capital Requirements**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in

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	31-Mar-19 (in Rs.)	31-Mar-18 (in Rs.)
Borrowings (long-term and short-term, including current maturities of long term borrowings)	20264200	21437413
Trade payables	---	67145
Other payables (current and non-current, excluding current maturities of long term borrowings)	3723816	2904574
Less: Cash and cash equivalents	-741285	-496998
Net debt	23246731	23912134
Equity share capital	1,00,000	1,00,000
Other equity	16478580	13901245
Total Capital	16578580	14001245
Gearing ratio	**0.71**	**0.59**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

33 Disclosure of Financial Instruments

Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and loans and advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management

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is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuatebecause of changes in market prices. Market risk comprises two types of risk: interest rate riskand other price risk, such as equity price risk and commodity/ real estate risk. The Company has not entered into any foreign exchange or commodity derivative contracts. Accordingly, there is no significant exposure to the market risk other than interest risk.

(i) 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 the Company's long-term debt obligations with floating interest rates. The Company has borrowed fund from bank at fixed rate borrowings. The Company does not enter into any interest rate swaps.

(ii) Price risk

The Company has not made any investments for trading purposes. The surpluses have been deployed in bank deposits as explained above.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

- Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

The ageing of trade receivables are as follows:

Particulars	As on 31.03.2019	As on 31.03.2018
More than 6 months	5240	---
Others	---	5231

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		Deposits with banks and financial institutions Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.
	(c)	Liquidity Risk The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. In case of short term requirements, it obtains short-term loans from its Bankers.

VINEET KHETAN & ASSOCIATES
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5th Floor, R. No. : 7, 3B, Lal Bazar Street, Kolkata - 1, E-mail : khousehouse71@gmail.com, Mobile : 9331040655
Phone : (033) 3022 2030, 4066 1047

INDEPENDENT AUDITOR'S REPORT

To
The Members of
TRITON COMMERCIAL PRIVATE LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **TRITON COMMERCIAL PRIVATE LIMITED,** which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flowsfor the year then ended andasummary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, the changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, but does not includethe financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility of the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the Financial Position and Financial Performance, Cash Flowsand the statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standardsspecified under Section 133 of the Act.

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

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

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

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Auditor'sResponsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Kolkata

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. 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.

2. As required by section 143(3) of the Act, we further 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, Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.

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

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise.

iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in our Report of even date to the Members of **TRITON COMMERCIAL PRIVATE LIMITED**, as at and for the year ended 31st March, 2019.

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) As explained to us Fixed Assets of the company are physically verified by the management according to a phased programme designed to cover all the items which considering the size and nature of operations of the company appears to be reasonable. Pursuant to such program, no material discrepancies between book records and physical inventory have been noticed on physical verification.

   c) The company does not have any immovable property under the fixed assets, hence the clause is not applicable.

2.) a) The inventory has been physically verified by the management at regular intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them.

   b) In our opinion and according to the information's and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   c) On the basis of our examinations of records of the inventory, in our opinion, the company is maintaining proper records of inventory except in respect of work-in-progress. As in earlier years, work-in-progress has been determined by the management on the basis of physical verification. The discrepancies ascertained on physical verification between the physical stock and the book records of inventory were not material in relation to the operations of the Company.

3.) The company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence clause is not applicable.

4.) According to the records of the company examined by us and according to the information and explanations given to us, in our opinion the company has neither given any guarantees or security nor has made any investments nor given a loan covered under the provisions of section 185 and 186 of the Companies Act, 2013.

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5.) The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable.

6.) The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

7.) a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

8.) According to the records of the Company examined by us and the information and explanations given to us, the Company has duly repaid loan taken from banks. Further it does not have any outstanding from any financial institutions or government nor has it any outstanding debenture.

9.) In our opinion, and according to the information's and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and the term loan has been applied, on an overall basis, for the purpose for which they were obtained.

10.) According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.

11.) As examined by us, the company has not paid remuneration to any managerial personnel during the period in accordance, hence clause is not applicable.

12.) The company is not a nidhi company. Hence clause is not applicable.

13.) According to the information and explanations given to us, we are of the opinion that all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.

Vineet Khetan & Associates * Chartered Accountants * Kolkata

14.) According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.

15.) According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.

16.) According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

Vineet Khetan & Associates
Kolkata
Chartered Accountants

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

Triton Commercial Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC104548

Balance Sheet as on 31.03.2018

Particulars	Note	As at 31.03.19	As at 31.03.18
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	56,008	88,308
(b) Intangible	2	-	-
(c) Deferred Tax Assets	3	4,599	-
(c) Financial Assets			
(i) Other Financial Assets	4	180,125	180,125
Total Non - Current Assets		**240,732**	**268,433**
Current assets			
(a) Inventories	5	36,748,742	35,327,871
(b) Financial Assets			
(i) Trade receivables	6	1,024	1,015
(ii) Cash and cash equivalents	7	736,967	493,549
(iii) Other financial assets	8	-	-
(c) Current Tax Assets	9	304,104	315,540
(d) Other current assets	10	-	-
Total Current Assets		**37,790,837**	**36,137,976**
Total Assets		**38,031,569**	**36,406,409**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	100,000	100,000
(b) Other Equity	12	17,587,951	15,060,104
Total equity		**17,687,951**	**15,160,104**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	3,624,627	6,275,775
(ii) Other financial liabilities	14	765,177	679,553
Total non-current liabilities		**4,389,804**	**6,955,328**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	8,803,555	9,063,468
(ii) Trade and other payables	16	-	6,000
(iii) Other financial liabilities	17	6,440,258	4,583,508
(b) Other current liabilities	18	-	-
(c) Provisions	19	710,000	638,000
Total Current Liabilities		**15,953,813**	**14,290,976**
Total liabilities		**20,343,617**	**21,246,304**
Total Equity & Liabilities		**38,031,569**	**36,406,408**

This is the Balance Sheet referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Kheten
Proprietor
Membership No.060270
Place: 3B, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates * Chartered Accountants * Kolkata

For and behalf of the Board
TRITON COMMERCIAL PVT. LTD.
Pradeep Mishra
Director Director

TRITON COMMERCIAL PVT. LTD.
Director Director

Triton Commercial Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC104548

Statement of profit and loss for the year ended 31.03.2019

Particulars	Note	Year ended 31.03.19	Year ended 31.03.18
Revenue			
Revenue from operations	20	4,397,016	4,397,016
Other income	21	-	-
Total Revenue		**4,397,016**	**4,397,016**
Expenses			
Construction Activity Expenses	22	1,420,871	964,067
Changes in inventories of work-in-progress	23	(1,420,871)	(964,067)
Depreciation and amortisation expense	2	32,300	13,692
Finance costs	24	861,360	1,029,630
Other expenses	25	259,128	252,420
Total expenses		**1,152,788**	**1,295,743**
Profit before tax		**3,244,228**	**3,101,273**
Less: Income tax expenses			
- Current tax		710,000	638,000
- Tax Adjustment For Earlier Year		10,980	11,126
- Deferred Tax		(4,599)	
Total tax expense		**716,381**	**649,126**
Profit after tax		**2,527,847**	**2,452,147**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
(i) Equity Instruments through Other Comprehensive Income		-	-
(ii) Remeasurements of the defined benefit plans		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**2,527,847**	**2,452,147**
Earnings per equity share			
Profit available for Equity Shareholders		2,527,847	2,452,147
Weighted average number of Equity Shares outstanding		10,000	10,000
Basic earnings per share		252.78	245.21
Diluted earnings per share		252.78	245.21

This is the Statement of Profit & Loss referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Kheten
Proprietor
Membership No.060270
Place: 3B, Lal Bazar Street
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates
Kolkata
Chartered Accountants

For and behalf of the Board
TRITON COMMERCIAL PVT. LTD.
Pradeep Kishore
Director

TRITON COMMERCIAL PVT. LTD.
Director
Director

Triton Commercial Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC104548

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 3 Deferred tax assets (net)		
On Depreciation Allowance on Fixed Assets	4,599	-
TOTAL	**4,599**	**-**

Note 4 Financial Assets (Other Financial Assets)		
Unsecured, Considered Good		
Security Deposits	180,125	180,125
TOTAL	**180,125**	**180,125**

Note 5 Inventories		
(At lower of cost or Net Realisable value)		
Work in Progress	9,088,465	7,667,594
Finished Goods	27,660,277	27,660,277
Total Inventories	**36,748,742**	**35,327,871**

Note 6 Financial Assets (Trade receivables)		
Trade receivables	1,024	1,015
Receivables from related parties	-	-
Less: Allowance for doubtful debts	-	-
	1,024	**1,015**

All the trade receivables are Unsecured, considered good and does not require any provision or allowance for doubtful debts

Note 7 Financial Assets (Cash and Cash Equivalents)		
(a) Balances with banks (Unrestricted in Current Account)	697,383	452,815
(b) Cash in hand	39,584	40,734
(c) Cheques, drafts on hand	-	-
(d) Others		
Cash and cash equivalents as per balance sheet	**736,967**	**493,549**

Note 8 Financial Assets (Other financial assets)		
Other Advances (Unsecured, considered good)	-	-
TOTAL	**-**	**-**

Note 9 Current tax assets and liabilities		
Current tax assets		
Advance Income Tax and TDS	304,104	315,540
TOTAL	**304,104**	**315,540**

Note 10 Other current assets		
Other Advances	-	-
TOTAL	**-**	**-**

Vineet Khetan & Associates * Chartered Accountants * Kolkata

Triton Commercial Private Limited
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Notes to the financial statements as on	**As at 31.03.19**	**As at 31.03.18**
Note 11 Equity Share Capital		
(Equity Shares of Rs.10/- each)		
a) Authorised Share Capital		
Number of Shares	20,000	20,000
Total Amount	200,000	200,000
b) Issued, subscribed and fully paid Share Capital		
Number of Shares	10,000	10,000
Total Amount	100,000	100,000
c) Reconciliation of Number of Equity Shares Outstanding		
As at the beginning & end of the year	10,000	10,000
No shares have either been issued, nor bought back, forfeited		
d) Details of Shareholders holding more than 5% shares with voting right		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	10,000	10,000
Percentage of total shares held	100.00%	100.00%

e) The rights, preferences & restrictions attaching to shares and restrictions on distribution of dividend and repayment of capital

The Company has only one class of equity shares having par value value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the 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.

g) Shares held by holding, ultimate holding, or subidiaries or associates of holding		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	9,800	9,800
Percentage of total shares held	98.00%	98.00%
Ravi Prakash Pincha *		
Number of Shares	100	100
Percentage of total shares held	1.00%	1.00%
Pradeep Kumar Pugalia *		
Number of Shares	100	100
Percentage of total shares held	1.00%	1.00%

** Both the shareholders holding 100 Shares each are held in capacity of nominee holder of RDB Realty & Infrastructure Ltd*

g) Shares are reserved for issue under options or contracts.		
Number of Shares	-	-
Total Amount	-	-

h) Shares issued for consideration other than cash or bonus to shareholders or bought back from shareholders within the period of 5 years

No such shares have been issued nor there has been any buy-back

Note 12 Other equity

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Triton Commercial Private Limited
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Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Reserve & Surplus		
Surplus from Statement of Profit & Loss		
As at the beginning of the year	15,060,104	12,607,957
Add: Profit for the year	2,527,847	2,452,147
Add: Ind AS Adjustments	-	-
As at the end of the year	17,587,951	15,060,104
Other Comprehensive Income		
Equity Instruments through other comprehensive income	-	-
Other items of Other Comprehensive Income	-	-
Total	**17,587,951**	**15,060,104**

Note 13 Financial Liabilities - Borrowings (Non Current)

Secured - at amortised cost		
Term Loan from Bank	3,624,627	6,275,775
The loan is secured against first charge over property classified under inventories and lease rental receivable from the property. Loan is repayable in 96 equal monthly installment of Rs. 2,65,349/- (incl. interest) starting from 05.11.13 and last installment falling due on 05.10.21. The rate of interest is Base Rate Plus 2.60 %		
Total non-current borrowings	**3,624,627**	**6,275,775**

Note 14 Financial Liability (Other Financial Liability)

Security Deposits	765,177	679,553
Total	**765,177**	**679,553**

Note 15 financial liabilities - Borrowings

(Unsecured, repayable on Demand, including interest accrued)		
From Related Parties	-	-
From other than Related Parties		
From NBFC	8,657,172	8,051,908
From Others	146,383	1,011,560
Total	**8,803,555**	**9,063,468**

Note 16 financial liabilities - Trade and other payables

outstanding dues of micro & small entreprises	-	-
Other than above	-	6,000
Total	**-**	**6,000**

Kheltan & Associates Kolkata Chartered Accountants

Note 17 financial liabilities - Other Financial Liabilities

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Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Current maturity of long term debt	2,660,964	2,415,270
Interest accrued but not due on borrowings	61,934	64,932
Advances from other	3,521,488	1,972,123
Other payable	73,953	131,182
Statutory Liabilities	121,919	-
Total	**6,440,258**	**4,583,508**

Note 18 Other Current Liabilities

Advances from Customer and Others	-	-
Total	-	-

Note 19 Provisions

Provision for Income Tax	710,000	638,000
Total	**710,000**	**638,000**

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Kolkata
Chartered Accountants

Triton Commercial Private Limited
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Notes to the financial statements		Year ended 31.03.19	Year ended 31.03.18
Note 20 Revenue from Operations			
Rental Income		4,397,016	4,397,016
TOTAL		**4,397,016**	**4,397,016**
Note 21 Other Income			
Interest Income		-	-
Total		-	-
Note 22 Construction Activity Expenses			
Other Construction Expenses		671,014	216,338
Interest Paid		749,857	747,729
Consumption		**1,420,871**	**964,067**
Note 23 Changes in inventories of work-in-progress & Finished Goods			
Opening Inventory of Work in Progress		7,667,594	6,703,527
Opening Inventory of Finished Goods		27,660,277	27,660,277
	Sub Total (A)	35,327,871	34,363,804
Less : Closing Inventory of Work in Progress		9,088,465	7,667,594
Less : Closing Inventory of Finished Goods		27,660,277	27,660,277
	Sub Total (B)	36,748,742	35,327,871
(Increase)/decrease in inventories (A-B)		**(1,420,871)**	**(964,067)**
Note 24 Finance Cost			
Interest on Borrowed fund		775,736	951,741
Other Borrowing Cost			
Notional Interest on Security Deposits		85,624	76,042
Finance Charges		-	1,847
Total		**861,360**	**1,029,630**
Note 25 Others Expenses			
Rates & Taxes		4,650	4,710
Filing Fees		2,498	3,079
Repairs & Maintenance		237,770	237,768
Professional Charges		7,100	800
Miscellaneous Expenses		2,110	---
Interest Penalty charges		---	1,063
Auditor's Remuneration			
Statutory Audit Fees		5,000	5,000
Total		**259,128**	**252,420**

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Kolkata
Chartered Accountants

Triton Commercial Private Limited
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Notes to the financial statements

A. Share Capital

Particulars	Amount (Rs.)
Equity Share Capital as on 01.04.2017	100,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2018	100,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2019	100,000

B. Other Equity

Other Equity

Reserves and surplus attributable to Equity Share holders of the Company	Amount (Rs.)
Balance at 1 April 2017	**12,607,957**
Transfers	-
Profit for the year	2,452,147
Add:IND AS adjustments	-
Other comprehensive income	-
Total comprehensive income for the year	**15,060,104**
Balance at 31 March 2018	**15,060,104**
Transfers	-
Profit for the Year	2,452,147
Add:IND AS adjustments	-
Other comprehensive income	-
Total comprehensive income for the year	**17,512,252**
Balance at 31 March 2019	**17,512,252**

Vineet Khetan & Associates * Chartered Accountants * Kolkata

Triton Commercial Private Limited

Cash Flow Statement for the year ended 31st March, 2019

Cash Flow Statement	For the year ended 31st March,2019 (Amount in `)		For the year ended 31st March,2018 (Amount in `)	
A. Cash flow from operating activities :				
Net profit before tax as per Statement of Profit and Loss		3,244,228		3,101,273
Adjustments for				
Depreciation & Amortisation	32,300		13,692	
Notional Interest on Security Deposits	85,624		76,042	
Interest Paid	775,736	893,660	951,741	1,041,475
Operating Profit Before Working Capital Changes		**4,137,888**		**4,142,748**
(Increase) / Decrease in Inventories	(671,014)		(216,338)	
(Increase) / Decrease in Trade receivables	(9)		12,157	
(Increase) / Decrease of Advances	-		111,362	
(Increase) / Decrease of Other Current Assets	-		-	
Increase / (Decrease) in Trade Payables	(6,000)		-	
Increase / (Decrease) of Other financial liabilities	1,614,055	937,032	(792,833)	(885,652)
Cash generated from operations		**5,074,920**		**3,257,096**
Less: Direct taxes paid/ (Refunds) including Interest (Net)		637,544		557,456
Cash Flow before Exceptional Items		4,437,376		2,699,640
Net cash Generated/(used) from operating activities		**4,437,376**		**2,699,640**
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets		-		(102,000)
Net cash from investing activities		-		**(102,000)**
C. Cash flow from financing activities :				
Proceeds / (Repayment) of Short Term Borrowings	(259,913)		1,349,849	
Proceeds / (Repayment) of Long Term Borrowings	(2,405,454)		(2,198,591)	
Interest Paid	(1,528,591)	(4,193,958)	(1,733,326)	(2,582,068)
Net cash generated/(used) in financing activities		**(4,193,958)**		**(2,582,068)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**243,418**		**15,572**
Cash and cash equivalents -Opening balance		493,549		477,977
		736,967		**493,549**
Cash and cash equivalents -Closing balance				
CASH AND CASH EQUIVALENTS :				
Balances with Banks		697,383		452,815
Cash on hand (As certified by the management)		39,584		40,734
		736,967		**493,549**

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For VINEET KHETAN & ASSOCIATES

Chartered Accountants

TRITON COMMERCIAL PVT. LTD. TRITON COMMERCIAL PVT. LTD.

Vineet Kheten

Proprietor

Membership No.060270

Place: 3B, Lal Bazar Street

Kolkata - 700 001.

The 20th day of May 2019

Pradeep Hirawat

Director **Director**

Director Director

Vineet Khetan & Associates Kolkata Chartered Accountants

Triton Commercial Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC104548

Notes to the financial statements as on

Note 2 & 3 - Property, Plant and Equipment

Particulars	(1) Tangible Office Equipment		(2) Intangible
Gross carrying amount			
Deemed cost as at 01.04.17	-		-
Additions	102,000		-
Disposals	-		-
Closing gross carrying amount as on 31.03.18	102,000		-
Additions	-		-
Disposals	-		-
Closing gross carrying amount as on 31.03.19	102,000		-
Accumulated depreciation as at 01.04.17	-		-
Depreciation charge during the year	13,692		-
Disposals	-		-
Closing accumulated depreciation as on 31.03.18	13,692		-
Depreciation charge during the year	32,300		-
Disposals	-		-
Closing accumulated depreciation as on 31.03.19	45,992		-
Net carrying amount as at 01.04.17	-		-
Net carrying amount as at 31.03.18	88,308		-
Net carrying amount as at 31.03.19	56,008		-

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TRITON COMMERCIAL PRIVATE LIMITED
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata – 700001
CIN: U51109WB2005PTC104548

26. NOTES TO THE FINANCIAL STATEMENTS

A. Corporate Information

Triton Commercial Private Limited (The Company) is a deemed Public limited company, private company being a subsidiary of Listed Public Company domiciled and incorporated in India. It is a part of a group leading in real estate activities in Eastern India. The registered office of the Company is situated at 8/1, Lalbazar Street, Bikaner Building, 1 Floor, Room No.10, Kolkata-700001. The principle business activity of the company is Real Estate Development.

B. Summary of Significant Accounting Policies

a) Basis of preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable

Basis of Preparation

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Classification of Assets and Liabilities into Current/Non-Current

All the assets and liabilities have been classified as current and non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.The normal operating cycle of the company has been considered as 12 months.

b) Use of estimates and management judgments :

The preparation of financial statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, 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.

i) Key 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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Kolkata
Chartered Accountants

ii) **Revenue recognition, contract costs and valuation of unbilled revenue**

The Company uses the percentage of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate and contractual projects. 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. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

iii) **Estimation of net realisable value for inventory property (including land advance)**

Inventory property is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory 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 property under construction 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 Land advance given, 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.

c) **Property, Plant and Equipment**

The cost of an item of property, plant and equipment comprises of its purchase price, any costs directly attributable to its acquisition and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs when the item is acquired. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is derecognised.

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Kolkata
Chartered Accountants

d) **Revenue Recognition-**

Revenue is recognized as follows:

i. Revenue from own construction projects are recognised on Percentage Completion Method. Revenue recognition starts when 25 % of estimated project cost excluding land and marketing cost is incurred, atleast 25% of the saleable project area is secured by contracts or agreements with buyers and Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

ii. Revenue from Construction Contracts are recognised on "Percentage of Completion Method" measured by reference to the survey of works done up to the reporting date and certified by the client before finalisation of projects accounts.

iii. Real Estate: Sales is exclusive of service tax, if any, net of sales return.

iv. Revenue from services are recognised on rendering of services to customers except otherwise stated

v. Rental income from assets is recognised for an accrual basis except in case where ultimate collection is considered doubtful. Rental income is exclusive of service tax

vi. Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

e) **Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of a qualifying asset are carried as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the year they are incurred.

f) **Impairment of Non-Financial Assets**

The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

g) **Inventories**

Constructed properties, shown as work in progress, includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development costs, construction costs, overheads, borrowing costs, construction materials including material lying at respective sites, finance and administrative expenses which contribute to bring the inventory to their present location and condition and is valued at lower of cost/ estimated cost and net realizable value.
On completion of projects, unsold stocks are transferred to project finished stock under the head "Inventory" and the same is carried at cost or net realizable value, whichever is less.
Finished Goods – Flats: Valued at cost and net realizable value.
Land Inventory: Valued at lower of cost and net realizable value.
Provision for obsolescence in inventories is made, wherever required.

h) **Retirement Benefits**

No such benefits are payable to any employee.

i) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if the company has a present obligation as a result of past event and the amount of obligation can be reliably estimated.

Vineet Khetan & Associates
Kolkata
Chartered Accountants

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
Possible future or present obligations that may but will probably not require outflow of resources or where the same can not be reliably estimated is disclosed as contingent liability in the financial statement.

j) **Taxes on Income**

i. Tax expense comprises both current and deferred tax. Current tax is determined in respect of taxable income for the year based on applicable tax rates and laws.
ii. Deferred tax Asset/liability is recognized, subject to consideration of prudence, on timing differences being the differences between taxable incomes and accounting income that originates in one year and is capable of reversal in one or more subsequent year and measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

iii. Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. 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 that 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 Alternative 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 specified period.

k) **Segment Reporting**

The company has identified that its operating activity is a single primary business segment viz. Real Estate Development and Services carried out in India. Accordingly, whole of India has been considered as one geographical segment

l) **Earnings Per Share**

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

m) **Cash & Cash Equivalents**

Cash and cash equivalents comprise cash & cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management and that are readily convertible to known amounts of cash to be cash equivalents.

Vineet Khetan & Associates
Kolkata
Chartered Accountants

n) **Financial Instruments**

- **Financial Instruments - Initial recognition and measurement**

  Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognized initially 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.

- **Financial assets –Subsequent measurement**

  The Subsequent measurement of financial assets depends on their classification which is as follows:

  - Financial assets at fair value through profit or loss

    Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.

  - Financial assets measured at amortized cost

    Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

    Debt instruments at amortised cost:

    A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

    i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
    ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

    This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

    Debt instrument at FVTOCI

    A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

    i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
    ii. The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

    Debt instrument at FVTPL

    FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

    In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

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- Financial assets at fair value through OCI
  All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable. If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

- **Financial assets –Derecognition**
  The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

- **Financial liabilities –**
  Initial recognition and measurement
  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.
  The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.
  Subsequent measurement
  The Subsequent measurement of financial liabilities depends on their classification which is as follows:
  - Financial liabilities at fair value through profit or loss
    Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any, and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
    Gains or losses on liabilities held for trading are recognised in the profit or loss.

  - Financial liabilities measured at amortized cost
    Interest bearing loans and borrowings including debentures issued by the company are subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortized is included in finance costs in the statement of profit and loss.

  - **Financial liabilities –Derecognition**
    A financial liability is derecognized when the obligation under the liability is discharged or expires.

o) **Fair Value measurement**

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is

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based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p) **Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

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Triton Commercial Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2005PTC104548

Notes to the financial statements as on

27 **Reconciliation of Effective Tax Rate**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31.03.19	Year ended 31.03.18
Profit before tax	3,244,228	3,101,273
Income tax expense calculated @ 26.00% (P.Y: 25.75%)	843,499	798,578
Effect of items not allowable for Tax purpose	92,480	
Effect of Allowances for Tax purpose	(346,349)	
Other differences	120,369	(160,578)
Total	710,000	638,000
Adjustments recognised in the current year in relation to the current tax of prior years	10,980	11,126
Income tax recognised in profit or loss	720,980	649,126

The tax rate used for the year 2017-18 and 2018-19 reconciliations above is the corporate tax payable on taxable profits under the Income Tax Act, 1961.

28 **Related Party Disclosure**

Related Party Relationship

Enterprises where control exists - RDB Realty & Infrastructure Ltd – Holding

Transactions & Balanaces :

No related party transactions nor any balances have been reported by the management.

29 In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realised in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no contingent liability except stated and informed by the Management.

30 **Contingent Liabilities:-** Nil (P. Y. Nil)

30 Financial Instruments and Related Disclosures As on 31.03.2019

Particulars at	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Trade receivables	1,024	1,024	1,024
(ii) Cash and cash equivalents	736,967	736,967	736,967
(iii) Other financial assets	180,125	180,125	180,125
Total Financial Assets	918,116	918,116	918,116
(a) Financial Liabilities			
(i) Borrowings	12,428,182	12,428,182	12,428,182
(ii) Trade and other payables	-	-	-
(iii) Other financial liabilities	7,205,435	8,594,756	8,594,756
Total Financial Liabilities	19,633,617	21,022,938	21,022,938

As on 31.03.2018

Particulars	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Trade receivables	1,015	1,015	1,015
(ii) Cash and cash equivalents	493,549	493,549	493,549
(iii) Other financial assets	180,125	180,125	180,125
Total Financial Assets	674,689	674,689	674,689
(a) Financial Liabilities			
(i) Borrowings	15,339,243	15,339,243	15,339,243
(ii) Trade and other payables	6,000	6,000	6,000
(iii) Other financial liabilities	5,263,061	5,263,061	5,263,061
Total Financial Liabilities	20,608,304	20,608,304	20,608,304

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Notes to the financial statements as on

A. Capital Requirements

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents

Particulars		31-Mar-19 (in Rs.)	31-Mar-18 (in Rs.)
Borrowings (long-term and short-term, including current maturities of long term borrowings)		12,428,182	17,754,513
Trade payables		-	6,000
Other payables (current and non-current, excluding current maturities of long term borrowings)		7,205,435	2,847,791
Less: Cash and cash equivalents		(736,967)	(493,549)
Net debt		18,896,650	20,114,754
Equity share capital		100,000	100,000
Other equity		17,587,951	15,060,104
Total Capital		17,687,951	15,160,104
Gearing ratio		**0.94**	**0.75**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018

31 Disclosure of Financial Instruments

Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and loans and advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuatebecause of changes in market prices. Market risk comprises two types of risk: interest rate riskand other price risk, such as equity price risk and commodity/ real estate risk. The Company has not entered into any foreign exchange or commodity derivative contracts. Accordingly, there is no significant exposure to the market risk other than interest risk.

(i) 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 the Company's long-term debt obligations with floating interest rates.

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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 the Company's long-term debt obligations with floating interest rates.
The Company has borrowed fund from bank at fixed rate borrowings. The Company does not enter into any interest rate swaps.

(ii) Price risk
The Company has not made any investments for trading purposes. The surpluses have been deployed in bank deposits as explained above.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables
Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

The ageing of trade receivables are as follows:

Particulars	**As on 31.03.2019**	**As on 31.03.2018**
More than 6 months	1,024	---
Others	---	1,015

Deposits with banks and financial institutions
Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2019 and 2018 is the carrying amounts.

Liquidity Risk
The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. In case of short term requirements, it obtains short-term loans from its Bankers.

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VINEET KHETAN & ASSOCIATES
CHARTERED ACCOUNTANTS
5th Floor, R. No. : 7, 3B, Lal Bazar Street, Kolkata - 1, E-mail : khousehouse71@gmail.com, Mobile : 9331040655
Phone : (033) 3022 2030, 4066 1047

INDEPENDENT AUDITOR'S REPORT

To
The Members of
BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED,** which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flowsfor the year then ended andasummary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, the changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, but does not includethe financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility of the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the Financial Position and Financial Performance, Cash Flowsand the statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standardsspecified under Section 133 of the Act.

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

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

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

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Auditor'sResponsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. 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.

2. As required by section 143(3) of the Act, we further 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, Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.

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

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise.

iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

Vineet Khetan & Associates Kolkata Chartered Accountants

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in our Report of even date to the Members of **BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED**, as at and for the year ended 31st March, 2019.

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) As explained to us Fixed Assets of the company are physically verified by the management according to a phased programme designed to cover all the items which considering the size and nature of operations of the company appears to be reasonable. Pursuant to such program, no material discrepancies between book records and physical inventory have been noticed on physical verification.

   c) The company does not have any immovable property under the fixed assets, hence the clause is not applicable.

2.) a) The inventory has been physically verified by the management at regular intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them.

   b) In our opinion and according to the information's and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   c) On the basis of our examinations of records of the inventory, in our opinion, the company is maintaining proper records of inventory except in respect of work-in-progress. As in earlier years, work-in-progress has been determined by the management on the basis of physical verification. The discrepancies ascertained on physical verification between the physical stock and the book records of inventory were not material in relation to the operations of the Company.

3.) The company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence clause is not applicable.

4.) According to the records of the company examined by us and according to the information and explanations given to us, in our opinion the company has neither given any guarantees or security nor has made any investments nor given a loan covered under the provisions of section 185 and 186 of the Companies Act, 2013.

5.) The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable.

6.) The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

7.) a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

8.) According to the records of the Company examined by us and the information and explanations given to us, the Company does not have any outstanding from any banks, financial institutions or government nor has it any outstanding debenture; hence the clause is not applicable.

9.) In our opinion, and according to the information's and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and the term loan has been applied, on an overall basis, for the purpose for which they were obtained.

10.) According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.

11.) As examined by us, the company has not paid remuneration to any managerial personnel during the period in accordance, hence clause is not applicable.

12.) The company is not a nidhi company. Hence clause is not applicable.

13.) According to the information and explanations given to us, we are of the opinion that all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.

14.) According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.

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15.) According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.

16.) According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70102WB1995PTC073792

Balance Sheet as on 31.03.2019

Particulars	Note	As at 31.03.19	As at 31.03.18
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	76,615	76,615.00
(b) Intrangible	2A	-	-
(c) Financial Assets			
(i) Investment	3	-	-
(ii) Other Financial Assets	4	104,888	104,888.00
(d) Other Non current Assets	5	14,481,000	14,481,000.00
Total Non - Current Assets		**14,662,503**	**14,662,503.00**
Current assets			
(a) Inventories	6	42,142,659	42,142,659.00
(b) Financial Assets			
(i) Trade receivables	7	24,540,839	28,373,402.00
(ii) Cash and cash equivalents	8	601,006	914,665.00
(iii) Other financial assets	9	78,514,049	72,361,143.00
(c) Current Tax Assets	10	618,136	629,018.00
(d) Other current assets	11	-	-
Total Current Assets		**146,416,689**	**144,420,887.00**
Total Assets		**161,079,192**	**159,083,390.00**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	272,000	272,000.00
(b) Other Equity	13	112,634,101	110,797,580.00
Total equity		**112,906,101**	**111,069,580.00**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	-	-
(ii) Other financial liabilities		9,478,266	9,816,442.00
Total non-current liabilities		**9,478,266**	**9,816,442.00**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	692,110	692,000.00
(ii) Trade and other payables	16	1,292,814	1,496,713.00
(iii) Other financial liabilities	17	-	186,144.00
(b) Other current liabilities	18	36,159,902	34,197,511.00
(c) Provisions	19	550,000	1,625,000.00
Total Current Liabilities		**38,694,826**	**38,197,368.00**
Total liabilities		**48,173,092**	**48,013,810.00**
Total Equity & Liabilities		**161,079,192**	**159,083,390.00**

This is the Balance Sheet referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
Place: 3b, Lal Bazar Street
Kolkata - 700 001.
The 20h day of May 2019

Vineet Khetan & Associates Chartered Accountants Kolkata

For and on behlaf of the Board
BHAGWATI BUILDERS & DEVELOPMENT PVT. LTD.
Pradeep Hisewal
Director
Director

BHAGWATI BUILDERS & DEVELOPMENT PVT. LTD.
Director
Director

BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70102WB1995PTC073792

Statement of profit and loss for the year ended 31.03.2019

Particulars	Note	Year ended 31.03.19	Year ended 31.03.18
Revenue			
Revenue from operations	20	7,649,166	7,972,072
Other income	21	-	-
Total Revenue		**7,649,166**	**7,972,072**
Expenses			
Construction Activity Expenses	22	-	40,183
Changes in inventories of work-in-progress & finished goods	23	-	315,861
Employee benefit expense	24	534,778	527,096
Depreciation and amortisation expense	2	-	12,385
Finance costs	25	-	-
Other expenses	26	4,546,350	900,557
Total expenses		**5,081,128**	**1,796,082**
Profit before tax		**2,568,038**	**6,175,990**
Less: Income tax expenses			
Current tax		550,000	1,625,000
- Tax Adjustment For Earlier Year		181,518	1,085,272
Total tax expense		**731,518**	**2,710,272**
Profit after tax		**1,836,520**	**3,478,103**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
(i) Equity Instruments through Other Comprehensive Income		-	-
(ii) Remeasurements of the defined benefit plans		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**1,836,520**	**3,478,103**
Earnings per equity share			
Profit available for Equity Shareholders		1,836,520	3,478,103
Weighted average number of Equity Shares outstanding		27,200	27,200
Basic earnings per share		67.52	127.87
Diluted earnings per share		67.52	127.87

This is the Balance Sheet referred to in our report of even date.

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
Place: 3b, Lal Bazar Street
Kolkata - 700 001.
The 20h day of May 2019

Vineet Khetan & Associates Chartered Accountants Kolkata

For and on behlaf of the Board
BHAGWATI BUILDERS & DEVELOPMENT PVT. LTD.
Pradeep Hirawat
Director

BHAGWATI BUILDERS & DEVELOPMENT PVT. LTD.
Director

BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70102WB1995PTC073792

Notes to the financial statements as on

Note 2 Property, Plant and Equipment

Particulars	Intangible	Intangible
	Office Equipement	Software
Gross carrying amount		
Deemed cost as at 01.04.17	-	-
Additions	89,000	-
Disposals	-	-
Closing gross carrying amount as on 31.03.18	89,000	-
Additions	-	-
Disposals	-	-
Closing gross carrying amount as on 31.03.19	89,000	-
Accumulated depreciation as at 01.04.17	-	-
Depreciation charge during the year	12,385	-
Disposals	-	-
Closing accumulated depreciation as on 31.03.18	12,385	-
Depreciation charge during the year	-	-
Disposals	-	-
Closing accumulated depreciation as on 31.03.19	12,385	-
Net carrying amount as at 01.04.17 as per IND AS	-	-
Net carrying amount as at 31.03.18	76,615	-
Net carrying amount as at 31.03.19	76,615	-

Vineet Khetan & Associates * Chartered Accountants * Kolkata

BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70102WB1995PTC073792

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 3 Investment		
	-	-

Note 4 Financial Assets		
Unsecured, Considered Good		
Security Deposits	104,888	104,888
TOTAL	104,888	104,888

Note 4 Other non-current asset		
Unsecured, Considered Good		
Capital Advances	14,481,000	14,481,000
	14,481,000	14,481,000

Note 6 Inventories		
(At lower of cost or Net Realisable value)		
Finished Stock	39,546,250	39,546,250
Work in process	2,596,409	2,596,409
Total Inventories	**42,142,659**	**42,142,659**

Note 7 Trade receivables		
Trade receivables	24,540,839	28,373,402
Receivables from related parties	-	-
Less: Allowance for doubtful debts	-	-
	24,540,839	**28,373,402**
Break up of security details:		
Trade receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	24,540,839	28,373,402
(c) Doubtful	-	-
Less: Allowance for doubtful debts	-	-
Total	**24,540,839**	**28,373,402**

Note 8 Cash and Cash Equivalents		
(a) Balances with banks (Unrestricted in Current Account)	568,942	904,551
(b) Cheques, drafts on hand	-	-
(c) Cash in hand	32,064	10,114
Cash and cash equivalents as per balance sheet	601,006	914,665

Vineet Khetan & Associates * Chartered Accountants * Kolkata

BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70102WB1995PTC073792

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 9 Other financial assets		
Unsecured, considered good		
Loan To Others	5,167,358	5,814,917
Other Advance to Related Parties	-	315,790
Other Advance to Others	73,346,691	66,230,436
TOTAL	**78,514,049**	**72,361,143**

Note 10 Current tax assets and liabilities		
Current tax assets		
Advance Income Tax and TDS	618,136	629,018
TOTAL	**618,136**	**629,018**

Note 11 Other current assets		
Prepaid Expenses	-	-
Balance with Statutory Authorities	-	-
TOTAL	-	-

Note 12 Equity Share Capital		
(Equity Shares of Rs.10/- each)		
a) Authorised Share Capital		
Number of Shares	100,000	100,000
Total Amount	1,000,000	1,000,000
b) Issued, subscribed and fully paid Share Capital		
Number of Shares	27,200	27,200
Total Amount	272,000	272,000
c) Reconciliation of Number of Equity Shares Outstanding		
As at the beginning & end of the year	27,200	27,200
No shares have either been issued, nor bought back, forfeited		
d) Details of Shareholders holding more than 5% shares with voting right		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	27,200	27,200
Percentage of total shares held	100%	100%

e) The rights, preferences & restrictions attaching to shares and restrictions on distribution of dividend and repayment of capital

The Company has only one class of equity shares having par value value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the 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.

Vineet Khetan & Associates
Chartered Accountants
Kolkata

BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70102WB1995PTC073792

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
g) Shares held by holding, ultimate holding, or subidiaries or associates of holding		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	27,100	27,100
Percentage of total shares held	99.63%	99.63%
Ravi Prakash Pincha (Nominee of above)		
Number of Shares	100	100
Percentage of total shares held	0.37%	0.37%

100 Shares held by Ravi Prakash Pincha are held in capacity of nominee holder of RDB Realty & Infrastructure Ltd

g) Shares are reserved for issue under options or contracts.		
Number of Shares	-	-
Total Amount	-	-

h) Shares issued for consideration other than cash or bonus to shareholders or bought back from shareholders within the period of 5 years

No such shares have been issued nor there has been any buy-back

Note 13 Other equity		
Reserve & Surplus		
Surplus from Statement of Profit & Loss		
As at the beginning of the year	110,797,580	107,319,477
Add: Profit for the year	1,836,521	3,478,103
As at the end of the year	112,634,101	110,797,580
Other Comprehensive Income		
Equity Instruments through other comprehensive income	-	-
Other items of Other Comprehensive Income	-	-
Total	**112,634,101**	**114,275,683**

Note 14 Financial Liabilities - Borrowings (Non Current)		
Secured - at amortised cost		
Loan	-	-
Total non-current borrowings	-	-

Note 15 Other Financial Liability (Non Current)		
Unsecured		
Advance against properties	8,578,266	8,916,442
Security Deposits	900,000	900,000
Total	**9,478,266**	9,816,442

Note 15 financial liabilities - Borrowings (Current)		
From other than Related Parties (Unsecured)	692,110	692,000
Total	692,110	692,000

Vineet Khetan & Associates * Chartered Accountants * Kolkata

BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70102WB1995PTC073792

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 16 financial liabilities - Trade Payables		
outstanding dues of micro & small entreprises	-	-
Other than above	1,292,813	1,496,713
Total	1,292,813	1,496,713

Note 17 financial liabilities - Other Financial Liabilities (Current)		
Other Liabiltiies	-	186,144
Total	-	186,144

Note 18 Other Current Liabilities		
Advances from Customer and Others	36,159,902	34,197,511
Total	36,159,902	34,197,511

Note 19 Provisions		
Provision for Income Tax	550,000	1,625,000
Total	550,000	1,625,000

Vineet Khetan & Associates * Chartered Accountants * Kolkata

BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70102WB1995PTC073792

Notes to the financial statements	Year ended 31.03.19	Year ended 31.03.18
Note 20 Revenue from Operations		
Sale of Construction Activities	1,467,788	1,681,998
Sale of Services (Maintenance Charges)	6,181,378	6,290,074
Interest on Loan	-	-
TOTAL	**7,649,166**	**7,972,072**
Note 21 Other Income		
Miscellaneous Income	-	-
Total	-	-
Note 22 Construction Activity Expenses		
Other Construction Expenses	-	40,183
Consumption	-	**40,183**
Note 23 Changes in inventories		
(A) Opening Inventory		
Finished Goods	39,546,250	39,506,066
Work in Progress	2,596,409	2,952,454
Sub Total (A)	**42,142,659**	**42,458,520**
(B) Closing Inventory		
Finished Goods	39,546,250	39,546,250
Work in Progress	2,596,409	2,596,409
Sub Total (B)	**42,142,659**	**42,142,659**
(Increase)/decrease in inventories (A-B)	-	315,861
Note 24 Employee Benefits Expense		
Salaries, Wages and incentives	534,778	527,096
Total	**534,778**	**527,096**
Note 25 Finance Cost		
Interest Paid	-	-
Other Borrowing Cost (Finance Charges)	-	-
Total	-	-

Vineet Khetan & Associates
Kolkata
Chartered Accountants

BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70102WB1995PTC073792

Notes to the financial statements	Year ended 31.03.19	Year ended 31.03.18
Note 26 Others Expenses		
Rates & Taxes	4,650	4,710
Rent	60,000	60,000
Electricity Expenses	18,000	12,000
Professional Charges	553,050	166,500
Bank Charges	1,016	1,685
Conveyance	2,188	3,474
Filing Fees	13,913	1,334
General Expenses	6,651	37,680
Donation	---	500,000
Other Marketing Expenses	1,514,983	71,436
Printing & Stationery	4,822	34,238
Auditor's Remuneration		
Statutory Audit Fees	5,000	5,000
Tax Audit Fees	---	2,500
Sundry Debtor Write off	1,996,287	
Commission & Brokerage	365,790	
Total	**4,546,350**	**900,557**

Vineet Khetan & Associates * Chartered Accountants * Kolkata

BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED
Cash Flow Statement for the year ended 31 March, 2019

Cash Flow Statement	For the year ended 31st March,2019 (Amount in `)		For the year ended 31st March,2018 (Amount in `)	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		2,568,038		6,175,990
Adjustments for:				
Depreciation & Amortisation	---		12,385	
Interest provided capitalised under Inventories	---		---	
Interest Received	---		---	
Fixed Assets written off	---			
Sundry Assets written off	1,996,287			
Net Unrealised Exchange (Gain) / Loss	---		---	
		1,996,287		12,385
Operating profit / (loss) before working capital changes		**4,564,325**		**6,188,375**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	---		315,861	
Trade Receivables	3,832,563		5,831,550	
Long-Term Loans & Advances	(6,152,906)		(7,639,840)	
Other Current Assets	---		(3,000,000)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade Payables	(203,899)		72,300	
Other Financial Liabilities	(524,320)		(252,790)	
Other Current Liabilities	1,962,391		6,167,492	
		(1,086,171)		1,494,573
Cash Flow from Extraordinary Items		3,478,154		7,682,947
Cash Generated from Operations		---		---
Net Income Tax (Paid) / Refunds		1,745,599		(9,297,878)
Net cash flow from / (used in) operating activities (A)		**5,223,753**		**(1,614,931)**
B. Cash flow from investing activities :				
Sale / (Purchase) of Fixed Assets	(76,615)		(89,000)	
Short-Term Loans & Advances	(6,152,906)		---	
Interest Received / (Paid)	---		---	
Cash Flow From Extraordinary Items	---		---	
		(6,229,521)		(89,000)
Net cash from investing activities		**(6,229,521)**		**(89,000)**
C. Cash flow from financing activities :				
Proceeds / (Repayment) of Long-Term Borrowings	---		---	
Proceeds / (Repayment) of Short-Term Borrowings	692,110		692,000	
Cash Flow From Extraordinary Items	---	692,110	---	692,000
Net cash generated/(used) in financing activities		**692,110**		692,000
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(313,658)**		**(1,011,930)**
Cash and cash equivalents -Opening balance		914,664		1,926,595
		601,006		**914,664**
Cash and cash equivalents -Closing balance		**601,006**		**914,665**
CASH AND CASH EQUIVELANTS COMPRISE:				
Cash on Hand		32,064		10,114
Balances with Scheduled Banks on:				
Current Accounts		568,942		904,551
Cheque in Hand		---		---
		601,006		**914,665**

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For VINEET KHETAN & ASSOCIATES
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
Place: 3b, Lal Bazar Street
Kolkata - 700 001.
The 20h day of May 2019

Vineet Khetan & Associates Kolkata Chartered Accountants

BHAGWATI BUILDERS & DEVELOPMENT PVT. LTD.
Pradeep Tiwari
Director
Director

BHAGWATI BUILDERS & DEVELOPMENT PVT. LTD.
Director
Director

26. NOTES TO THE FINANCIAL STATEMENTS

A. Corporate Information

Bhagwati Builders & Development Private Limited (The Company) is a deemed Public limited company, private company being a subsidiary of Listed Public Company domiciled and incorporated in India. It is a part of a group leading in real estate activities in Eastern India. The registered office of the Company is situated at 8/1, Lalbazar Street, Bikaner Building, 1 Floor, Room No.10, Kolkata-700001. The principle business activity of the company is Real Estate Development.

B. Summary of Significant Accounting Policies

a) Basis of preparation of financial statements

The financial statements (Separate financial statements) have been prepared on accrual basis in accordance with Indian Accounting Standards(Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the provisions of the Companies Act, 2013. For all periods up to and including the year ended 31 March 2017, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules,2014 (previous GAAP).

These financial statements for the year ended 31 March 2018 are the first the company has prepared in accordance with Ind AS. Refer to note29 for an explanation of how the transition from previous GAAP to Ind AS has effected presentation of company's financial position, financial performance and cash flows.

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

All the assets and liabilities have been classified as current and non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.The normal operating cycle of the company has been considered as 12 months.

b) Use of estimates and management judgments :

The preparation of financial statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, 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.

i) Key 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.

Vineet Rattan & Associates Chartered Accountants Kolkata

ii) **Revenue recognition, contract costs and valuation of unbilled revenue**

The Company uses the percentage of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate and contractual projects. 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. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

iii) **Estimation of net realisable value for inventory property (including land advance)**

Inventory property is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory 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 property under construction 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 Land advance given, 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.

c) **Revenue Recognition-**

Revenue is recognized as follows:

i. Revenue from own construction projects are recognised on Percentage Completion Method. Revenue recognition starts when 25 % of estimated project cost excluding land and marketing cost is incurred, atleast 25% of the saleable project area is secured by contracts or agreements with buyers and At least 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

ii. Revenue from Construction Contracts are recognised on "Percentage of Completion Method" measured by reference to the survey of works done up to the reporting date and certified by the client before finalisation of projects accounts.

iii. Real Estate: Sales is exclusive of service tax, if any, net of sales return.

iv. Revenue from services are recognised on rendering of services to customers except otherwise stated

v. Rental income from assets is recognised for an accrual basis except in case where ultimate collection is considered doubtful. Rental income is exclusive of service tax

vi. Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

d) **Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of a qualifying asset are carried as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the year they are incurred.

Vineet Khetan & Associates * Kolkata * Chartered Accountants *

e) **Impairment of Non-Financial Assets**

The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

f) **Inventories**

Constructed properties, shown as work in progress, includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development costs, construction costs, overheads, borrowing costs, construction materials including material lying at respective sites, finance and administrative expenses which contribute to bring the inventory to their present location and condition and is valued at lower of cost/ estimated cost and net realizable value.
On completion of projects, unsold stocks are transferred to project finished stock under the head "Inventory" and the same is carried at cost or net realizable value, whichever is less.
Finished Goods – Flats: Valued at cost and net realizable value.
Land Inventory: Valued at lower of cost and net realizable value.
Provision for obsolescence in inventories is made, wherever required.

g) **Retirement Benefits**

No such benefits are payable to any employee.

h) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if the company has a present obligation as a result of past event and the amount of obligation can be reliably estimated.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
Possible future or present obligations that may but will probably not require outflow of resources or where the same can not be reliably estimated is disclosed as contingent liability in the financial statement.

i) **Taxes on Income**

i. Tax expense comprises both current and deferred tax. Current tax is determined in respect of taxable income for the year based on applicable tax rates and laws.
ii. Deferred tax Asset/liability is recognized, subject to consideration of prudence, on timing differences being the differences between taxable incomes and accounting income that originates in one year and is capable of reversal in one or more subsequent year and measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

iii. Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. 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 that 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 Alternative 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

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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 specified period.

j) **Segment Reporting**

The company has identified that its operating activity is a single primary business segment viz. Real Estate Development and Services carried out in India. Accordingly, whole of India has been considered as one geographical segment

k) **Earnings Per Share**

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

l) **Cash & Cash Equivalents**

Cash and cash equivalents comprise cash & cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management and that are readily convertible to known amounts of cash to be cash equivalents.

m) **Financial Instruments**

➢ **Financial Instruments - Initial recognition and measurement**

Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognized initially 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.

➢ **Financial assets –Subsequent measurement**

The Subsequent measurement of financial assets depends on their classification which is as follows:

- Financial assets at fair value through profit or loss

  Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.

- Financial assets measured at amortized cost

  Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

  Debt instruments at amortised cost:

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

  i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
ii. The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

- <u>Financial assets at fair value through OCI</u>

  All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable. If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

- **Financial assets –Derecognition**

  The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

- **Financial liabilities –**

  <u>Initial recognition and measurement</u>

  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

  The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

  <u>Subsequent measurement</u>

  The Subsequent measurement of financial liabilities depends on their classification which is as follows:

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- <u>Financial liabilities at fair value through profit or loss</u>
  Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any, and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
  Gains or losses on liabilities held for trading are recognised in the profit or loss.

- <u>Financial liabilities measured at amortized cost</u>
  Interest bearing loans and borrowings including debentures issued by the company are subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortized is included in finance costs in the statement of profit and loss.

- **Financial liabilities –Derecognition**
  A financial liability is derecognized when the obligation under the liability is discharged or expires.

n) **Fair Value measurement**

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

o) **Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

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BHAGWATI BUILDERS & DEVELOPMENT PRIVATE LIMITED
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70102WB1995PTC073792

Notes to the financial statements

27 **Reconciliation of Effective Tax Rate**

The income tax expense for the year can be reconciled to the accounting

Particulars	**Year ended 31.03.19**	**Year ended 31.03.18**
Profit before tax	2,568,038	6,175,990
Income tax expense calculated @ 26.00% (2017: 25.76%	667,690	1,590,317
Effect of items not allowable for Tax purpose		-
Effect of Allowances for Tax purpose		-
Other differences	(117,690)	34,683
Total	550,000	1,625,000
Adjustments in current year in relation to the current	181,518	1,085,272
Income tax recognised in profit or loss	731,518	2,710,272

The tax rate used for the year 2017-18 and 2018-19 reconciliations above is the corporate tax payable on taxable profits under the Income Tax Act, 1961.

28 **Related Party Disclosure**

Related Party Relationship

Enterprises where control exists - RDB Realty & Infrastructure Ltd – Holding

29 In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realised in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no contingent liability except stated and

30 **Contingent Liabilities:-**

31 (1) **Ind AS optional exemptions**

Deemed Cost of Property, Plant and Equipment

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for property, plant and equipment and use that as its deemed cost at the date of transition.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

Deemed Cost of Investment in Subsidiaries, Associates and Joint Ventures

The company did not had any Investment in Subsidiaries, Associates and Joint Ventures as at the date of transition.

31 (2) **Ind AS mandatory exemptions**

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP. Ind AS estimates at 1st April, 2016 are consistent with the estimates as at the same date made with conformity with

De-recognition of Financial Assets and Liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition retrospectively from a date of entity's choosing.

Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of assets on the basis of facts and circumstances that exist at the date of transition to Ind AS. The entity has applied this

Fair Valuation of Investments

Under the previous GAAP, investments were classified as long term investments or current investments based on the intended holding period and realisability. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition.

(i) Under Indian GAAP, there are certain security deposits received which are carried at nominal value. Ind AS requires the measurement of these assets at fair value at inception and subsequently these assets are measured at amortized cost. At inception date, Company recognises difference between deposit fair value and nominal value as income/expensesand the

(ii) Indian GAAP required deferred tax accounting using the income statement approach, which focusses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP. In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments

(iii) The Company has undertaken a detailed exercise to determine the manner of allocation of expenses to inventory in context of Ind AS and accordingly realignedallocation of expenses and income to comply with Ind AS requirements.

Impact of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2019

There are no differences between the Cash Flow Statement presented under Ind AS and the Previous GAAP.

32 Financial Instruments and Related Disclosures As on 31.03.2019

Particulars at	**Carrying Value**	**Amortised Cost**	**Fair Value**
(a) Financial Assets			
(i) Investments	-	-	-
(ii) Trade receivables	24,540,839	24,540,839	24,540,839
(iii) Cash and cash equivalents	601,006	601,006	601,006
(iv) Other financial assets	78,618,937	78,618,937	78,618,937
Total Financial Assets	103,760,782	103,760,782	103,760,782
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Trade and other payables	1,292,814	1,292,814	1,292,814
(iii) Other financial liabilities	9,478,266	9,478,266	9,478,266
Total Financial Liabilities	10,771,080	10,771,080	10,771,080

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As on 31.03.2018

Particulars	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Investments	-	-	-
(ii) Trade receivables	28,373,402	28,373,402	28,373,402
(iii) Cash and cash equivalents	914,665	914,665	914,665
(iv) Other financial assets	72,466,031	72,466,031	72,466,031
Total Financial Assets	101,754,098	101,754,098	101,754,098
(a) Financial Liabilities			
(i) Borrowings	692,000	692,000	692,000
(ii) Trade and other payables	1,496,713	1,496,713	1,496,713
(iii) Other financial liabilities	10,002,586	10,002,586	10,002,586
Total Financial Liabilities	12,191,299	12,191,299	12,191,299

A. **Capital Requirements**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing

Particulars	31-Mar-19 (in Rs.)	31-Mar-18 (in Rs.)
Borrowings (long-term and short-term, including current maturities of long term borrowings)	-	-
Trade payables	1,292,813	1,283,381
Other payables (current and non-current, excluding current maturities of long term borrowings)	9,478,266	9,123,404
Less: Cash and cash equivalents	(601,006)	(914,665)
Net debt	10,170,074	9,492,120
Equity share capital	272,000	272,000
Other equity	112,634,101	110,797,580
Total Capital	112,906,101	111,069,580
Gearing ratio	**11.10**	**11.70**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

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33 Disclosure of Financial Instruments

Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and loans and advances and refundable deposits that derive directly from its
The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed

Market risk:
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate riskand other price risk, such as equity price risk and commodity/ real estate risk. The Company has not entered into any foreign exchange or commodity derivative contracts. Accordingly, there is no significant exposure to the market risk other than interest risk.

(i) 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 the Company's long-term debt obligations The company does not have any interest bearing loan oustanding as at the end of the period, hence there is no such risk.

(ii) Price risk
The Company has not made any investments for trading purposes. The surpluses have been deployed in bank deposits as explained above.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial

Trade receivables
Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and
The ageing of trade receivables are as follows:

Particulars	**As on 31.03.2019**	**As on 31.03.2018**
More than 6 months	-	-
Others	24,540,839	28,373,402

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Deposits with banks and financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2018 and 2019 is the carrying

Liquidity Risk

The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. In case of short term requirements, it obtains short-term loans from its Bankers.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHAGWATI PLASTOWORKS PRIVATE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying Ind AS financial statements of **Bhagwati Plastoworks Private Limited**, which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended on that date, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the **Companies Act, 2013** 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 March 31, 2019, its **Profit** (including other comprehensive income), Changes in Equity and Cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the Ind AS financial statements and auditors' report thereon

The Company's board of directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon. These other information is expected to be made available to us after the date of this auditor's report.

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

CA KRISHAN KUMAR BENGANI
Mem. No.- 302555
Howrah-711106

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

CA KRISHAN KUMAR BENGANI Mem. No.- 302555 Howrah-711106

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Comparative financial information of the Company for the year ended 31st March, 2018 included in these standalone Ind AS Financial Statements, is based on the Ind AS financial statement for the year ended 31st March, 2018 which were audited by the predecessor auditor who expressed an unmodified opinion on those statements.

Our opinion on the Standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

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, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we set out a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

1. The company does not own any fixed assets, hence the clause is not applicable.

2. The inventory has been physically verified 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 properly dealt with in the books of account.

CA KRISHAN KUMAR BENGANI
Mem. No. 302555
Howrah-711106

3. a) The company has granted unsecured loans to company covered in the register maintained under section 189 of the Companies Act 2013. The terms and conditions of the grant of such loans are not prejudicial to the company's interest.

   b) There is no stipulation regarding recovery of loans as these loans are repayable on demand. The aforesaid loans being repayable on demand, there is no amount overdue for more than ninety days in respect of recovery of principal and interest of the above loans.

4.) According to the information and explanations given to us and the records of the Company examined by us, the provisions of section 185 and 186 of the Companies Act, 2013, have been complied with in respect of loans, investments guarantees and securities given by the Company.

5.) The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable.

6.) The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

7.) a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

   b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

8.) According to the records of the Company examined by us and the information and explanations given to us, the Company does not have any outstanding from any banks, financial institutions or government nor has it any outstanding debenture; hence the clause is not applicable.

9.) In our opinion, and according to the information's and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and the term loan has been applied, on an overall basis, for the purpose for which they were obtained.

10.) According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.

11.) As examined by us, the company has not paid remuneration to any managerial personnel during the period in accordance, hence clause is not applicable.

12.) The company is not a nidhi company. Hence clause is not applicable.

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13.) According to the information and explanations given to us and the records of the Company examined by us, the Company has complied with the requirements of sections 177 and 188 of the Act with respect to its transactions with the related parties. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 35 of the standalone Ind AS financial statements for the year under audit.

14.) According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.

15.) According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.

16.) According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

1. 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.

2. 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.

3. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement, Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

4. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

5. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

6. With respect to the adequacy of the internal financial controls over financials reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure A.

7. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

CA KRISHAN KUMAR BENGANI
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8. 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:

   (a) The company does not have any pending litigation.

   (b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **KRISHAN KUMAR BENGANI**
Chartered Accountant

Bengani

Krishan Kumar Bengani
Place: Howrah
Date: 20/05/2019

CA KRISHAN KUMAR BENGANI
Mem. No.- 302555
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KRISHAN KUMAR BENGANI
Chartered Accountant

TO THE MEMBERS OF BHAGWATI PLASTOWORKS PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of **Bhagwati Plastoworks Private Limited** as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

ii) 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.

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

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, 2019, 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 **KRISHAN KUMAR BENGANI**
Chartered Accountant

Krishan Kumar Bengani
Place: Howrah
Date: 20/05/2019

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Bhagwati Plastoworks Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U25209WB1998PTC088083

Balance Sheet as on 31.03.2019

Particulars	Note	As at 31.03.19	As at 31.03.18
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	-	-
(b) Intangible		-	-
(c) Financial Assets			
(i) Investment	3	360,000	360,000
(ii) Other Financial Assets	4	108,706	126,571
Total Non - Current Assets		**468,706**	**486,571**
Current assets			
(a) Inventories	5	123,826,712	125,445,600
(b) Financial Assets			
(i) Trade receivables	6	3,493,047	7,022,730
(ii) Cash and cash equivalents	7	6,183,163	6,595,721
(iii) Other financial assets	8	7,424,896	7,351,897
(c) Current Tax Assets	9	1,032,339	1,088,836
(d) Other current assets	10	159,322	157,532
Total Current Assets		**142,119,480**	**147,662,316**
Total Assets		**142,588,186**	**148,148,887**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	11,036,000	11,036,000
(b) Other Equity	12	74,536,164	69,605,509
Total equity		**85,572,164**	**80,641,509**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	13	26,534,399	31,292,843
Total non-current liabilities		**26,534,399**	**31,292,843**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	7,293,370	4,978,197
(ii) Trade and other payables	15		
outstanding to micro enterprises & small enterprises;		-	-
outstanding to other than micro enterprises & small enterprises		-	1,050,504
(iii) Other financial liabilities	16	710,845	797,012
(b) Other current liabilities	17	20,797,408	27,808,822
(c) Provisions	18	1,680,000	1,580,000
Total Current Liabilities		**30,481,623**	**36,214,535**
Total liabilities		**57,016,022**	**67,507,378**
Total Equity & Liabilities		**142,588,186**	**148,148,887**

This is the Balance Sheet referred to in our report of even date.
The notes referred to above forms an integral part of the Financial Statements

For Krishan Kumar Bengani
Chartered Accountant

For and on behalf of the Board
BHAGWATI PLASTO WORKS PVT. LTD.

Director
Director

BHAGWATI PLASTO WORKS PVT. LTD.

Krishan Kumar Bengani
Membership No. 302555
20, Salkia School Road
Howrah - 711106
The 20th day of May'2019

CA KRISHAN KUMAR BENGANI
Mem. No.- 302555
Howrah-711106

Director
Director

Bhagwati Plastoworks Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U25209WB1998PTC088083

Statement of profit and loss for the year ended 31.03.2019

Particulars	Note	Year ended 31.03.19	Year ended 31.03.18
Revenue			
Revenue from operations	19	16,373,448	9,006,724
Other income	20	277,892	292,862
Total Revenue		**16,651,340**	**9,299,586**
Expenses			
Construction Activity Expenses	21	2,496,154	2,587,656
Changes in inventories of work-in-progress	22	1,618,888	(2,587,656)
Employee benefit expense	23	330,530	325,219
Depreciation and amortisation expense	2	-	-
Finance costs	24	1,533,736	862,028
Other expenses	25	3,327,806	305,976
Total expenses		**9,307,114**	**1,493,223**
Profit before tax		**7,344,227**	**7,806,363**
Less: Income tax expenses			
- Current tax		1,680,000	1,580,000
- Tax Adjustment For Earlier Year		733,572	(55,353)
Total tax expense		**2,413,572**	**1,524,647**
Profit after tax		**4,930,655**	**6,281,716**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
(i) Equity Instruments through Other Comprehensive Income		-	-
(ii) Remeasurements of the defined benefit plans		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**4,930,655**	**6,281,716**
Earnings per equity share			
Basic earnings per share		5.69	5.69
Diluted earnings per share		5.69	5.69
Significant accounting policies and notes to financial statements			

This is the Statement of {rofit & Loss referred to in our report of even date.
The notes referred to above forms an integral part of the Financial Statements

For Krishan Kumar Bengani
Chartered Accountant

Krishan Kumar Bengani
Membership No. 302555
20, Salkia School Road
Howrah - 711106
The 20th day of May'2019

CA KRISHAN KUMAR BENGANI
Mem. No.- 302555
Howrah-711106

For and on behalf of the Board
BHAGWATI PLASTO WORKS PVT. LTD.

Director

Director

BHAGWATI PLASTO WORKS PVT. LTD.

Director

Bhagwati Plastoworks Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U25209WB1998PTC088083

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 3 Financial Assets (Investment)		
Investment in Equity Instruments (At Cost, fully Paid)		
Equity Shares, Unquoted (Face Value Rs.10/- each)		
Dalton Kunj Private Limited (Qty - 40,000 Shares)	80,000	80,000
Manavata Vyapaar Private Limited (Qty - 50,000 Shares)	100,000	100,000
Perci Fashion Private Limited (Qty - 90,000 Shares)	180,000	180,000
	360,000	360,000
Note 4 Financial Assets (Other Financial Assets)		
Unsecured, Considered Good		
Security Deposits	108,706	126,571
TOTAL	108,706	126,571
Note 5 Inventories		
(At lower of cost or Net Realisable value)		
Work in process	123,826,712	125,445,600
Total	123,826,712	125,445,600
Note 6 Financial Assets (Trade receivables)		
Trade receivables	3,493,047	7,022,730
Receivables from related parties	-	-
Less: Allowance for doubtful debts	-	-
	3,493,047	7,022,730
Break up of security details of Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	3,493,047	7,022,730
Doubtful	-	-
Less: Allowance for doubtful debts	-	-
Total	3,493,047	7,022,730
Note 7 Financial Assets (Cash and Bank Balance)		
Cash and Cash Equivalents		
Balances with banks (Unrestricted in Current Account)	1,161,391	1,744,233
Cheques, drafts on hand	-	-
Cash in hand	45,643	45,843
Others		
-Term Deposits with maturity more than 1 years including interest accurued (pledged with Bank against credit facilities availed)	4,976,129	4,805,645
Cash and cash equivalents as per balance sheet	6,183,163	6,595,721
Note 8 Financial Assets (Other financial assets)		
Unsecured, considered good		
Other Advances	7,424,896	7,351,897
TOTAL	7,424,896	7,351,897
Note 9 Current tax assets and liabilities		
Unsecured, considered good		
Current tax assets		
Advance Income Tax and TDS	1,032,339	1,088,836
TOTAL	1,032,339	1,088,836
Note 10 Other current assets		
Unsecured, considered good		
Prepaid Expenses	153,452	157,532
Interest accured on Security Deposit	5,870	
Balance with Statutory Authorities	-	-
TOTAL	159,322	157,532

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Bhagwati Plastoworks Private Limited
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CIN: U25209WB1998PTC088083

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 11 Equity Share Capital		
(Equity Shares of Rs.10/- each)		
a) Authorised Share Capital		
Number of Shares	1,250,000	1,250,000
Total Amount	12,500,000	12,500,000
b) Issued, subscribed and fully paid Share Capital		
Number of Shares	1,103,600	1,103,600
Total Amount	11,036,000	11,036,000
c) Reconciliation of Number of Equity Shares Outstanding		
As at the beginning & end of the year	1,103,600	1,103,600
No shares have either been issued, nor bought back, forfeited		
d) Details of Shareholders holding more than 5% shares with voting right		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	562,870	562,870
Percentage of total shares held	51.00%	51.00%
Raj KumarJaiswal		
Number of Shares	104,500	104,500
Percentage of total shares held	9.47%	9.47%
Ram Gopal Manpuria (HUF)		
Number of Shares	80,000	80,000
Percentage of total shares held	7.25%	7.25%
Shree Prakash Manpuria (HUF)		
Number of Shares	74,000	74,000
Percentage of total shares held	6.71%	6.71%
Arjun Patra (HUF)		
Number of Shares	61,800	61,800
Percentage of total shares held	5.60%	5.60%

e) The rights, preferences & restrictions attaching to shares and restrictions on distribution of dividend and repayment of capital

The Company has only one class of equity shares having par value value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the 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.

	As at 31.03.19	As at 31.03.18
g) Shares held by holding, ultimate holding, or subidiaries or associates of holding		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	562,870	562,870
Percentage of total shares held	51.00%	51.00%
g) Shares are reserved for issue under options or contracts.		
Number of Shares	-	-
Total Amount	-	-

h) Shares issued for consideration other than cash or bonus to shareholders or bought back from shareholders within the period of 5 years

No such shares have been issued nor there has been any buy-back

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Bhagwati Plastoworks Private Limited
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CIN: U25209WB1998PTC088083

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 12 Other equity		
Reserve & Surplus		
Surplus from Statement of Profit & Loss		
As at the beginning of the year	59,637,509	53,355,793
Add: Profit for the year	4,930,655	6,281,716
Add: Ind AS Adjustments	-	-
As at the end of the year	64,568,164	59,637,509
Securities Premium		
As at the beginning of the year	9,968,000	9,968,000
Add: Charges during the year	-	-
As at the end of the year	9,968,000	9,968,000
Other Comprehensive Income		
Equity Instruments through other comprehensive income	-	-
Other items of Other Comprehensive Income	-	-
Total	74,536,164	69,605,509
Note 13 Financial Liability (Other Financial Liability)		
Advance against Properties	25,658,000	29,758,000
Security Deposits	876,399	1,534,843
Total	26,534,399	31,292,843
Note 14 financial liabilities - Borrowings		
(Unsecured, repayable on Demand, including interest accrued)		
Non Banking Financial Companies (Related)	6,411,297	767,973
Other body Corporates (Related)	882,073	
From other than Related Parties	-	4,210,224
Total	7,293,370	4,978,197
Note 15 financial liabilities - Trade and other payables		
outstanding dues of micro & small entreprises	-	-
Other than above	-	1,050,504
Total	-	1,050,504
Note 16 financial liabilities - Other Financial Liabilities		
Other Liabilities	568,546	677,185
Statutory Payables	142,299	119,827
Total	710,845	797,012
Note 17 Other Current Liabilities		
Advances from Customer and Others	20,797,408	27,808,822
Total	20,797,408	27,808,822
Note 18 Provisions		
Provision for Income Tax	1,680,000	1,580,000
Total	1,680,000	1,580,000

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Bhagwati Plastoworks Private Limited
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CIN: U25209WB1998PTC088083

Notes to the financial statements

		Year ended 31.03.19	Year ended 31.03.18
Note 19 Revenue from Operations			
Sale of Services			
Construction Activities		7,517,560	-
Other Charges		143,340	-
	Sub-Total	7,660,900	-
Other Operating Income			
Rental Income		7,978,044	8,528,044
Maintenance & Other Charges		734,504	478,680
	Sub-Total	8,712,548	9,006,724
TOTAL		**16,373,448**	**9,006,724**

	Year ended 31.03.19	Year ended 31.03.18
Note 20 Other Income		
Interest Income	277,892	292,862
Sundry Balances written back (net)	-	-
Total	**277,892**	**292,862**
Note 21 Construction Activity Expenses		
Labour Charges	65,915	179,568
Other Construction Expenses	2,430,239	2,408,088
Consumption	**2,496,154**	**2,587,656**
Note 22 Changes in inventories of work-in-progress		
Opening Inventory of Work in Progress	125,445,600	122,857,944
Less : Closing Inventory of Work in Progress	123,826,712	125,445,600
(Increase)/decrease in inventories (A-B)	**1,618,888**	**(2,587,656)**
Note 23 Employee Benefits Expense		
Salaries, Wages and incentives	330,530	325,219
Total	**330,530**	**325,219**
Note 24 Finance Cost		
Interest on Borrowed fund	633,461	690,278
Notional Interest on Security Deposits	900,056	171,750
Interest paid to Others	219	-
Total	**1,533,736**	**862,028**
Note 25 Others Expenses		
Rates & Taxes	4,650	8,882
Sundry Balances written off (net)	3,159,660	160,613
Advertisement & Publicity Expenses	---	---
Bank Charges	4,277	7,051
Conveyance	18,455	17,516
Filing Fees	6,500	2,215
General Expenses	---	5,817
Postage & Telegram	2,830	2,852
Printing & Stationery	48,434	38,330
Professional Charges	75,500	55,200
Auditor's Remuneration	7,500	7,500
Total	**3,327,806**	**305,976**

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Bhagwati Plastoworks Private Limited
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CIN: U25209WB1998PTC088083

Notes to the financial statements

A. Share Capital

Particulars	Amount (Rs.)
Equity Share Capital as on 01.04.2017	11,036,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2018	11,036,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2019	11,036,000

B. Other Equity

Other Equity

Reserves and surplus attributable to Equity Share holders of the Company	Amount (Rs.)
Balance at 1 April 2017	**63,323,793**
Transfers	-
Profit for the year	6,281,716
IND-AS adjustments	-
Other comprehensive income	-
Total comprehensive income for the year	**6,281,716**
Balance at 31 March 2018	**69,605,509**
Transfers	-
Profit for the Year	4,930,655
Other comprehensive income	-
Total comprehensive income for the period	**4,930,655**
Balance at 31 March 2019	**74,536,164**

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Mem. No.- 302555
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Bhagwati Plastoworks Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U25209WB1998PTC088083

Notes to the financial statements as on

Note 2 Property, Plant and Equipment

Particulars	Tangible		Intangible
Gross carrying amount			
Deemed cost as at 01.04.17	-		-
Additions	-		-
Disposals	-		-
Closing gross carrying amount as on 31.03.18	-		-
Additions	-		-
Disposals	-		-
Closing gross carrying amount as on 31.03.19	-		-
Accumulated depreciation as at 01.04.17	-		-
Depreciation charge during the year	-		-
Disposals	-		-
Closing accumulated depreciation as on 31.03.18	-		-
Depreciation charge during the year	-		-
Disposals	-		-
Closing accumulated depreciation as on 31.03.19	-		-
Net carrying amount as at 01.04.17	-		-
Net carrying amount as at 31.03.18	-		-
Net carrying amount as at 31.03.19	-		-

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Bhagwati Plastoworks Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U25209WB1998PTC088083

Cash Flow Statement for the year ended 31st March, 2019

Cash Flow Statement	For the year ended 31st March,2019		For the year ended 31st March,2018	
A. Cash flow from operating activities :				
Net profit before tax as per Statement of Profit and Loss		7,344,227		7,806,363
Adjustments for				
Sundry Balances written back	3,159,660		160,613	
Notional Interest on Security Deposits	900,056		171,750	
Interest Paid	633,461	4,693,177	690,278	1,022,641
Operating Profit Before Working Capital Changes		**12,037,403**		**8,829,004**
(Increase) / Decrease in Security Deposits	17,865		-	
(Increase) / Decrease in Inventories	1,618,888		(2,587,656)	
(Increase) / Decrease in Trade receivables	3,529,683		1,881,498	
(Increase) / Decrease in Other Current Assets	(1,790)		159,869	
(Increase) / Decrease of Advances	(3,232,659)		(177,613)	
Increase / (Decrease) in Trade Payables	-		(1,742,977)	
Increase / (Decrease) of Other financial liabilities	(5,744,667)		(2,312,342)	
Increase / (Decrease) of Other Current Liabilities	(7,011,414)	(10,824,094)	2,876,627	(1,902,594)
Cash generated from operations		**1,213,309**		**6,926,410**
Less: Direct taxes paid/ (Refunds) including Interest (Net)		2,257,075		1,889,290
Cash Flow before Exceptional Items		(1,043,766)		5,037,120
Net cash Generated/(used) from operating activities		**(1,043,766)**		**5,037,120**
B. Cash Flow from Investing Activities :				
Investment in Fixed Deposits		(170,484)		(2,389,827)
Net cash from investing activities		**(170,484)**		**(2,389,827)**
C. Cash flow from financing activities :				
Proceeds / (Repayment) of Short Term Borrowings	2,315,173		(1,510,042)	
Interest Paid	(633,461)	1,681,712	(690,278)	(2,200,320)
Net cash generated/(used) in financing activities		**1,681,712**		**(2,200,320)**
Net increase/(decrease) in cash and cash equivalents		**467,462**		**446,973**
Cash and cash equivalents -Opening balance		1,790,076		292,599
		2,257,539		**739,572**
Cash and cash equivalents -Closing balance				
CASH AND CASH EQUIVALENTS :				
Balances with Banks		1,161,391		1,744,233
Cash on hand (As certified by the management)		45,643		45,843
		1,207,034		**1,790,076**

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For Krishan Kumar Bengani
Chartered Accountant

BHAGWATI PLASTO WORKS PVT. LTD. BHAGWATI PLASTO WORKS PVT. LTD.

Director Director

Krishan Kumar Bengani **Director** **Director**
Membership No. 302555
20, Salkia School Road
Howrah - 711106
The 20th day of May'2019

CA KRISHAN KUMAR BENGANI
Mem. No. 302555
Howrah-711106

BHAGWATI PLASTOWORKS PRIVATE LIMITED

1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata – 700001
CIN: U25209WB1998PTC088083

26. NOTES TO THE FINANCIAL STATEMENTS

A. Corporate Information

Bhagwati Plastoworks Private Limited (The Company) is a deemed Public limited company, private company being a subsidiary of Listed Public Company domiciled and incorporated in India. It is a part of a group leading in real estate activities in Eastern India. The registered office of the Company is situated at 8/1, Lalbazar Street, Bikaner Building, 1 Floor, Room No.10, Kolkata-700001. The principle business activity of the company is Real Estate Development.

B. Summary of Significant Accounting Policies

a) Basis of preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable

Basis of Preparation

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Classification of Assets and Liabilities into Current/Non-Current

All the assets and liabilities have been classified as current and non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.The normal operating cycle of the company has been considered as 12 months.

b) Use of estimates and management judgments :

The preparation of financial statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, 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.

i) Key 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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ii) **Revenue recognition, contract costs and valuation of unbilled revenue**

The Company uses the percentage of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate and contractual projects. 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. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

iii) **Estimation of net realisable value for inventory property (including land advance)**

Inventory property is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory 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 property under construction 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 Land advance given, 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.

c) **Revenue Recognition-**

Revenue is recognized as follows:

i. Revenue from own construction projects are recognised on Percentage Completion Method. Revenue recognition starts when 25 % of estimated project cost excluding land and marketing cost is incurred, atleast 25% of the saleable project area is secured by contracts or agreements with buyers and Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

ii. Revenue from Construction Contracts are recognised on "Percentage of Completion Method" measured by reference to the survey of works done up to the reporting date and certified by the client before finalisation of projects accounts.

iii. Real Estate: Sales is exclusive of service tax, if any, net of sales return.

iv. Revenue from services are recognised on rendering of services to customers except otherwise stated

v. Rental income from assets is recognised for an accrual basis except in case where ultimate collection is considered doubtful. Rental income is exclusive of service tax

vi. Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

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d) **Borrowing Costs**
Borrowing costs attributable to the acquisition or construction of a qualifying asset are carried as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the year they are incurred.

e) **Impairment of Non-Financial Assets**
The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

f) **Inventories**
Constructed properties, shown as work in progress, includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development costs, construction costs, overheads, borrowing costs, construction materials including material lying at respective sites, finance and administrative expenses which contribute to bring the inventory to their present location and condition and is valued at lower of cost/ estimated cost and net realizable value.
On completion of projects, unsold stocks are transferred to project finished stock under the head "Inventory" and the same is carried at cost or net realizable value, whichever is less.
Finished Goods – Flats: Valued at cost and net realizable value.
Land Inventory: Valued at lower of cost and net realizable value.
Provision for obsolescence in inventories is made, wherever required.

g) **Retirement Benefits**
No such benefits are payable to any employee.

h) **Provisions, Contingent Liabilities and Contingent Assets**
Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if the company has a present obligation as a result of past event and the amount of obligation can be reliably estimated.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
Possible future or present obligations that may but will probably not require outflow of resources or where the same can not be reliably estimated is disclosed as contingent liability in the financial statement.

i) **Taxes on Income**
i. Tax expense comprises both current and deferred tax. Current tax is determined in respect of taxable income for the year based on applicable tax rates and laws.
ii. Deferred tax Asset/liability is recognized, subject to consideration of prudence, on timing differences being the differences between taxable incomes and accounting income that originates in one year and is capable of reversal in one or more subsequent year and measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

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iii. Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. 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 that 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 Alternative 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 specified period.

j) **Segment Reporting**

The company has identified that its operating activity is a single primary business segment viz. Real Estate Development and Services carried out in India. Accordingly, whole of India has been considered as one geographical segment

k) **Earnings Per Share**

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

l) **Cash & Cash Equivalents**

Cash and cash equivalents comprise cash & cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management and that are readily convertible to known amounts of cash to be cash equivalents.

m) **Financial Instruments**

➢ **Financial Instruments - Initial recognition and measurement**

Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognized initially 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.

➢ **Financial assets –Subsequent measurement**

The Subsequent measurement of financial assets depends on their classification which is as follows:

- <u>Financial assets at fair value through profit or loss</u>
  Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.
- <u>Financial assets measured at amortized cost</u>
  Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable

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amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
ii. The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

- Financial assets at fair value through OCI

  All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable. If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

- **Financial assets –Derecognition**

  The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

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- **Financial liabilities –**

  Initial recognition and measurement

  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

  The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

  Subsequent measurement

  The Subsequent measurement of financial liabilities depends on their classification which is as follows:

  - Financial liabilities at fair value through profit or loss

    Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any, and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

    Gains or losses on liabilities held for trading are recognised in the profit or loss.
  - Financial liabilities measured at amortized cost

    Interest bearing loans and borrowings including debentures issued by the company are subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortized is included in finance costs in the statement of profit and loss.
  - **Financial liabilities –Derecognition**

    A financial liability is derecognized when the obligation under the liability is discharged or expires.

n) **Fair Value measurement**

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or

▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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o) **Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

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Notes to the financial statements

27 **Reconciliation of Effective Tax Rate**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31.03.19	Year ended 31.03.18
Profit before tax	7,344,227	7,806,363
Income tax expense calculated @ 26.00% (2017: 25.76%)	1,909,499	2,010,138
Effect of Fair Market Value adjustments in accordance with IND-AS	234,015	44,226
Effect of Allowances for Tax purpose	(565,975)	-
Other differences	102,461	(474,364)
Total	1,680,000	1,580,000
Adjustments recognised in the current year in relation to the current tax of prior years	733,572	(55,353)
Income tax recognised in profit or loss	2,413,572	1,524,647

The tax rate used for the year 2017-18 and 2018-19 reconciliations above is the corporate tax payable on taxable profits under the Income Tax Act, 1961.

28 **Related Party Disclosure**

Related Party Relationship

Enterprises where control exists - RDB Realty & Infrastructure Ltd – Holding

Transactions & Balanaces :

No related party transactions nor any balances have been reported by the management.

29 In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realised in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no contingent liability except stated and informed by the Management.

30 **Contingent Liabilities:-** Nil (P. Y. Nil)

Income Tax Demand - Rs.1.43 lacs. These demand includes payable towards addition by Income Tax Officer, Demand & Interest on Summary Assessment. Etc

31 (1) **Ind AS optional exemptions**

Deemed Cost of Property, Plant and Equipment

The company did not had any Property, Plant and Equipment as at the date of transition.

Deemed Cost of Investment in Subsidiaries, Associates and Joint Ventures

The company did not had any Investment in Subsidiaries, Associates and Joint Ventures as at the date of transition

31 (2) **Ind AS mandatory exemptions**

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP. Ind AS estimates at 1st April, 2016 are consistent with the estimates as at the same date made with conformity with previous GAAP.

De-recognition of Financial Assets and Liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition retrospectively from a date of entity's choosing.

The entity has elected to apply the de-recognition provisions prospectively from the date of transition.

Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of assets on the basis of facts and circumstances that exist at the date of transition to Ind AS. The entity has applied this exception.

Fair Valuation of Investments

Under the previous GAAP, investments were classified as long term investments or current investments based on the intended

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Notes to the financial statements

holding period and realisability. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition.

31 (3) **Transition to Ind AS – Reconciliations**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS:

Reconciliation of Other Equity

Particulars	As on 31.03.2019	As on 31.03.2018
Reserves and Surplus as per IGAAP	**7,27,00,028**	**6,68,69,317**
Add: Fair valuation of Security Deposits Received	18,36,136	27,36,192
Other Equity as per Ind AS	**7,45,36,164**	**6,96,05,509**

Notes:

(i) Under Indian GAAP, there are certain security deposits received which are carried at nominal value. Ind AS requires the measurement of these assets at fair value at inception and subsequently these assets are measured at amortized cost. At inception date, Company recognises difference between deposit fair value and nominal value as income/expensesand the Company recognises notional interest income/expenses on these deposits over the lease term.

(ii) Indian GAAP required deferred tax accounting using the income statement approach, which focusses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP. In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(iii) The Company has undertaken a detailed exercise to determine the manner of allocation of expenses to inventory in context of Ind AS and accordingly realignedallocation of expenses and income to comply with Ind AS requirements.

Impact of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2019

There are no differences between the Cash Flow Statement presented under Ind AS and the Previous GAAP.

32 Financial Instruments and Related Disclosures As on 31.03.2019

Particulars at	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Investments	3,60,000	3,60,000	3,60,000
(ii) Trade receivables	34,93,047	34,93,047	34,93,047
(iii) Cash and cash equivalents	61,83,163	61,83,163	61,83,163
(iv) Other financial assets	75,33,602	75,33,602	75,33,602
Total Financial Assets	1,75,69,812	1,75,69,812	1,75,69,812
(a) Financial Liabilities			
(i) Borrowings	72,93,370	72,93,370	72,93,370
(ii) Trade and other payables	-	-	-
(iii) Other financial liabilities	2,72,45,244	2,90,81,380	2,72,45,244
Total Financial Liabilities	3,45,38,614	3,63,74,750	3,45,38,614

As on 31.03.2018

Particulars	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Investments	3,60,000	3,60,000	3,60,000
(ii) Trade receivables	70,22,730	70,22,730	70,22,730
(iii) Cash and cash equivalents	65,95,721	65,95,721	65,95,721
(iv) Other financial assets	74,78,468	74,78,468	74,78,468
Total Financial Assets	2,14,56,919	2,14,56,919	2,14,56,919
(a) Financial Liabilities			
(i) Borrowings	49,78,197	49,78,197	49,78,197
(ii) Trade and other payables	10,50,504	10,50,504	10,50,504

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Notes to the financial statements

(iii) Other financial liabilities	3,20,89,855	3,48,26,047	3,20,89,855
Total Financial Liabilities	3,81,18,556	4,08,54,748	3,81,18,556

A. **Capital Requirements**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents

Particulars		31-Mar-19 (in Rs.)	31-Mar-18 (in Rs.)
Borrowings (long-term and short-term, including current maturities of long term borrowings)		72,93,370	49,78,197
Trade payables		-	10,50,504
Other payables (current and non-current, excluding current maturities of long term borrowings)		2,72,45,244	3,20,89,855
Less: Cash and cash equivalents		(65,95,721)	(27,08,417)
Net debt		2,79,42,893	3,54,10,139
Equity share capital		1,10,36,000	1,10,36,000
Other equity		7,45,36,164	6,96,05,509
Total Capital		8,55,72,164	8,06,41,509
Gearing ratio		**3.06**	**2.28**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

33 Disclosure of Financial Instruments

Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and loans and advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuatebecause of changes in market prices. Market risk comprises two types of risk: interest rate riskand other price risk, such as equity price risk and commodity/ real estate risk. The Company has not entered into any foreign exchange or commodity derivative contracts. Accordingly, there is no significant exposure to the market risk other than interest risk.

CA KRISHAN KUMAR BENGANI
Mem. No.- 302555
Howrah-711106

Notes to the financial statements

(i) 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 the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by by accepting fixed rate loans and borrowings which are repayable on demand at the option of company and lender both. Most of the borrowings of the Company are unsecured and at fixed rates. The Company has interest bearing oustanding borrowings from 2 parties at the end of the period. In case the interest rate in the markets falls below the rate payable by company, company can negotiate interest rate of exisiting loan or can repay the borrowing and re-borrow at prevalent market rate. The Company does not enter into any interest rate swaps.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

The ageing of trade receivables are as follows:

Particulars	**As on 31.03.2019**	**As on 31.03.2018**
More than 6 months	-	1,184,461
Others	3,493,047	5,838,269

Deposits with banks and financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2017 and 2016 is the carrying amounts.

Liquidity Risk

The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. In case of short term requirements, it obtains short-term loans from its Bankers.

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KRISHAN KUMAR BENGANI
Chartered Accountant

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RDB JAIPUR INFRASTRUCTURE PRIVATE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying Ind AS financial statements of **RDB Jaipur Infrastructure Private Limited**, which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended on that date, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the **Companies Act, 2013** 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 March 31, 2019, its **Loss** (including other comprehensive income), Changes in Equity and Cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the Ind AS financial statements and auditors' report thereon

The Company's board of directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon. These other information is expected to be made available to us after the date of this auditor's report.

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

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

CA KRISHAN KUMAR BENGANI
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Howrah-711106

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Comparative financial information of the Company for the year ended 31st March, 2018 included in these standalone Ind AS Financial Statements, is based on the Ind AS financial statement for the year ended 31st March, 2018 which were audited by the predecessor auditor who expressed an unmodified opinion on those statements.
Our opinion on the Standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

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, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we set out a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) As explained to us Fixed Assets of the company are physically verified by the management according to a phased programme designed to cover all the items which considering the size and nature of operations of the company appears to be reasonable. Pursuant to such program, no material discrepancies between book records and physical inventory have been noticed on physical verification.

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c) The company does not own any immovable properties under the head Fixed assets, hence the clause is not applicable.

2. The inventory has been physically verified 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 properly dealt with in the books of account.

3. a) The company has granted unsecured loans to company covered in the register maintained under section 189 of the Companies Act 2013. The terms and conditions of the grant of such loans are not prejudicial to the company's interest.

b) There is no stipulation regarding recovery of loans as these loans are repayable on demand. The aforesaid loans being repayable on demand, there is no amount overdue for more than ninety days in respect of recovery of principal and interest of the above loans.

4.) According to the information and explanations given to us and the records of the Company examined by us, the provisions of section 185 and 186 of the Companies Act, 2013, have been complied with in respect of loans, investments guarantees and securities given by the Company.

5.) The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable.

6.) The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

7.) a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

8.) According to the records of the Company examined by us and the information and explanations given to us, the Company does not have any outstanding from any banks, financial institutions or government nor has it any outstanding debenture; hence the clause is not applicable.

9.) In our opinion, and according to the information's and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and the term loan has been applied, on an overall basis, for the purpose for which they were obtained.

CA KRISHAN KUMAR BENGANI Mem. No.- 302555 Howrah-711106

10.) According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.

11.) As examined by us, the company has not paid remuneration to any managerial personnel during the period in accordance, hence clause is not applicable.

12.) The company is not a nidhi company. Hence clause is not applicable.

13.) According to the information and explanations given to us and the records of the Company examined by us, the Company has complied with the requirements of sections 177 and 188 of the Act with respect to its transactions with the related parties. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 35 of the standalone Ind AS financial statements for the year under audit.

14.) According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.

15.) According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.

16.) According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

1. 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.

2. 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.

3. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement, Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

4. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

5. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

6. With respect to the adequacy of the internal financial controls over financials reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure A.

7. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

8. 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:

   (a) The company does not have any pending litigation.

   (b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **KRISHAN KUMAR BENGANI**
Chartered Accountant

Krishan Kumar Bengani
Place: Howrah
Date: 20/05/2019

CA KRISHAN KUMAR BENGANI
Mem. No.- 302555
Howrah-711106

KRISHAN KUMAR BENGANI
Chartered Accountant

TO THE MEMBERS OF RDB JAIPUR INFRASTRUCTURE PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of **RDB Jaipur Infrastructure Private Limited** as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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Howrah-711106

i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

ii) 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.

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

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, 2019, 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 **KRISHAN KUMAR BENGANI**
Chartered Accountant

Krishan Kumar Bengani
Place: Howrah
Date: 20/05/2019

CA KRISHAN KUMAR BENGANI
Mem. No.- 302555
Howrah-711106

RDB Jaipur Infrastructure Private Limited (Formerly RDB Realty (P) Ltd.)
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70101WB2005PTC106328

Balance Sheet as on 31.03.2019

Particulars	Note	As at 31.03.19	As at 31.03.18
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	1,74,007	3,03,830
(b) Deferred Tax Assets (Net)	2	71,899	38,547
Total Non - Current Assets		**2,45,906**	**3,42,377**
Current assets			
(a) Inventories	3	1,32,25,31,066	1,32,22,56,880
(b) Financial Assets			
(i) Trade receivables	4	38,09,683	1,22,44,661
(ii) Cash and cash equivalents	5	6,74,457	3,24,526
(iii) Other financial assets	6	7,25,965	5,06,55,966
(c) Current Tax Assets	7	3,63,051	14,10,438
(d) Other current assets	8	2,59,72,748	2,48,59,701
Total Current Assets		**1,35,40,76,970**	**1,41,17,52,172**
Total Assets		**1,35,43,22,876**	**1,41,20,94,549**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	9	10,00,00,000	10,00,00,000
(b) Other Equity	10	(1,47,74,531)	(1,18,59,622)
Total equity		**8,52,25,469**	**8,81,40,378**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	11	9,00,00,000	9,00,00,000
Total non-current liabilities		**9,00,00,000**	**9,00,00,000**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	6,56,77,833	5,30,22,113
(ii) Trade and other payables	13	4,94,83,565	4,95,53,250
(iii) Other financial liabilities	14	1,06,32,95,232	1,13,07,34,657
(b) Other current liabilities	15	6,40,777	6,30,650
(c) Provisions	16	-	13,500
Total Current Liabilities		**1,17,90,97,407**	**1,23,39,54,170**
Total liabilities		**1,26,90,97,407**	**1,32,39,54,170**
Total Equity & Liabilities		**1,35,43,22,876**	**1,41,20,94,548**

This is the Balance Sheet referred to in our report of even date.
The notes referred to above forms an integral part of the Financial Statements

For Krishan Kumar Bengani
Chartered Accountant

For and on behalf of the Board
RDB JAIPUR INFRASTRUCTURE PVT. LTD.
Pradeep Mishra
Director

Director
RDB JAIPUR INFRASTRUCTURE PVT. LTD.

Krishan Kumar Bengani
Membership No. 302555
20, Salkia School Road
Howrah - 711106
The 20th day of May'2019

KRISHAN KUMAR BENGANI
M. No. 302555
Howrah-711106

Director

RDB Jaipur Infrastructure Private Limited (Formerly RDB Realty (P) Ltd.)
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70101WB2005PTC106328

Statement of profit and loss for the year ended 31.03.2019

Particulars	Note	Year ended 31.03.19	Year ended 31.03.18
Revenue			
Revenue from operations	19	-	-
Other income	20	25,33,867	51,32,839
Total Revenue		**25,33,867**	**51,32,839**
Expenses			
Construction Activity Expenses	21	2,74,186	13,62,715
Changes in inventories of work-in-progress	22	(2,74,186)	(13,62,715)
Employee benefit expense	23	8,25,741	8,44,914
Depreciation and amortisation expense	2	1,29,823	1,30,196
Finance costs	24	43,45,771	39,97,262
Other expenses	25	1,80,779	89,546
Total expenses		**54,82,114**	**50,61,918**
Profit before tax		**(29,48,247)**	**70,921**
Less: Income tax expenses			
Current tax		-	13,500
- Tax Adjustment For Earlier Year		14	10,267
- Deferred Tax		(33,352)	(9,426)
Total tax expense		**(33,338)**	**14,341**
Profit after tax		**(29,14,909)**	**56,580**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
(i) Equity Instruments through Other Comprehensive Income		-	-
(ii) Remeasurements of the defined benefit plans		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**(29,14,909)**	**56,580**
Earnings per equity share			
Profit available for Equity Shareholders		(29,14,909)	56,580
Weighted average number of Equity Shares outstanding		1,00,00,000	1,00,00,000
Basic earnings per share		(0.29)	0.01
Diluted earnings per share		(0.29)	0.01

This is the Statement of Profit & Loss referred to in our report of even date.

For Krishan Kumar Bengani
Chartered Accountant

Bengani

Krishan Kumar Bengani
Membership No. 302555
20, Salkia School Road
Howrah - 711106
The 20th day of May'2019

KRISHAN KUMAR BENGANI
Howrah-711106

For and on behalf of the Board
RDB JAIPUR INFRASTRUCTURE PVT. LTD.
Pradeep Mishra
Director
Director

RDB JAIPUR INFRASTRUCTURE PVT. LTD.
Director
Director

RDB Jaipur Infrastructure Private Limited (Formerly RDB Realty (P) Ltd.)
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70101WB2005PTC106328

Notes to the financial statements as on

		As at 31.03.19	As at 31.03.18
Note 2 Deferred tax assets (net)			
On Depreciation Allowance on Fixed Assets		71,899	38,547
	Total	71,899	38,547
Note 3 Inventories			
(At lower of cost or Net Realisable value)			
Work in process		1,32,25,31,066	1,32,22,56,880
	Total	1,32,25,31,066	1,32,22,56,880
Note 4 Financial Assets (Trade receivables)			
Trade receivables			
More than six months			
Less than six months		38,09,683	-
Receivables from related parties		-	1,22,44,661
More than six months			
Less than six months		-	-
Less: Allowance for doubtful debts		-	-
		-	-
	Total	38,09,683	1,22,44,661
Break up of security details of Trade receivables			
Secured, considered good			
Unsecured, considered good		-	-
Doubtful		38,09,683	1,22,44,661
Less: Allowance for doubtful debts		-	-
		-	-
		38,09,683	1,22,44,661
Note 5 Financial Assets (Cash and Cash Equivalents)			
Balances with banks (Unrestricted in Current Account)		6,39,241	2,67,143
Cheques, drafts on hand		-	-
Cash in hand (As certified by the management)		35,216	57,383
Others			
	Total	6,74,457	3,24,526
Note 6 Financial Assets (Other financial assets)			
Unsecured, considered good			
Loan to Companies (Interest bearing)		7,25,965	5,06,55,966
	Total	7,25,965	5,06,55,966
Note 7 Current tax assets and liabilities			
Unsecured, considered good			
Current tax assets			
Advance Income Tax and TDS		3,63,051	14,10,438
	Total	3,63,051	14,10,438
Note 8 Other current assets			
Unsecured, considered good			
Balance with Statutory Authorities		12,86,924	-
Advance to Holding Company		-	90,000
Advance to Staff		86,491	1,05,368
Advance against land to vendors		2,23,31,000	2,23,31,000
Other Advances		22,68,333	23,33,333
	Total	2,59,72,748	2,48,59,701

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CIN: U70101WB2005PTC106328

Notes to the financial statements as on

	As at 31.03.19	As at 31.03.18
Note 9 Equity Share Capital (Equity Shares of Rs.10/- each)		
a) Authorised Share Capital		
Number of Shares	1,50,00,000	1,50,00,000
Total Amount	15,00,00,000	15,00,00,000
b) Issued, subscribed and fully paid Share Capital		
Number of Shares	1,00,00,000	1,00,00,000
Total Amount	10,00,00,000	10,00,00,000
c) Reconciliation of Number of Equity Shares Outstanding		
As at the beginning & end of the year	1,00,00,000	1,00,00,000
No shares have either been issued, nor bought back, forfeited		
d) Details of Shareholders holding more than 5% shares with voting right		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	53,63,046	53,63,046
Percentage of total shares held	53.63%	53.63%
Sanjay Surana		
Number of Shares	10,00,000	10,00,000
Percentage of total shares held	10.00%	10.00%
Gaurishankar Kothari		
Number of Shares	10,00,000	10,00,000
Percentage of total shares held	10.00%	10.00%
Shyam Sunder Mohata		
Number of Shares	9,33,477	9,33,477
Percentage of total shares held	9.33%	9.33%
Santosh Devi Dhoot		
Number of Shares	6,00,000	6,00,000
Percentage of total shares held	6.00%	6.00%
Kedar Nath Dhoot		
Number of Shares	5,40,977	5,40,977
Percentage of total shares held	5.41%	5.41%

e) The rights, preferences & restrictions attaching to shares and restrictions on distribution of dividend and repayment of capital

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the 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.

	As at 31.03.19	As at 31.03.18
f) Shares held by holding, ultimate holding, or subidiaries or associates of holding		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	5,62,870	5,62,870
Percentage of total shares held	5.63%	5.63%
g) Shares are reserved for issue under options or contracts.		
Number of Shares & Amount	-	-

h) Shares issued for consideration other than cash or bonus to shareholders or bought back from shareholders within the period of 5 years

No such shares have been issued nor there has been any buy-back

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Notes to the financial statements as on

		As at 31.03.19	As at 31.03.18
Note 10 Other equity			
Reserve & Surplus			
Surplus from Statement of Profit & Loss			
As at the beginning of the year		(1,18,59,622)	(1,19,16,202)
Add: Profit for the year		(29,14,909)	56,580
Add: Ind AS Adjustments		-	-
As at the end of the year		(1,47,74,531)	(1,18,59,622)
Other Comprehensive Income			
Equity Instruments through other comprehensive income		-	-
Other items of Other Comprehensive Income		-	-
	Total	**(1,47,74,531)**	**(1,18,59,622)**
Note 11 Financial Liability (Other Financial Liability)			
(Unsecured, as per terms of agreement)			
Advance against Properties		9,00,00,000	9,00,00,000
The above deposit have been received from Developers pursuant to Joint Development Agreement between Landowner (RDB Jaipur) and Developers			
	Total	**9,00,00,000**	**9,00,00,000**
Note 12 financial liabilities - Borrowings			
(Unsecured, Repayable on Demand, Interest bearing, Including Interest))			
Non Banking Financial Companies		1,60,68,435	44,55,335
Other body Corporates		4,96,09,398	4,85,66,778
	Total	**6,56,77,833**	**5,30,22,113**
Note 13 financial liabilities - Trade and other payables			
Outstanding dues of micro & small entreprises		-	-
Other than above		4,94,83,565	4,95,53,250
	Total	**4,94,83,565**	**4,95,53,250**
Note 14 financial liabilities - Other Financial Liabilities			
Advances from Others		1,06,32,95,232	1,13,07,34,657
	Total	**1,06,32,95,232**	**1,13,07,34,657**
Note 15 Other Current Liabilities			
Oustanding Payables to Directors		2,10,000	2,10,000
Statutory Payables		4,30,777	4,20,650
Other payable		-	-
	Total	**6,40,777**	**6,30,650**
Note 16 Provisions			
Provision for Income Tax		-	13,500
	Total	**-**	**13,500**

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Notes to the financial statements

	Year ended 31.03.19	Year ended 31.03.18
Note 19 Revenue from Operations		
Maintenance & Other Charges	-	-
TOTAL	-	-
Note 20 Other Income		
Profit on Sale of Investment (Non Current, other than trade)	-	-
Interest Income	25,30,494	51,32,839
Miscellaneous Income		
Sundry Balances written back (net)	3,373	-
Total	**25,33,867**	**51,32,839**
Note 21 Construction Activity Expenses		
Other Construction Expenses	2,74,186	54,398
Interest & Other Finance Cost (in accordance with IND AS-23)	-	13,08,317
Consumption	**2,74,186**	**13,62,715**
Note 22 Changes in inventories of work-in-progress		
Opening Inventory of Work in Progress	1,32,22,56,880	1,32,08,94,165
Less : Closing Inventory of Work in Progress	1,32,25,31,066	1,32,22,56,880
(Increase)/decrease in inventories (A-B)	**(2,74,186)**	**(13,62,715)**
Note 23 Employee Benefits Expense		
Salaries, Wages and incentives	8,25,741	8,44,914
Total	**8,25,741**	**8,44,914**
Note 24 Finance Cost		
Interest on Borrowed fund	43,45,771	39,97,262
Total	**43,45,771**	**39,97,262**
Note 25 Others Expenses		
Rates & Taxes	2,500	2,500
Filing Fees	6,215	4,311
General Expenses	200	60,500
Printing & Stationery	27,664	7,035
Professional Charges	1,29,200	200
Auditor's Remuneration		
Statutory Audit Fees	15,000	15,000
Total	**1,80,779**	**89,546**

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Notes to the financial statements

A. Share Capital

Particulars	Amount (Rs.)
Equity Share Capital as on 01.04.2017	10,00,00,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2018	10,00,00,000
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2019	10,00,00,000

B. Other Equity
Other Equity

Reserves and surplus attributable to Equity Share holders of the Company	Amount (Rs.)
Balance at 1 April 2017	**(1,19,16,202)**
Transfers	-
Profit for the year	56,580
Other comprehensive income	-
Total comprehensive income for the year	**56,580**
Balance at 31 March 2018	**(1,18,59,622)**
Transfers	-
Profit for the Year	(29,14,909)
Other comprehensive income	-
Total comprehensive income for the period	**(29,14,909)**
Balance at 31 March 2019	**(1,47,74,531)**

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Notes to the financial statements as on

Note 2 Property, Plant and Equipment

Particulars	Tangible					
	Plant & Machinery	Furniture & Fixtures	Vehicles	Computers	Mobile	Total
Gross carrying amount						
Deemed cost as at 01.04.17	7,500	7,100	14,41,449	58,365	52,599	15,67,013
Additions						-
Disposals						-
Closing gross carrying amount as on 31.03.18	7,500	7,100	14,41,449	58,365	52,599	15,67,013
Additions						-
Disposals						-
Closing gross carrying amount as on 31.03.19	7,500	7,100	14,41,449	58,365	52,599	15,67,013
Accumulated depreciation as at 01.04.17	3,250	5,438	10,23,460	55,439	45,400	11,32,987
Depreciation charge during the year	431	253	1,27,041	-	2,471	1,30,196
Disposals	-	-	-	-	-	-
Closing accumulated depreciation as on 31.03.18	3,681	5,691	11,50,501	55,439	47,871	12,63,183
Depreciation charge during the year	431	253	1,27,041		2,098	1,29,823
Disposals						-
Closing accumulated depreciation as on 31.03.19	4,112	5,944	12,77,542	55,439	49,969	13,93,006
Net carrying amount as at 01.04.17	4,250	1,662	4,17,989	2,926	7,199	4,34,026
Net carrying amount as at 31.03.18	3,819	1,409	2,90,948	2,926	4,728	3,03,830
Net carrying amount as at 31.03.19	3,388	1,156	1,63,907	2,926	2,630	1,74,007

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RDB Jaipur Infrastructure Private Limited (Formerly RDB Realty (P) Ltd.)

Cash Flow Statement for the year ended 31st March, 2019

Cash Flow Statement	For the year ended 31st March,2019		For the year ended 31st March,2018	
A. Cash flow from operating activities :				
Net profit before tax as per Statement of Profit and Loss		(29,48,247)		70,921
Adjustments for				
Sundry Balances written back	(3,373)		-	
Profit on Sale of Investment (Non Current, other than trade)	-		-	
Depreciation & Amortisation	1,29,823		1,30,196	
Interest Paid	43,45,771	44,72,221	39,97,262	41,27,458
Operating Profit Before Working Capital Changes		**15,23,974**		**41,98,379**
(Increase) / Decrease in Inventories	(2,74,186)		(54,398)	
(Increase) / Decrease in Trade receivables	84,34,978		(1,22,44,661)	
(Increase) / Decrease of Advances	4,88,20,327		(2,90,91,940)	
Increase / (Decrease) in Trade Payables	(69,685)		7,53,250	
Increase / (Decrease) of Other financial liabilities	(6,74,39,425)		4,46,27,330	
Increase / (Decrease) of Other Current Liabilities	10,127	(1,05,17,864)	(2,15,733)	37,73,848
Cash generated from operations		**(89,93,890)**		**79,72,228**
Less: Direct taxes paid/ (Refunds) including Interest (Net)		(10,33,871)		14,20,704
Cash Flow before Exceptional Items		(79,60,019)		65,51,524
Net cash Generated/(used) from operating activities		**(79,60,019)**		**65,51,524**
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets		-		-
Net cash from investing activities		-		-
C. Cash flow from financing activities :				
Proceeds / (Repayment) of Short Term Borrowings	1,26,55,720		(24,79,444)	
Interest Paid	(43,45,771)	83,09,949	(53,05,579)	(77,85,023)
Net cash generated/(used) in financing activities		**83,09,949**		**(77,85,023)**
Net increase/(decrease) in cash and cash equivalents		**3,49,930**		**(12,33,500)**
Cash and cash equivalents -Opening balance		3,24,526		15,58,025
		6,74,457		**3,24,526**
Cash and cash equivalents -Closing balance				
CASH AND CASH EQUIVALENTS :				
Balances with Banks		6,39,241		2,67,143
Cash on hand (As certified by the management)		35,216		57,383
		6,74,457		**3,24,526**

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For Krishan Kumar Bengani

Chartered Accountant

RDB JAIPUR INFRASTRUCTURE PVT. LTD.

RDB JAIPUR INFRASTRUCTURE PVT. LTD.

Bengani

Pradeep hirawat

Director

Director

Director

Director

Krishan Kumar Bengani

Membership No. 302555

20, Salkia School Road

Howrah - 711106

The 20th day of May'2019

KRISHAN KUMAR BENGANI CA Mem. No.- 302555 Howrah-711106

26. NOTES TO THE FINANCIAL STATEMENTS

A. Corporate Information

RDB Jaipur Infrastructure Private Limited (Formerly RDB Realty (P) Ltd.) (The Company) is a deemed Public limited company, private company being a subsidiary of Listed Public Company domiciled and incorporated in India. It is a part of a group leading in real estate activities in Eastern India. The registered office of the Company is situated at 8/1, Lalbazar Street, Bikaner Building, 1 Floor, Room No.10, Kolkata-700001. The principle business activity of the company is Real Estate Development.

B. Summary of Significant Accounting Policies

a) Basis of preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable

Basis of Preparation

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Classification of Assets and Liabilities into Current/Non-Current

All the assets and liabilities have been classified as current and non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.The normal operating cycle of the company has been considered as 12 months.

b) Use of estimates and management judgments :

The preparation of financial statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, 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.

i) Key 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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ii) **Revenue recognition, contract costs and valuation of unbilled revenue**

The Company uses the percentage of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate and contractual projects. 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. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

iii) **Estimation of net realisable value for inventory property (including land advance)**

Inventory property is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory 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 property under construction 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 Land advance given, 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.

c) **Property, Plant and Equipment**

The cost of an item of property, plant and equipment comprises of its purchase price, any costs directly attributable to its acquisition and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs when the item is acquired. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is derecognised.

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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d) **Revenue Recognition-**

Revenue is recognized as follows:

i. Revenue from own construction projects are recognised on Percentage Completion Method. Revenue recognition starts when 25 % of estimated project cost excluding land and marketing cost is incurred, atleast 25% of the saleable project area is secured by contracts or agreements with buyers and Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

ii. Revenue from Construction Contracts are recognised on "Percentage of Completion Method" measured by reference to the survey of works done up to the reporting date and certified by the client before finalisation of projects accounts.

iii. Real Estate: Sales is exclusive of service tax, if any, net of sales return.

iv. Revenue from services are recognised on rendering of services to customers except otherwise stated

v. Rental income from assets is recognised for an accrual basis except in case where ultimate collection is considered doubtful. Rental income is exclusive of service tax

vi. Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

e) **Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of a qualifying asset are carried as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the year they are incurred.

f) **Impairment of Non-Financial Assets**

The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

g) **Inventories**

Constructed properties, shown as work in progress, includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development costs, construction costs, overheads, borrowing costs, construction materials including material lying at respective sites, finance and administrative expenses which contribute to bring the inventory to their present location and condition and is valued at lower of cost/ estimated cost and net realizable value.

On completion of projects, unsold stocks are transferred to project finished stock under the head "Inventory" and the same is carried at cost or net realizable value, whichever is less.

Finished Goods – Flats: Valued at cost and net realizable value.

Land Inventory: Valued at lower of cost and net realizable value.

Provision for obsolescence in inventories is made, wherever required.

h) **Retirement Benefits**

No such benefits are payable to any employee.

i) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if the company has a present obligation as a result of past event and the amount of obligation can be reliably estimated.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
Possible future or present obligations that may but will probably not require outflow of resources or where the same can not be reliably estimated is disclosed as contingent liability in the financial statement.

j) **Taxes on Income**

i. Tax expense comprises both current and deferred tax. Current tax is determined in respect of taxable income for the year based on applicable tax rates and laws.
ii. Deferred tax Asset/liability is recognized, subject to consideration of prudence, on timing differences being the differences between taxable incomes and accounting income that originates in one year and is capable of reversal in one or more subsequent year and measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

iii. Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. 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 that 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 Alternative 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 specified period.

k) **Segment Reporting**

The company has identified that its operating activity is a single primary business segment viz. Real Estate Development and Services carried out in India. Accordingly, whole of India has been considered as one geographical segment

l) **Earnings Per Share**

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

m) **Cash & Cash Equivalents**

Cash and cash equivalents comprise cash & cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management and that are readily convertible to known amounts of cash to be cash equivalents.

n) **Financial Instruments**

- **Financial Instruments - Initial recognition and measurement**
  Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognized initially 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.

- **Financial assets –Subsequent measurement**
  The Subsequent measurement of financial assets depends on their classification which is as follows:
  - Financial assets at fair value through profit or loss
    Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.
  - Financial assets measured at amortized cost
    Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

    Debt instruments at amortised cost:

    A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

    i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
    ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
    This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

    Debt instrument at FVTOCI

    A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

    i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
    ii. The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

    Debt instrument at FVTPL

    FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

    In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

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- Financial assets at fair value through OCI
  All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable. If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

- **Financial assets –Derecognition**
  The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

- **Financial liabilities –**
  Initial recognition and measurement
  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.
  The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.
  Subsequent measurement
  The Subsequent measurement of financial liabilities depends on their classification which is as follows:
  - Financial liabilities at fair value through profit or loss
    Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any, and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
    Gains or losses on liabilities held for trading are recognised in the profit or loss.

  - Financial liabilities measured at amortized cost
    Interest bearing loans and borrowings including debentures issued by the company are subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortized is included in finance costs in the statement of profit and loss.

  - **Financial liabilities –Derecognition**
    A financial liability is derecognized when the obligation under the liability is discharged or expires.

o) **Fair Value measurement**

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is

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based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p) **Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

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RDB Jaipur Infrastructure Private Limited (Formerly RDB Realty (P) Ltd.)
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70101WB2005PTC106328

Notes to the financial statements as on

27 **Reconciliation of Effective Tax Rate**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31.03.19	Year ended 31.03.18
Profit before tax	(29,48,247)	70,921
Income tax expense calculated @ 25.75% (2017: 29.87%)	-	18,262
Other differences	-	(4,762)
Total	-	13,500
Adjustments recognised in the current year in relation to the current tax of prior years	14	10,267
Income tax recognised in profit or loss	14	23,767

The tax rate used for the year 2017-18 and 2018-19 reconciliations above is the corporate tax payable on taxable profits under the Income Tax Act, 1961.

28 **Related Party Disclosure**

Related Party Relationship

Enterprises where control exists - RDB Realty & Infrastructure Ltd – Holding

Transactions & Balanaces :

No related party transactions have been been reported by the management.

29 In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realised in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no contingent liability except stated and informed by the Management.

30 **Contingent Liabilities:-** Nil (P. Y. Nil)

31 .1 **Ind AS optional exemptions**

Deemed Cost of Property, Plant and Equipment

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for property, plant and equipment and use that as its deemed cost at the date of transition.
Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

Deemed Cost of Investment in Subsidiaries, Associates and Joint Ventures

The company did not had any Investment in Subsidiaries, Associates and Joint Ventures as at the date of transition

31 .2 **Ind AS mandatory exemptions**

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP. Ind AS estimates at 1st April, 2016 are consistent with the estimates as at the same date made with conformity with previous GAAP.

De-recognition of Financial Assets and Liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition retrospectively from a date of entity's choosing.
The entity has elected to apply the de-recognition provisions prospectively from the date of transition.

Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of assets on the basis of facts and circumstances that exist at the date of transition to Ind AS. The entity has applied this exception.

Fair Valuation of Investments

Under the previous GAAP, investments were classified as long term investments or current investments based on the intended holding period and realisability. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition.

31 .3 **Transition to Ind AS – Reconciliations**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS:

RDB Jaipur Infrastructure Private Limited (Formerly RDB Realty (P) Ltd.)
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70101WB2005PTC106328

Notes to the financial statements as on

Reconciliation of Other Equity

Particulars	As on 31.03.2019	As on 31.03.2018
Reserves and Surplus as per IGAAP	(1,47,74,531)	(1,18,59,622)
Add: Fair valuation of Security Deposits Received	-	-
Other Equity as per Ind AS	**(1,47,74,531)**	**(1,18,59,622)**

Notes:

(i) Under Indian GAAP, there are certain security deposits received which are carried at nominal value. Ind AS requires the measurement of these assets at fair value at inception and subsequently these assets are measured at amortized cost. At inception date, Company recognises difference between deposit fair value and nominal value as income/expensesand the Company recognises notional interest income/expenses on these deposits over the lease term.

(ii) Indian GAAP required deferred tax accounting using the income statement approach, which focusses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP. In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(iii) The Company has undertaken a detailed exercise to determine the manner of allocation of expenses to inventory in context of Ind AS and accordingly realignedallocation of expenses and income to comply with Ind AS requirements.

Impact of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2019

There are no differences between the Cash Flow Statement presented under Ind AS and the Previous GAAP.

30 Financial Instruments and Related Disclosures As on 31.03.2019

Particulars at	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Trade receivables	38,09,683	38,09,683	38,09,683
(ii) Cash and cash equivalents	6,74,457	6,74,457	6,74,457
(iii) Other financial assets	7,25,965	7,25,965	7,25,965
Total Financial Assets	52,10,105	52,10,105	52,10,105
(a) Financial Liabilities			
(i) Borrowings	6,56,77,833	6,56,77,833	6,56,77,833
(ii) Trade and other payables	4,94,83,565	4,94,83,565	4,94,83,565
(iii) Other financial liabilities	1,15,32,95,232	1,15,32,95,232	1,15,32,95,232
Total Financial Liabilities	1,26,84,56,630	1,26,84,56,630	1,26,84,56,630

As on 31.03.2018

Particulars	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Trade receivables	1,22,44,661	1,22,44,661	1,22,44,661
(ii) Cash and cash equivalents	3,24,526	3,24,526	3,24,526
(iii) Other financial assets	5,06,55,966	5,06,55,966	5,06,55,966
Total Financial Assets	6,32,25,153	6,32,25,153	6,32,25,153
(a) Financial Liabilities			
(i) Borrowings	5,30,22,113	5,30,22,113	5,30,22,113
(ii) Trade and other payables	4,95,53,250	4,95,53,250	4,95,53,250
(iii) Other financial liabilities	1,22,07,34,657	1,22,07,34,657	1,22,07,34,657
Total Financial Liabilities	1,32,33,10,020	1,32,33,10,020	1,32,33,10,020

A. **Capital Requirements**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity

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reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents

Particulars	31-Mar-19	31-Mar-18
Borrowings (long-term and short-term, including current maturities of long term borrowings)	6,56,77,833	5,30,22,113
Trade payables	4,94,83,565	4,95,53,250
Other payables (current and non-current, excluding current maturities of long term borrowings)	1,15,32,95,232	1,22,07,34,657
Less: Cash and cash equivalents	(6,74,457)	(3,24,526)
Net debt	1,26,77,82,173	1,32,29,85,494
Equity share capital	10,00,00,000	10,00,00,000
Other equity	(1,47,74,531)	(1,18,59,622)
Total Capital	8,52,25,469	8,81,40,378
Gearing ratio	**0.07**	**0.07**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

31 Disclosure of Financial Instruments

Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and loans and advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuatebecause of changes in market prices. Market risk comprises two types of risk: interest rate riskand other price risk, such as equity price risk and commodity/ real estate risk. The Company has not entered into any foreign exchange or commodity derivative contracts. Accordingly, there is no significant exposure to the market risk other than interest risk.

(i) 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 the Company's long-term debt obligations with floating interest rates.

The borrowings of the Company are unsecured and at fixed rates. In case of huge interest rate flucualtion, compamny has the options to repay the amount and can also re-borrow at lower prevalent market rate. The Company does not enter into any interest rate swaps.

(ii) Price risk

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Notes to the financial statements as on

The Company has not made any investments for trading purposes. The surpluses have been deployed in bank deposits as explained above.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

The ageing of trade receivables are as follows:

Particulars	**As on 31.03.2019**	**As on 31.03.2018**
More than 6 months	38,09,683	-
Others	-	1,22,44,661

Deposits with banks and financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2019 and 2018 is the carrying amounts.

Liquidity Risk

The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. In case of short term requirements, it obtains short-term loans from its Bankers.

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KRISHAN KUMAR BENGANI
Chartered Accountant

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAJ CONSTRUCTION PROJECTS PRIVATE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying Ind AS financial statements of **Raj Construction Projects Private Limited**, which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended on that date, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the **Companies Act, 2013** 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 March 31, 2019, its **Profit** (including other comprehensive income), Changes in Equity and Cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the Ind AS financial statements and auditors' report thereon

The Company's board of directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon. These other information is expected to be made available to us after the date of this auditor's report.

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

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Comparative financial information of the Company for the year ended 31st March, 2018 included in these standalone Ind AS Financial Statements, is based on the Ind AS financial statement for the year ended 31st March, 2018 which were audited by the predecessor auditor who expressed an unmodified opinion on those statements.

Our opinion on the Standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

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, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we set out a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) As explained to us Fixed Assets of the company are physically verified by the management according to a phased programme designed to cover all the items which considering the size and nature of operations of the company appears to be reasonable. Pursuant to such program, no material discrepancies between book records and physical inventory have been noticed on physical verification.

   c) The title deeds of immovable properties are held in the name of the company.

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2. The inventory has been physically verified 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 properly dealt with in the books of account.

3. a) The company has granted unsecured loans to company covered in the register maintained under section 189 of the Companies Act 2013. The terms and conditions of the grant of such loans are not prejudicial to the company's interest.

   b) There is no stipulation regarding recovery of loans as these loans are repayable on demand. The aforesaid loans being repayable on demand, there is no amount overdue for more than ninety days in respect of recovery of principal and interest of the above loans.

4.) According to the information and explanations given to us and the records of the Company examined by us, the provisions of section 185 and 186 of the Companies Act, 2013, have been complied with in respect of loans, investments guarantees and securities given by the Company.

5.) The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable.

6.) The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

7.) a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

   b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

8.) According to the records of the Company examined by us and the information and explanations given to us, the Company does not have any outstanding from any banks, financial institutions or government nor has it any outstanding debenture; hence the clause is not applicable.

9.) In our opinion, and according to the information's and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and the term loan has been applied, on an overall basis, for the purpose for which they were obtained.

10.) According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.

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11.) As examined by us, the company has not paid remuneration to any managerial personnel during the period in accordance, hence clause is not applicable.

12.) The company is not a nidhi company. Hence clause is not applicable.

13.) According to the information and explanations given to us and the records of the Company examined by us, the Company has complied with the requirements of sections 177 and 188 of the Act with respect to its transactions with the related parties. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 35 of the standalone Ind AS financial statements for the year under audit.

14.) According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.

15.) According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.

16.) According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

1. 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.

2. 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.

3. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement, Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

4. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

5. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

6. With respect to the adequacy of the internal financial controls over financials reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure A.

CA KRISHAN KUMAR BENGANI Mem. No. 302555 Howrah-711106

7. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

8. 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:

   (a) The company does not have any pending litigation.

   (b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **KRISHAN KUMAR BENGANI**
Chartered Accountant

Bengani

Krishan Kumar Bengani
Place: Howrah
Date: 20/05/2019

CA KRISHAN KUMAR BENGANI
Mem. No.- 302555
Howrah-711106

KRISHAN KUMAR BENGANI
Chartered Accountant

TO THE MEMBERS OF RAJ CONSTRUCTION PROJECTS PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of Raj Construction Projects Private Limited as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

ii) 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.

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

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, 2019, 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 **KRISHAN KUMAR BENGANI**
Chartered Accountant

Bengani

Krishan Kumar Bengani
Place: Howrah
Date: 20/05/2019

CA KRISHAN KUMAR BENGANI
Mem No. 302555
Howrah-711106

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Raj Construction Projects Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70109WB1987PTC041935

Balance Sheet as on 31.03.2019

Particulars	Note	As at 31.03.19	As at 31.03.18
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	3,747,612	4,478,528
(b) Intangible	2A	-	-
(c) Financial Assets			
(i) Investment	3	31,125,000	31,075,000
(ii) Other Financial Assets	4	108,097	193,087
(d) Deferred tax assets (Net)	5	709,435	58,246
Total Non - Current Assets		**35,690,144**	**35,804,861**
Current assets			
(a) Inventories	6	31,157,088	37,902,428
(b) Financial Assets			
(i) Trade receivables	7	1,354,815	1,491,922
(ii) Cash and cash equivalents	8	3,924,407	2,530,701
(iii) Other financial assets	9	164,686,218	149,869,007
(c) Current Tax Assets	10	1,763,823	1,798,241
(d) Other current assets	11	70,109	63,674
Total Current Assets		**202,956,460**	**193,655,973**
Total Assets		**238,646,604**	**229,460,834**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	18,544,500	18,544,500
(b) Other Equity	13	212,033,258	201,964,575
Total equity		**230,577,758**	**220,509,075**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	-	-
(iii) Other financial liabilities		-	-
Total non-current liabilities		-	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	-	1,563,348
(ii) Trade and other payables	16		
outstanding to micro enterprises & small enterprises;		-	-
outstanding to other than micro enterprises & small enterprises		312,710	356,877
(iii) Other financial liabilities	17	97,444	1,371,490
(b) Other current liabilities	18	3,101,500	3,739,786
(c) Provisions	19	4,557,192	1,920,258
Total Current Liabilities		**8,068,846**	**8,951,759**
Total liabilities		**8,068,846**	**8,951,759**
Total Equity & Liabilities		**238,646,604**	**229,460,834**

This is the Balance Sheet referred to in our report of even date.
The notes referred to above forms an integral part of the Financial Statements

For Krishan Kumar Bengani
Chartered Accountant

Krishan Kumar Bengani
Membership No. 302555
20, Salkia School Road
Howrah - 711106
The 20th day of May 2019

CA KRISHAN KUMAR BENGANI Mem. No.- 302555 Howrah-711106

For and on behalf of the Board
RAJ CONSTRUCTION PROJECTS PVT. LTD.
Pradeep Ingalia
Director
Director

RAJ CONSTRUCTION PROJECTS PVT. LTD.
Pradeep
Director
Director

Raj Construction Projects Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70109WB1987PTC041935

Statement of profit and loss for the year ended 31.03.2019

Particulars	Note	Year ended 31.03.19	Year ended 31.03.18
Revenue			
Revenue from operations	20	13,181,223	4,269,731
Other income	21	15,214,615	15,282,423
Total Revenue		**28,395,838**	**19,552,154**
Expenses			
Construction Activity Expenses	22	686,311	587,965
Changes in inventories of work-in-progress & finished goods	23	6,745,340	(587,965)
Employee benefit expense	24	632,939	879,355
Depreciation and amortisation expense	2	721,887	766,139
Finance costs	25	-	1,808,146
Other expenses	26	3,992,535	4,470,070
Total expenses		**12,779,012**	**7,923,710**
Profit before tax		**15,616,826**	**11,628,444**
Less: Income tax expenses			
- Current tax		[redacted]	1,920,258
- Tax Adjustment For Earlier Year		1,642,140	1,527,508
- Deferred Tax		(651,189)	-
Total tax expense		**5,548,143**	**3,447,766**
Profit after tax		**10,068,683**	**8,180,678**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
(i) Equity Instruments through Other Comprehensive Income		-	-
(ii) Remeasurements of the defined benefit plans		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**10,068,683**	**8,180,678**
Earnings per equity share			
Profit available for Equity Shareholders		10,068,683	8,180,678
Weighted average number of Equity Shares outstanding		1,854,450	1,854,450
Basic earnings per share		5.43	4.41
Diluted earnings per share		5.43	4.41
Significant accounting policies and notes to financial statements			

This is the Statement of profit & Loss referred to in our report of even date.
The notes referred to above forms an integral part of the Financial Statements

For Krishan Kumar Bengani
Chartered Accountant

Bengani

Krishan Kumar Bengani
Membership No. 302555
20, Salkia School Road
Howrah - 711106
The 20th day of May'2019

CA KRISHAN KUMAR BENGANI
Mem. No.- 302555
Howrah-711106

For and on behalf of the Board
RAJ CONSTRUCTION PROJECTS PVT. LTD.
Pradeep Singhania
Director
Director

RAJ CONSTRUCTION PROJECTS PVT. LTD.
Pradeep Hirawat
Director
Director

Raj Construction Projects Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70109WB1987PTC041935

Notes to the financial statements as on

Note 2 Property, Plant and Equipment

Particulars	Tangible						Intangible
	Land	Plant & Machineries	Furnitures & Fixtures	Vehicles	Computer	Total	Software
Gross carrying amount							
Deemed cost as at 01.04.17	475,086	2,633,010	1,218,756	4,998,400	303,565	9,628,817	29,100
Additions	-	-	40,600	-	-	40,600	-
Disposals						-	-
Closing gross carrying amount as on 31.03.18	475,086	2,633,010	1,259,356	4,998,400	303,565	9,669,417	29,100
Additions	-	-	-	-	9,500	9,500	-
Disposals	-	571,181	944,723	-	294,069	1,809,973	29,100
Closing gross carrying amount as on 31.03.19	475,086	2,061,829	314,633	4,998,400	18,996	7,868,944	-
Accumulated depreciation as at 01.04.17	-	1,526,767	1,050,665	1,543,859	303,459	4,424,750	29,100
Depreciation charge during the year	-	216,378	27,207	522,554	-	766,139	-
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation as on 31.03.18	-	1,743,145	1,077,872	2,066,413	303,459	5,190,889	29,100
Depreciation charge during the year	-	155,873	29,564	534,348	2,102	721,887	-
Disposals	-	566,116	931,259	-	294,069	1,791,444	29,100
Closing accumulated depreciation as on 31.03.19	-	1,332,902	176,177	2,600,761	11,492	4,121,332	-
Net carrying amount as at 01.04.17	475,086	1,106,243	168,091	3,454,541	106	5,204,067	-
Net carrying amount as at 31.03.18	475,086	889,865	181,484	2,931,987	106	4,478,528	
Net carrying amount as at 31.03.19	475,086	728,927	138,456	2,397,639	7,504	3,747,612	

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Mem. No.- 302555
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Raj Construction Projects Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70109WB1987PTC041935

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 3 Investment		
Investment in Equity Instruments (At Cost, fully Paid)		
Equity Shares, Unquoted (Face Value Rs.10/- each)		
Ritudhan Suppliers Pvt Ltd (Qty - 5,000 Shares)	50,000	-
Investment in Partnership Firm		
Rituraj Construction LLP		
- Capital	50,000	50,000
- Current	-	-
HPSD Enclave LLP		
- Capital	50,000	50,000
- Current	-	-
HPVD Enclave LLP		
- Capital	250,000	250,000
- Current	30,725,000	30,725,000
	31,125,000	**31,075,000**
Disclosure of Partnership Firm		
Rituraj Construction LLP		
Name of Partner and Share of Investment		
Raj Construction Projects Pvt Ltd (50%)	50,000	50,000
Raj Vardhan Patodia (50%)	50,000	50,000
HPSD Enclave LLP		
Name of Partner and Share of Investment		
Raj Construction Projects Pvt Ltd (50%)		
- Capital	50,000	50,000
- Current	-	-
Regent Hirise Private Limited (50%)		
- Capital	50,000	50,000
- Current	(45,000)	(45,000)
HPVD Enclave LLP		
Name of Partner and Share of Investment		
Raj Construction Projects Pvt Ltd (50%)		
- Capital	250,000	250,000
- Current	30,725,000	30,725,000
Regent Hirise Private Limited (50%)		
- Capital	250,000	250,000
- Current	30,490,000	30,490,000

Note 4 Financial Assets		
Unsecured, Considered Good		
Security Deposits	108,097	193,087
TOTAL	**108,097**	**193,087**

Note 4 Deferred Tax Liability (net)		
Deferred Tax Assets		
- On Fixed Assets	709,435	58,246
Deferred Tax Assets	709,435	58,246

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Mem. No.- 302555
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Raj Construction Projects Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70109WB1987PTC041935

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 6 Inventories		
(At lower of cost or Net Realisable value)		
Finished Stock	12,476,659	19,820,459
Work in process	18,680,429	18,081,969
Total Inventories	**31,157,088**	**37,902,428**

Note 7 Trade receivables		
Trade receivables	1,342,169	1,491,922
Receivables from related parties (holding company)	12,646	-
Less: Allowance for doubtful debts	-	-
	1,354,815	**1,491,922**
Break up of security details:		
Trade receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	1,354,815	1,491,922
(c) Doubtful	-	-
Less: Allowance for doubtful debts	-	-
Total	**1,354,815**	**1,491,922**

Note 8 Cash and Cash Equivalents		
(a) Balances with banks (Unrestricted in Current Account)	3,548,146	2,292,339
(b) Cheques, drafts on hand	-	-
(c) Cash in hand	376,261	238,362
Cash and cash equivalents as per balance sheet	**3,924,407**	**2,530,701**

Note 9 Other financial assets		
Unsecured, considered good		
Loan To Others	162,016,906	146,445,502
Other Advance	2,669,312	3,423,505
TOTAL	**164,686,218**	**149,869,007**

Note 10 Current tax assets and liabilities		
Current tax assets		
Advance Income Tax and TDS	1,763,823	1,798,241
TOTAL	**1,763,823**	**1,798,241**

Note 11 Other current assets		
Prepaid Expenses	49,522	25,710
Balance with Statutory Authorities	20,587	37,964
TOTAL	**70,109**	**63,674**

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Raj Construction Projects Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
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Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 12 Equity Share Capital		
(Equity Shares of Rs.10/- each)		
a) Authorised Share Capital		
Number of Shares	2,000,000	2,000,000
Total Amount	20,000,000	20,000,000
b) Issued, subscribed and fully paid Share Capital		
Number of Shares	1,854,450	1,854,450
Total Amount	18,544,500	18,544,500
c) Reconciliation of Number of Equity Shares Outstanding		
As at the beginning & end of the year	1,854,450	1,854,450
No shares have either been issued, nor bought back, forfeited		
d) Details of Shareholders holding more than 5% shares with voting right		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	1,854,450	1,854,450
Percentage of total shares held	100%	100%

e) The rights, preferences & restrictions attaching to shares and restrictions on distribution of dividend and repayment of capital

The Company has only one class of equity shares having par value value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the 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.

g) Shares held by holding, ultimate holding, or subidiaries or associates of holding		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	1,854,350	1,854,350
Percentage of total shares held	99.99%	99.99%
Ravi Prakash Pincha (Nominee of above)		
Number of Shares	100	100
Percentage of total shares held	0.01%	0.01%

100 Shares held by Ravi Prakash Pincha are held in capacity of nominee holder of RDB Realty & Infrastructure Ltd

g) Shares are reserved for issue under options or contracts.		
Number of Shares	-	-
Total Amount	-	-

h) Shares issued for consideration other than cash or bonus to shareholders or bought back from shareholders within the period of 5 years

No such shares have been issued nor there has been any buy-back

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Mem No.- 302555
Howrah-711106

Raj Construction Projects Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70109WB1987PTC041935

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 13 Other equity		
Reserve & Surplus		
Surplus from Statement of Profit & Loss		
As at the beginning of the year	124,922,075	116,741,397
Add: Profit for the year	10,068,683	8,180,678
As at the end of the year	134,990,758	124,922,075
Securities Premium		
As at the beginning of the year	77,042,500	77,042,500
Add: Charges during the year	-	-
As at the end of the year	77,042,500	77,042,500
Other Comprehensive Income		
Equity Instruments through other comprehensive income	-	-
Other items of Other Comprehensive Income	-	-
Total	212,033,258	201,964,575

Note 14 Financial Liabilities - Borrowings (Non Current)		
Secured - at amortised cost		
Car Loan From Bank	-	-
Secured by way of hypothecation of Car Purchased Total Facility Amount - Rs.44,00,000/- repayable in 36 equal monthly installments of Rs. 1,47,196/- each including interest @ 12.50% starting from 07.04.15 and last installment falling due on 07.03.18		
Total non-current borrowings	-	-

Note 15 Other Financial Liability (Non Current)		
Security Deposits (Unsecured)	-	-
Total	-	-

Note 15 financial liabilities - Borrowings (Current)		
From other than Related Parties (Unsecured)	-	1,563,348
Total	-	**1,563,348**

Note 16 financial liabilities - Trade Payables		
To micro enterprises & small enterprises;	-	-
To other than micro enterprises & small enterprises	312,710	356,877
Total	**312,710**	**356,877**

Note 17 financial liabilities - Other Financial Liabilities (Current)		
Current maturity of long term debt	-	-
Other Liabilities	74,200	1,371,490
Outstanding Statutory Payment	23,244	-
Total	**97,444**	**1,371,490**

CA KRISHAN KUMAR BINANI
Mem. No.- 302555
Howrah-711106

Raj Construction Projects Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70109WB1987PTC041935

Notes to the financial statements as on	As at 31.03.19	As at 31.03.18
Note 18 Other Current Liabilities		
Advances from Customer and Others	3,101,500	3,739,786
Total	**3,101,500**	**3,739,786**

Note 19 Provisions		
Provision for Income Tax	4,557,192	1,920,258
Total	**4,557,192**	**1,920,258**

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Raj Construction Projects Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70109WB1987PTC041935

Notes to the financial statements	Year ended 31.03.19	Year ended 31.03.18
Note 20 Revenue from Operations		
Sales of Services (Construction Activities)	9,464,726	-
Rental Income (Including Rs.90,000/- from holding company)	3,716,497	4,269,731
TOTAL	**13,181,223**	**4,269,731**
Note 21 Other Income		
Interest on Loan	14,712,175	15,282,423
Sundry Balances written back	502,440	-
Total	**15,214,615**	**15,282,423**
Note 22 Construction Activity Expenses		
Contract Labour Charges	1,950	-
Professional Charges	-	-
Other Construction Expenses	684,361	587,965
Consumption	**686,311**	**587,965**
Note 23 Changes in inventories		
(A) Opening Inventory		
Finished Goods	19,820,459	19,820,459
Work in Progress	18,081,969	17,494,004
Sub Total (A)	**37,902,428**	**37,314,463**
(B) Closing Inventory		
Finished Goods	12,476,659	19,820,459
Work in Progress	18,680,429	18,081,969
Sub Total (B)	**31,157,088**	**37,902,428**
(Increase)/decrease in inventories (A-B)	**6,745,340**	**(587,965)**
Note 24 Employee Benefits Expense		
Salaries, Wages and incentives	632,939	879,355
Total	**632,939**	**879,355**
Note 25 Finance Cost		
Interest Paid	-	1,808,146
Other Borrowing Cost (Finance Charges)	-	-
Total	-	**1,808,146**

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Raj Construction Projects Private Limited
1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U70109WB1987PTC041935

Notes to the financial statements	Year ended 31.03.19	Year ended 31.03.18
Note 26 Other Expenses		
Municipal Tax on Rented Property	738,261	762,148
Rates & Taxes	10,580	8,600
Rent	31,872	32,868
Electricity Expenses	8,250	---
Computer Expenses	22,363	---
Filing Fees	7,800	2,916
General Expenses	24,035	51,027
Insurance Charges	45,352	80,693
Interest on Statutory Dues	318	5,563
Maintenance Charges	609,129	1,374,052
Motor Vehicle Expenses	581,104	355,245
Other Repairs	10,875	925,342
Postage & Telegram	40	3,210
Printing & Stationery	9,523	8,509
Fixed Assets written off	18,529	---
Professional Charges	27,425	10,200
Advertisement, Publicity & Sales Promotion Expenses	1,535,566	766,117
Commission	277,850	57,500
Travelling Charges	26,163	18,580
Auditor's Remuneration		
Statutory Audit Fees	5,000	5,000
Tax Audit Fees	2,500	2,500
Total	**3,992,535**	**4,470,070**

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Notes to the financial statements

A. Share Capital

Particulars	Amount (Rs.)
Equity Share Capital as on 01.04.2017	18,544,500
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2018	18,544,500
Add: Addition/(Deletion) during the year	-
Equity Share Capital as on 31.03.2019	18,544,500

B. Other Equity

Other Equity

Reserves and surplus attributable to Equity Share holders of the Company	Surplus from Statement of Profit & Loss	Securities Premium	Other Comprehensive Income	Amount (Rs.)
Balance at 1 April 2017	116,741,397	77,042,500	-	**193,783,897**
Transfers	-	-	-	-
Profit for the year	8,180,678	-	-	8,180,678
Total comprehensive income for the year	124,922,075	77,042,500	-	**201,964,575**
Balance at 31 March 2018	124,922,075	77,042,500	-	**201,964,575**
Transfers	-	-	-	-
Profit for the Year	10,068,683	-	-	10,068,683
Total comprehensive income for the year	134,990,758	77,042,500	-	**212,033,258**
Balance at 31 March 2019	134,990,758	77,042,500	-	**212,033,258**

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Raj Construction Projects Private Limited

Cash Flow Statement for the year ended 31st March, 2019

Cash Flow Statement	For the year ended 31st March,2019		For the year ended 31st March,2018	
A. Cash flow from operating activities :				
Net profit before tax as per Statement of Profit and Loss		15,616,826		11,628,444
Adjustments for				
Sundry Balances written back	(502,440)		-	
Fixed Assets written off	18,529		-	
Depreciation & Amortisation	721,887		766,139	
Interest Paid	-	237,976	1,808,146	2,574,285
Operating Profit Before Working Capital Changes		**15,854,802**		**14,202,729**
(Increase) / Decrease in Inventories	6,745,340		(587,965)	
(Increase) / Decrease in Trade receivables	137,107		22,919	
(Increase) / Decrease of Financial Assets	(14,732,221)		23,795,789	
(Increase) / Decrease of Non Financial Assets	(6,435)		24,310	
Increase / (Decrease) in Trade Payables	(44,167)		160,379	
Increase / (Decrease) of Other financial liabilities	(1,274,046)		181,346	
Increase / (Decrease) of Other Current Liabilities	(135,846)	(9,310,268)	461,286	24,058,064
Cash generated from operations		**6,544,534**		**38,260,793**
Less: Direct taxes paid/ (Refunds) including Interest (Net)		3,527,981		4,485,911
Cash Flow before Exceptional Items		3,016,553		33,774,882
Net cash Generated/(used) from operating activities		**3,016,553**		**33,774,882**
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets		(9,500)		(40,600)
Increase in Investment		(50,000)		(975,000)
Net cash from investing activities		**(59,500)**		**(1,015,600)**
C. Cash flow from financing activities :				
Proceeds / (Repayment) of Short Term Borrowings	(1,563,348)		(28,463,283)	
Proceeds / (Repayment) of Long Term Borrowings	-		(1,652,346)	
Interest Paid	-	(1,563,348)	(1,808,146)	(31,923,775)
Net cash generated/(used) in financing activities		**(1,563,348)**		**(31,923,775)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**1,393,705**		**835,507**
Cash and cash equivalents -Opening balance		2,530,701		1,695,194
		3,924,407		**2,530,701**
Cash and cash equivalents -Closing balance				
CASH AND CASH EQUIVALENTS :				
Balances with Banks		3,548,146		2,292,339
		-		-
Cash on hand (As certified by the management)		376,261		238,362
		3,924,407		**2,530,701**

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For Krishan Kumar Bengani
Chartered Accountant

RAJ CONSTRUCTION PROJECTS PVT. LTD. RAJ CONSTRUCTION PROJECTS PVT. LTD.

Director Director

Krishan Kumar Bengani
Membership No. 302555
20, Salkia School Road
Howrah - 711106
The 20th day of May'2019

Director Director

CA KRISHAN KUMAR BENGANI
Mem. No.- 302555
Howrah-711106

26. NOTES TO THE FINANCIAL STATEMENTS

A. Corporate Information

Raj Construction Projects Private Limited (The Company) is a deemed Public limited company, private company being a subsidiary of Listed Public Company domiciled and incorporated in India. It is a part of a group leading in real estate activities in Eastern India. The registered office of the Company is situated at 8/1, Lalbazar Street, Bikaner Building, 1 Floor, Room No.10, Kolkata-700001. The principle business activity of the company is Real Estate Development.

B. Summary of Significant Accounting Policies

a) Basis of preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable

Basis of Preparation

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Classification of Assets and Liabilities into Current/Non-Current

All the assets and liabilities have been classified as current and non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.The normal operating cycle of the company has been considered as 12 months.

b) Use of estimates and management judgments :

The preparation of financial statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, 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.

i) Key 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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ii) **Revenue recognition, contract costs and valuation of unbilled revenue**

The Company uses the percentage of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate and contractual projects. 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. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

iii) **Estimation of net realisable value for inventory property (including land advance)**

Inventory property is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory 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 property under construction 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 Land advance given, 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.

c) **Property, Plant and Equipment**

The cost of an item of property, plant and equipment comprises of its purchase price, any costs directly attributable to its acquisition and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs when the item is acquired. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is derecognised.

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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d) **Revenue Recognition-**

Revenue is recognized as follows:

i. Revenue from own construction projects are recognised on Percentage Completion Method. Revenue recognition starts when 25 % of estimated project cost excluding land and marketing cost is incurred, atleast 25% of the saleable project area is secured by contracts or agreements with buyers and Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

ii. Revenue from Construction Contracts are recognised on "Percentage of Completion Method" measured by reference to the survey of works done up to the reporting date and certified by the client before finalisation of projects accounts.

iii. Real Estate: Sales is exclusive of service tax, if any, net of sales return.

iv. Revenue from services are recognised on rendering of services to customers except otherwise stated

v. Rental income from assets is recognised for an accrual basis except in case where ultimate collection is considered doubtful. Rental income is exclusive of service tax

vi. Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

e) **Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of a qualifying asset are carried as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the year they are incurred.

f) **Impairment of Non-Financial Assets**

The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

g) **Inventories**

Constructed properties, shown as work in progress, includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development costs, construction costs, overheads, borrowing costs, construction materials including material lying at respective sites, finance and administrative expenses which contribute to bring the inventory to their present location and condition and is valued at lower of cost/ estimated cost and net realizable value.
On completion of projects, unsold stocks are transferred to project finished stock under the head "Inventory" and the same is carried at cost or net realizable value, whichever is less.
Finished Goods – Flats: Valued at cost and net realizable value.
Land Inventory: Valued at lower of cost and net realizable value.
Provision for obsolescence in inventories is made, wherever required.

h) **Retirement Benefits**

No such benefits are payable to any employee.

i) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if the company has a present obligation as a result of past event and the amount of obligation can be reliably estimated.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
Possible future or present obligations that may but will probably not require outflow of resources or where the same can not be reliably estimated is disclosed as contingent liability in the financial statement.

j) **Taxes on Income**

i. Tax expense comprises both current and deferred tax. Current tax is determined in respect of taxable income for the year based on applicable tax rates and laws.

ii. Deferred tax Asset/liability is recognized, subject to consideration of prudence, on timing differences being the differences between taxable incomes and accounting income that originates in one year and is capable of reversal in one or more subsequent year and measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

iii. Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. 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 that 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 Alternative 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 specified period.

k) **Segment Reporting**

The company has identified that its operating activity is a single primary business segment viz. Real Estate Development and Services carried out in India. Accordingly, whole of India has been considered as one geographical segment

l) **Earnings Per Share**

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

m) **Cash & Cash Equivalents**

Cash and cash equivalents comprise cash & cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management and that are readily convertible to known amounts of cash to be cash equivalents.

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n) **Financial Instruments**

➢ **Financial Instruments - Initial recognition and measurement**

Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognized initially 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.

➢ **Financial assets –Subsequent measurement**

The Subsequent measurement of financial assets depends on their classification which is as follows:

- Financial assets at fair value through profit or loss
  Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.
- Financial assets measured at amortized cost
  Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.
  Debt instruments at amortised cost:
  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
  This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.
  Debt instrument at FVTOCI
  A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
  i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
  ii. The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).
  Debt instrument at FVTPL
  FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.
  In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

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- Financial assets at fair value through OCI
  All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable. If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

- **Financial assets –Derecognition**
  The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

- **Financial liabilities –**
  Initial recognition and measurement
  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.
  The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.
  Subsequent measurement
  The Subsequent measurement of financial liabilities depends on their classification which is as follows:
  - Financial liabilities at fair value through profit or loss
    Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any, and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
    Gains or losses on liabilities held for trading are recognised in the profit or loss.

  - Financial liabilities measured at amortized cost
    Interest bearing loans and borrowings including debentures issued by the company are subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortized is included in finance costs in the statement of profit and loss.

  - **Financial liabilities –Derecognition**
    A financial liability is derecognized when the obligation under the liability is discharged or expires.

o) **Fair Value measurement**
The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is

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based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p) **Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

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Notes to the financial statements

27 **Reconciliation of Effective Tax Rate**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31.03.19	Year ended 31.03.18
Profit before tax	15,616,826	11,628,444
Income tax expense calculated @ 26.00% (2017: 25.76%)	4,060,375	2,994,324
Effect of items not allowable for Tax purpose	350,882	-
Effect of Allowances for Tax purpose	(76,216)	-
Other differences	222,151	(1,074,066)
Total	4,557,192	1,920,258
Adjustments in current year in relation to the current tax of prior years	1,642,140	1,527,508
Income tax recognised in profit or loss	6,199,332	3,447,766

The tax rate used for the year 2017-18 and 2018-19 reconciliations above is the corporate tax payable on taxable profits under the Income Tax Act, 1961.

28 **Related Party Disclosure**

Related Party Relationship

Enterprises where control exists - RDB Realty & Infrastructure Ltd – Holding

Transactions & Balanaces :

Rental Income from RDB RDB Realty & Infrastructure Ltd - Rs. 90,000/- (P.Y. Rs. 90,000/-)

29 In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realised in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no contingent liability except stated and informed by the Management.

30 **Contingent Liabilities:-**

Income Tax Demand - Rs.13.32 lacs. These demand includes payable towards addition by Income Tax Officer, Demand & Interest on Summary Assessment. Etc

31 (1) **Ind AS optional exemptions**

Deemed Cost of Property, Plant and Equipment

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for property, plant and equipment and use that as its deemed cost at the date of transition.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

Deemed Cost of Investment in Subsidiaries, Associates and Joint Ventures

The company did not had any Investment in Subsidiaries, Associates and Joint Ventures as at the date of transition.

31 (2) **Ind AS mandatory exemptions**

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP. Ind AS estimates at 1st April, 2016 are consistent with the estimates as at the same date made with conformity with previous GAAP.

De-recognition of Financial Assets and Liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition retrospectively from a date of entity's choosing.

The entity has elected to apply the de-recognition provisions prospectively from the date of transition.

Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of assets on the basis of facts and circumstances that exist at the date of transition to Ind AS. The entity has applied this exception.

Fair Valuation of Investments

Under the previous GAAP, investments were classified as long term investments or current investments based on the intended holding period and realisability. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition.

(i) Under Indian GAAP, there are certain security deposits received which are carried at nominal value. Ind AS requires the

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Notes to the financial statements

(i) Under Indian GAAP, there are certain security deposits received which are carried at nominal value. Ind AS requires the measurement of these assets at fair value at inception and subsequently these assets are measured at amortized cost. At inception date, Company recognises difference between deposit fair value and nominal value as income/expensesand the Company recognises notional interest income/expenses on these deposits over the lease term.

(ii) Indian GAAP required deferred tax accounting using the income statement approach, which focusses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP. In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(iii) The Company has undertaken a detailed exercise to determine the manner of allocation of expenses to inventory in context of Ind AS and accordingly realignedallocation of expenses and income to comply with Ind AS requirements.

Impact of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2019
There are no differences between the Cash Flow Statement presented under Ind AS and the Previous GAAP.

32 Financial Instruments and Related Disclosures As on 31.03.2019

Particulars at	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Investments	3,11,25,000	3,11,25,000	3,11,25,000
(ii) Trade receivables	13,54,815	13,54,815	13,54,815
(iii) Cash and cash equivalents	39,24,407	39,24,407	39,24,407
(iv) Other financial assets	16,47,94,315	16,47,94,315	16,47,94,315
Total Financial Assets	20,11,98,537	20,11,98,537	20,11,98,537
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Trade and other payables	3,12,710	3,12,710	3,12,710
(iii) Other financial liabilities	97,444	97,444	97,444
Total Financial Liabilities	4,10,154	4,10,154	4,10,154

As on 31.03.2018

Particulars	Carrying Value	Amortised Cost	Fair Value
(a) Financial Assets			
(i) Investments	3,10,75,000	3,10,75,000	3,10,75,000
(ii) Trade receivables	14,91,922	14,91,922	14,91,922
(iii) Cash and cash equivalents	25,30,701	25,30,701	25,30,701
(iv) Other financial assets	15,00,62,094	15,00,62,094	15,00,62,094
Total Financial Assets	18,51,59,717	18,51,59,717	18,51,59,717
(a) Financial Liabilities			
(i) Borrowings	15,63,348	15,63,348	15,63,348
(ii) Trade and other payables	3,56,877	3,56,877	3,56,877
(iii) Other financial liabilities	13,71,490	13,71,490	13,71,490
Total Financial Liabilities	32,91,715	32,91,715	32,91,715

A. **Capital Requirements**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans

CA KRISHAN KUMAR BENGANI
Mem. No.- 302555
Howrah-711106

and borrowings, trade and other payables less cash and cash equivalents

Particulars	31-Mar-19 (in Rs.)	31-Mar-18 (in Rs.)
Borrowings (long-term and short-term, including current maturities of long term borrowings)	-	15,63,348
Trade payables	3,12,710	3,56,877
Other payables (current and non-current, excluding current maturities of long term borrowings)	97,444	13,71,490
Less: Cash and cash equivalents	(25,30,701)	(16,95,194)
Net debt	(21,20,547)	15,96,521
Equity share capital	1,85,44,500	1,85,44,500
Other equity	20,19,64,575	19,37,83,897
Total Capital	22,05,09,075	21,23,28,397
Gearing ratio	**(103.99)**	**132.99**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

33 Disclosure of Financial Instruments

Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and loans and advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks,

Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate riskand other price risk, such as equity price risk and commodity/ real estate risk. The Company has not entered into any foreign exchange or commodity derivative contracts. Accordingly, there is no significant exposure to the market risk other than interest risk.

(i) 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 the Company's long-term debt obligations with floating interest rates.

The company does not have any interest bearing loan oustanding as at the end of the period, hence there is no such risk.

(ii) Price risk

The Company has not made any investments for trading purposes. The surpluses have been deployed in bank deposits as explained above.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its

CA KRISHAN KUMAR BENGANI
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Notes to the financial statements

financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60

The ageing of trade receivables are as follows:

Particulars	As on 31.03.2019	As on 31.03.2018
More than 6 months	-	-
Others	13,54,815	14,91,922

Deposits with banks and financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2018 and 2019 is the carrying amounts.

Liquidity Risk

The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. In case of short term requirements, it obtains short-term loans from its Bankers.

CA KRISHAN KUMAR BENGANI
Mem. No.- 302555
Howrah-711106

VINEET KHETAN & ASSOCIATES
CHARTERED ACCOUNTANTS
5th Floor, R. No. : 7, 3B, Lal Bazar Street, Kolkata - 1, Mobile : 9331040655, Phone : (033) 4066 1047
E-mail : khousehouse71@gmail.com

INDEPENDENT AUDITOR'S REPORT

To
The Members of
RDB MUMBAI INFRASTRUCTURE PRIVATE LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **RDB MUMBAI INFRASTRUCTURE PRIVATE LIMITED,** which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, for the year then ended, cash flow statement and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit or loss for the year ended on that date.

Basis of Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility of the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the Financial Position and Financial Performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

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

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

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

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditors' Report) Order, 2016 is not applicable to this company.

2. As required by section 143(3) of the Act, we further 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 and Statement of Profit and Loss are dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.

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

Kolkata

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Vineet Khetan & Associates,
Chartered Accountants
(Firm Regn No: 324428E)

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in our Report of even date to the Members of **RDB MUMBAI INFRASTRUCTURE PRIVATE LIMITED**, as at and for the year ended 31st March, 2019.

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) As explained to us Fixed Assets of the company are physically verified by the management according to a phased programme designed to cover all the items which considering the size and nature of operations of the company appears to be reasonable. Pursuant to such program, no material discrepancies between book records and physical inventory have been noticed on physical verification.

   c) The company does not have any immovable property under the fixed assets, hence the clause is not applicable.

2.) a) The inventory has been physically verified by the management at regular intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them.

   b) In our opinion and according to the information's and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   c) On the basis of our examinations of records of the inventory, in our opinion, the company is maintaining proper records of inventory except in respect of work-in-progress. As in earlier years, work-in-progress has been determined by the management on the basis of physical verification. The discrepancies ascertained on physical verification between the physical stock and the book records of inventory were not material in relation to the operations of the Company.

3.) The company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence clause is not applicable.

4.) According to the records of the company examined by us and according to the information and explanations given to us, in our opinion the company has neither given any guarantees or security nor has made any investments nor given a loan covered under the provisions of section 185 and 186 of the Companies Act, 2013.

5.) The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable.

6.) The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

7.) a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

8.) According to the records of the Company examined by us and the information and explanations given to us, the Company has duly repaid loan taken from banks. Further it does not have any outstanding from any financial institutions or government nor has it any outstanding debenture.

9.) In our opinion, and according to the information's and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and the term loan has been applied, on an overall basis, for the purpose for which they were obtained.

10.) According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.

11.) As examined by us, the company has not paid remuneration to any managerial personnel during the period in accordance, hence clause is not applicable.

12.) The company is not a nidhi company. Hence clause is not applicable.

13.) According to the information and explanations given to us, we are of the opinion that all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.

14.) According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.

15.) According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.

16.) According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

For Vineet Khetan & Associates
Chartered Accountants
(Firm Regn No: 324428E)

CA. VINEET KHETAN
(Proprietor)
Membership No. 060270
Place: Kolkata
Date: 20.05.2019

RDB Mumbai Infrastructures Private Limited

1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2007PTC114242

Balance Sheet as on 31 March 2019

Particulars	Note	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	77,470	55,736
(c) Financial Assets			
(i) Investment	4	70,881,299	61,681,545
(d) Deferred Tax Assets (Net)	5	2,272,466	2,272,466
(d) Other non-current assets		-	-
Total Non - Current Assets		**73,231,235**	**64,009,747**
Current assets			
(a) Inventories	6	316,849,750	282,444,294
(b) Financial Assets			
(i) Trade receivables	7	14,701,872	13,068,735
(ii) Cash and cash equivalents	8	690,160	5,853,080
(iii) Other financial assets	9	15,446,651	15,824,852
(c) Current Tax Assets	10	4,945,518	4,565,468
(d) Other current assets	11	36,077,708	38,033,973
Total Current Assets		**388,711,659**	**359,790,402**
Total Assets		**461,942,894**	**423,800,149**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	10,000,000	10,000,000
(b) Other Equity	13	(6,442,297)	(5,382,446)
Total equity		**3,557,703**	**4,617,554**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	285,984,921	243,592,165
(ii) Other financial liabilities	15	27,030,472	16,685,438
Total non-current liabilities		**313,015,393**	**260,277,603**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	27,835,376	23,978,369
(ii) Trade and other payables	17	16,129,538	2,652,965
(iii) Other financial liabilities	18	1,557,428	1,740,356
(b) Other current liabilities	19	99,847,456	130,533,302
(c) Provisions		-	-
Total Current Liabilities		**145,369,798**	**158,904,992**
Total liabilities		**458,385,191**	**419,182,595**
Total Equity & Liabilities		**461,942,894**	**423,800,149**

Significant accounting policies	*1-2*
Notes to the accounts	*2-36*

The accompanying notes form an integral part of the financial statements

As per our report of even date
For Vineet Khetan & Associates
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
3B,Lal Bazar Street,
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates Kolkata Chartered Accountants

For and on behalf of the Board of Directors of
RDB Mumbai Infrastructures Private Limited

vikash chand Jhanwar.

Vikash Jhanwar
Director
DIN: 0006901812

Kiran Mali
Director
DIN: 0003106868

RDB Mumbai Infrastructures Private Limited

1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2007PTC114242

Statement of profit and loss for the year ended 31 March 2019

Particulars	Note	31 March 2019	31 March 2018
Revenue			
Revenue from operations	20	69,294,780	78,911,008
Other income	21	1,262,559	17,656
Total Revenue		**70,557,339**	**78,928,664**
Expenses			
Construction Activity Expenses	22	103,629,951	80,220,906
Changes in inventories and work-in-progress	23	(34,405,456)	(5,221,241)
Employee benefit expense	24	1,019,067	713,510
Depreciation and amortisation expense	2	60,339	36,661
Finance costs	25	177,600	201,000
Other expenses	26	1,135,690	2,286,250
Total expenses		**71,617,190**	**78,237,086**
Profit before tax		**(1,059,851)**	**691,578**
Less: Income tax expenses			
- Current tax		-	-
- Tax Adjustment For Earlier Year		-	-
- Deferred Tax		-	-
Total tax expense		-	-
Profit after tax		**(1,059,851)**	**691,578**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
(i) Equity Instruments through Other Comprehensive Income		-	-
(ii) Remeasurements of the defined benefit plans		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**(1,059,851)**	**691,578**
Earnings per equity share			
Profit available for Equity Shareholders		(1,059,851)	691,578
Weighted average number of Equity Shares outstanding		1,000,000	1,000,000
Basic earnings per share		(1.06)	0.69
Diluted earnings per share		(1.06)	0.69

Significant accounting policies 1-2
Notes to the accounts 2-36
The accompanying notes form an integral part of the financial statements

As per our report of even date
For Vineet Khetan & Associates
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
3B,Lal Bazar Street,
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates Kolkata Chartered Accountants

For and on behalf of the Board of Directors of
RDB Mumbai Infrastructures Private Limited

vikash chand Jhanwar.

Vikash Jhanwar
Director
DIN: 0006901812

Kiran Mali
Director
DIN: 0003106868

RDB Mumbai Infrastructures Private Limited

1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2007PTC114242

Cash Flow Statement for the year ended 31 March 2019

Particulars	31 March 2019	31 March 2018
A. Cash flow from operating activities :		
Net profit before tax as per Statement of Profit and Loss	(1,059,851)	691,578
Adjustments for		
Sundry Balances written back		351,600
Depreciation & Amortisation	60,339	36,661
Interest Paid	177,600	201,000
Operating Profit Before Working Capital Changes	**(821,912)**	**1,280,839**
(Increase) / Decrease in Inventories	(8,314,149)	14,830,709
(Increase) / Decrease in Trade receivables	(1,633,137)	(8,768,642)
(Increase) / Decrease of Advances	-	(351,600)
(Increase) / Decrease of Other financials assets	378,201	
(Increase) / Decrease of Other Current Assets	1,956,265	(5,467,774)
Increase / (Decrease) in Trade Payables	13,476,573	(828,424)
Increase / (Decrease) of Other financial liabilities	14,019,113	28,966,993
Increase / (Decrease) of Other Current Liabilities	(30,685,846)	(59,796,511)
Cash generated from operations	**(11,624,892)**	**(30,134,410)**
Less: Direct taxes paid/ (Refunds) including Interest (Net)	(380,050)	(536,337)
Net cash Generated/(used) from operating activities	**(12,004,942)**	**(30,670,747)**
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(82,073)	(33,317)
Changes of Investment	(9,199,754)	(212,469)
Net cash from investing activities	**(9,281,827)**	**(245,786)**
C. Cash flow from financing activities :		
Issue of Shares		
Proceeds / (Repayment) of Long Term Borrowings	42,392,756	73,778,404
Interest Paid	(26,268,907)	(20,252,950)
Net cash generated/(used) in financing activities	**16,123,849**	**53,525,454**
Net increase/(decrease) in cash and cash equivalents	**(5,162,920)**	**22,608,921**
Cash and cash equivalents -Opening balance	5,853,080	(16,755,842)
Cash and cash equivalents -Closing balance	**690,160**	**5,853,080**
Components of cash and cash equivalents:		
(a) Balances with banks (Unrestricted in Current Account)	**398,773**	**5,844,624**
(b) Cash in hand	**291,387**	**8,456**
	690,160	**5,853,080**

Significant accounting policies *1-2*
Notes to the accounts *2-36*
The accompanying notes form an integral part of the financial statements

As per our report of even date
For Vineet Khetan & Associates
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
3B,Lal Bazar Street,
Kolkata - 700 001.
The 20th day of May 2019

Vineet Khetan & Associates Kolkata Chartered Accountants

For and on behalf of the Board of Directors of
RDB Mumbai Infrastructures Private Limited

Vikash Chand Jhanwar

Vikash Jhanwar
Director
DIN: 0006901812

Kiran Mali
Director
DIN: 0003106868

RDB Mumbai Infrastructures Private Limited

1st Floor, Bikaner Building, 8/1, Lal Bazar Street, Kolkata - 700001
CIN: U51109WB2007PTC114242

Statement of changes in equity for the year ended 31 March 2019

A. Equity Share Capital (Refer Note ___)

Particulars				Amount (Rs.)
Balance as at 1 April 2017				10,000,000
Changes in equity share capital during the year				-
Balance as at 31 March 2018				10,000,000
Changes in equity share capital during the year				-
Balance as at 31 March 2019				10,000,000

B. Other Equity

Particulars				Retained Earnings
Balance at 1 April 2017				(6,074,024)
Transfers				-
Profit for the year				691,578
Other comprehensive income				-
Total comprehensive income for the year				691,578
Balance at 31 March 2018				(5,382,446)
Transfers				-
Profit for the Year				(1,059,851)
Other comprehensive income				-
Total comprehensive income for the period				(1,059,851)
Balance at 31 March 2019				(6,442,297)

Significant accounting policies 1-2
Notes to the accounts 2-45
The accompanying notes form an integral part of the financial statements

As per our report of even date

For Vineet Khetan & Associates
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
3B,Lal Bazar Street,
Kolkata - 700 001.
The 20th day of May 2019

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For and on behalf of the Board of Directors of
RDB Mumbai Infrastructures Private Limited

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Notes to the financial statements for the year ended 31 March 2019

Note 3: Property, plant and equipment

Particulars	Office Equipment	Computers	Total
Gross Block			
Balance as at 1 April 2017	47,000	85,467	132,467
Additions during the year	-	33,317	33,317
Disposals	-	-	-
Balance as at 31 March 2018	47,000	118,784	165,784
Additions	22,625	59,448	82,073
Disposals	-	-	-
Balance as at 31 March 2019	69,625	178,232	247,857
Accumulated depreciation			
Balance as at 1 April 2017	15,566	57,821	73,387
Depreciation charge during the year	14,168	22,493	36,661
Disposals	-	-	-
Balance as at 31 March 2018	29,734	80,314	110,048
Depreciation charge during the year	14,990	45,349	60,339
Disposals			-
Balance as at 31 March 2019	44,724	125,663	170,387
Net Block			
Balance as at 31 March 2018	17,266	38,470	55,736
Balance as at 31 March 2019	24,901	52,569	77,470

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Notes to the financial statements as on	31 March 2019	31 March 2018
Note 4 Financial Assets (Investment)		
Investment in Partnership Firm		
Regent Associates (51% share in Profit)	69,300,473	61,681,545
Disclosure of Investment in Partnership Firm (Regent Associates)		
Name of Partner and Share of Investment		
RDB Mumbai Infrastructures Private Limited (51%)	69,300,473	61,681,545
Dharmendra Lalchand Jain (11%)	15,903,692	15,903,692
Lalchand Pannalal Jain (11%)	5,068,804	5,097,692
Leela Lalchand Jain (11%)	5,905,804	4,904,692
Mahendra Lalchand Jain (8%)	9,541,307	8,040,498
Praveen Lalchand Jain (8%)	11,864,767	11,863,959
	117,584,848	107,492,078
RDB Mumbai Housing LLP (67% share in Profit)	666,344	-
Disclosure of Investment in Partnership Firm		
Name of Partner and Share of Investment		
RDB Mumbai Infrastructures Private Limited (67%)	666,344	-
Shashank Bansode (33%)	316,296	-
	982,640	-
RDB Mumbai Realty LLP (90% share in Profit)	451,892	-
Disclosure of Investment in Partnership Firm		
Name of Partner and Share of Investment		
RDB Mumbai Infrastructures Private Limited (90%)	451,892	-
Harish Mali (10%)	49,108	-
	501,000	-
Regent Developers & Builders (60% share in Profit)	(37,410)	-
Disclosure of Investment in Partnership Firm		
Name of Partner and Share of Investment		
RDB Mumbai Infrastructures Private Limited (60%)	(37,410)	-
Keshulal Mehta (25%)	138,163	
Mahendra Bokadia (15%)	2,898	-
	103,650	-
Fixed deposit with ICICI Bank	500,000	
	70,881,299	61,681,545
Note 5 Deferred tax assets (net)		
Deferred Tax Assets on		
- On Fixed Assets	3,801	3,801
- On Brought Forward Losses	2,268,665	2,268,665
Total	2,272,466	2,272,466

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Kolkata

RDB Mumbai Infrastructures Private Limited

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Notes to the financial statements as on	31 March 2019	31 March 2018
Note 6 Inventories		
(At lower of cost or Net Realisable value)		
Unsold Flat - Hema Niwas CHS Ltd	36,570,555	-
Work in process	280,279,195	282,444,294
Total Inventories	316,849,750	282,444,294
Note 7 Financial Assets (Trade receivables)		
Trade receivables	14,701,872	13,068,735
Receivables from related parties	-	-
Less: Allowance for doubtful debts	-	-
Total	14,701,872	13,068,735
Break up of security details:		
Trade receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	14,701,872	13,068,735
(c) Doubtful	-	-
Less: Allowance for doubtful debts	-	-
Total	14,701,872	13,068,735
Note 8 Financial Assets (Cash and Cash Equivalents)		
(a) Balances with banks (Unrestricted in Current Account)	398,773	5,844,624
(b) Cash in hand	291,387	8,456
Total	690,160	5,853,080
Note 9 Financial Assets (Other financial assets)		
Unsecured, considered good		
Security Deposit	15,446,651	15,824,852
Total	15,446,651	15,824,852
Note 10 Current tax assets and liabilities		
Current tax assets (Advance Income Tax and TDS)	4,945,518	4,565,468
Total	4,945,518	4,565,468
Note 11 Other current assets		
Advance to suppliers against Material	19,470	394,400
Balances with government authorities	3,118,428	1,623,917
Pre paid expenses	-	2,796,715
Other Advances	32,939,810	33,218,941
Total	36,077,708	38,033,973

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Notes to the financial statements as on	31 March 2019	31 March 2018
Note 12 Equity Share Capital (Equity Shares of Rs.10/- each)		
a) Authorised Share Capital		
Number of Shares	10,000,000	10,000,000
Total Amount	100,000,000	100,000,000
b) Issued, subscribed and fully paid Share Capital		
Number of Shares	1,000,000	1,000,000
Total Amount	10,000,000	10,000,000
c) Reconciliation of Number of Equity Shares Outstanding		
As at the beginning of the year	1,000,000	1,000,000
Add: Issued during the year	-	-
As at the end of the year	1,000,000	1,000,000
d) Details of Shareholders holding more than 5% shares with voting right		
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	510,000	510,000
Percentage of Total shares held	51.00%	51.00%
Kiran Ponnamchand Mali		
Number of Shares	163,330	163,330
Percentage of Total shares held	16.33%	16.33%
Vikash Mohan Jhanwar		
Number of Shares	163,340	163,340
Percentage of Total shares held	16.33%	16.33%
Waseem Javed Khan		
Number of Shares	163,330	163,330
Percentage of Total shares held	16.33%	16.33%

e) The rights, preferences & restrictions attaching to shares and restrictions on distribution of dividend and repayment of capital

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the 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.

g) Shares held by holding, ultimate holding, or subidiaries or associates of holding	31 March 2019	31 March 2018
Name of Equity Shareholders		
RDB Realty & Infrastructure Ltd		
Number of Shares	510,000	510,000
Percentage of Total shares held	51%	51.00%
g) Shares are reserved for issue under options or contracts.		
Number of Shares & Amount	-	-

h) Shares issued for consideration other than cash or bonus to shareholders or bought back from shareholders within the period of 5 years

No such shares have been issued nor there has been any buy-back

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Notes to the financial statements as on

Note 13 Other equity

	31 March 2019	31 March 2018
Reserve & Surplus		
Surplus from Statement of Profit & Loss		
As at the beginning of the year	(5,382,446)	(6,074,024)
Add: Profit for the year	(1,059,851)	691,578
Add: Ind AS Adjustments	-	-
As at the end of the year	(6,442,297)	(5,382,446)
Other Comprehensive Income		
Equity Instruments through other comprehensive income	-	-
Other items of Other Comprehensive Income	-	-
Total	**(6,442,297)**	**(5,382,446)**

Note 14 Financial liabilities - Borrowings

	31 March 2019	31 March 2018
(Unsecured, repayable on Demand, including interest accrued)		
From Directors	123,531,000	102,531,000
From Others	162,453,921	141,061,165
Total	**285,984,921**	**243,592,165**

Note 15 Financial Liability (Other Financial Liability)

	31 March 2019	31 March 2018
Interest accrued and due on borrowing	27,030,472	16,685,438
Total	**27,030,472**	**16,685,438**

Note 16 financial liabilities - Borrowings

	31 March 2019	31 March 2018
(Secured, repayable on Demand, including interest accrued)		
Overdraft facility From Banks	27,835,376	23,978,369
Total	**27,835,376**	**23,978,369**

Note 17 Financial liabilities - Trade and other payables

	31 March 2019	31 March 2018
outstanding dues of micro & small entreprises	-	-
Other than above	16,129,538	2,652,965
Total	**16,129,538**	**2,652,965**

Note 18 Financial liabilities - Other Financial Liabilities

	31 March 2019	31 March 2018
Other payable	1,557,428	1,379,141
Book Debt From Bank	-	361,215
Total	**1,557,428**	**1,740,356**

Note 19 Other Current Liabilities

	31 March 2019	31 March 2018
Advances from Customers / Booking	99,847,456	130,533,302
Total	**99,847,456**	**130,533,302**

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Notes to the financial statements	31 March 2019	31 March 2018
Note 20 Revenue from Operations		
Sale of Construction Activities	67,128,168	78,761,598
Other Income of Construction Activities	2,558,044	
Share of Profit from Investment in Firm (Non Current, Trade)	(391,432)	149,410
TOTAL	**69,294,780**	**78,911,008**
Note 21 Other Income		
Miscellaneous Income	59,722	17,656
Balance amount w/off	1,202,837	
Total	**1,262,559**	**17,656**
Note 22 Construction Activity Expenses		
Other Construction Expenses	77,538,644	60,168,956
Interest & Other Finance Cost (in accordance with IND AS-23)	26,091,307	20,051,950
Consumption	**103,629,951**	**80,220,906**
Note 23 Changes in inventories of work-in-progress		
Opening Inventory of Work in Progress	282,444,294	277,223,053
Opening Inventory of Unsold flats	-	
Less : Closing Inventory of Work in Progress	(280,279,195)	282,444,294
Less : Closing Inventory of unsold flats	(36,570,555)	
(Increase)/decrease in inventories (A-B)	**(34,405,456)**	**(5,221,241)**
Note 24 Employee Benefits Expense		
Salaries, Wages and incentives	1,019,067	713,510
Total	**1,019,067**	**713,510**
Note 25 Finance Cost		
Processing fees for OD & BG	177,600	201,000
Total	**177,600**	**201,000**

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Notes to the financial statements	31 March 2019	31 March 2018
Note 26 Others Expenses		
Rates & Taxes	---	100,100
Rent	---	851,350
Electricity Expenses	84,780	75,820
Motor Vehicle Expenses	94,068	51,578
Other Repairs	17,560	32,680
Travelling & Conveyance Expn	67,774	139,656
Postage, Telegraph & Telephones	39,864	37,532
Printing & Stationary	112,130	93,837
Listing Fees & Filing Fees	3,544	5,175
Interest Penalty charges	44,432	7,461
Miscellaneous Expenses	95,685	201,165
Bad Debts/ Advances Written Off	---	351,600
Professional Charges	325,441	251,554
Bank Charges	6,344	12,302
Staff welfare & Tea & Refreshment expenses	171,073	---
Advertisement & Publicity Expenses	---	32,545
Other Sales Expenses	44,496	13,395
Auditor's Remuneration		
Statutory Audit Fees	7,500	7,500
Tax Audit Fees	21,000	21,000
Total	**1,135,690**	**2,286,250**

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Additional notes to the financialstatments for the year ended 31 March 2019

27 Reconciliation of Effective Tax Rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	31 March 2019	31 March 2018
Profit before tax	(1,059,851)	691,578
Income tax expense calculated @ 26% (2018: 25.75%)	(272,912)	178,081
Other differences	272,912	(178,081)
Total	-	-
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Income tax recognised in profit or loss	-	-

The tax rate used for the year 2018-19 and 2017-18 reconciliations above is the corporate tax payable on taxable profits under the Income Tax Act, 1961.

Above workings are based on provisional computation of tax expense and subject to finalisation including that of tax audit or otherwise in due course.

28 Operating Lease

As per Ind AS -17 'Leases', the disclosure of transactions with the respect to lease of premises is disclosed as follows:

Assets taken on Operating Lease :

The Company has taken commercial premises on Operating Lease and lease rent of Rs. NIL (Previous Year Rs. 851,340)has been debited to Statement of Profit and Loss and Rs. 10,43,600 (Previous Year Rs. NIL) has been inventorised for the current year

The Company does not have any contingent lease rental expenses/ income.

29 Related Party Disclosure

Disclosures as required by the Indian Accounting Standard 24 (Ind AS-24) "Related Party Disclosures" are given below:

Related Party Relationship
Enterprises where control exists - RDB Realty & Infrastructure Ltd – Holding
Transactions & Balances :

Particulars	31 March 2019	31 March 2018
Transactions		
Loan Taken	51,200,000	21,309,150
Refund of Loan Taken	30,200,000	25,909,150
Interest provided on Loan Taken	-	-
Investment in partnership firm	8,762,813	149,410
Balances		
Loan Taken	123,531,000	102,531,000
Interest accrued on Loan Taken		3,689,759
Investment in partnership firm	70,381,299	61,681,545

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Additional notes to the financialstatments for the year ended 31 March 2019

30 Financial Instruments and Related Disclosures

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income andexpenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in note 2.15 of the Ind AS financial statements.

The carrying value of financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Fair Value through profit and loss	Fair Value through OCI	Amortised Cost/ At cost	Carrying amount as at 31 March 2019
(a) Financial Assets				
(i) Investments	-	-	70,881,299	70,881,299
(ii) Trade receivables	-	-	14,701,872	14,701,872
(iii) Cash and cash equivalents	-	-	690,160	690,160
(iv) Other financial assets	-	-	15,446,651	15,446,651
Total Financial Assets	-	-	101,719,982	101,719,982
(a) Financial Liabilities				
(i) Borrowings	-	-	313,820,297	313,820,297
(ii) Trade and other payables	-	-	16,129,538	16,129,538
(iii) Other financial liabilities	-	-	28,587,900	28,587,900
Total Financial Liabilities	-	-	358,537,735	358,537,735

The carrying value of financial instruments by categories as of March 31, 2018 were as follows:

Particulars	Fair Value through profit and loss	Fair Value through OCI	Amortised Cost/ At cost	Carrying amount as at 31 March 2018
(a) Financial Assets				
(i) Investments	-	-	61,681,545	61,681,545
(ii) Trade receivables	-	-	13,068,735	13,068,735
(iii) Cash and cash equivalents	-	-	5,853,080	5,853,080
(iv) Other financial assets	-	-	15,824,852	15,824,852
Total Financial Assets	-	-	96,428,212	96,428,212
(a) Financial Liabilities				
(i) Borrowings	-	-	267,570,534	267,570,534
(ii) Trade and other payables	-	-	2,652,965	2,652,965
(iii) Other financial liabilities	-	-	18,425,794	18,425,794
Total Financial Liabilities	-	-	288,649,293	288,649,293

31 Disclosure of Financial Instruments

Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and loans and advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

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Additional notes to the financialstatments for the year ended 31 March 2019

Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuatebecause of changes in market prices. Market risk comprises two types of risk: interest rate riskand other price risk, such as equity price risk and commodity/ real estate risk. The Company has not entered into any foreign exchange or commodity derivative contracts. Accordingly, there is no significant exposure to the market risk other than interest risk.

(i) 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 the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Most of the borrowings of the Company are unsecured and at fixed rates. The Company has only one cash credit account which is linked to the Prime Bank Lending Rate. The Company does not enter into any interest rate swaps.

(ii) Price risk

The Company has not made any investments for trading purposes. The surpluses have been deployed in bank deposits as explained above.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

The ageing of trade receivables are as follows:

Particulars	31 March 2019	31 March 2018
More than 6 months	-	-
Others	14,701,872	13,068,735

Deposits with banks and financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2019 and 2018 is the carrying amounts.

Liquidity Risk

The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. In case of short term requirements, it obtains short-term loans from its Bankers.

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Additional notes to the financialstatments for the year ended 31 March 2019

32 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents

Particulars	31 March 2019	31 March 2018
Borrowings (long-term and short-term, including current maturities of long term borrowings)	313,820,297	267,570,534
Trade payables	16,129,538	2,652,965
Other payables (current & non-current, excluding current maturities of long term borrowings)	28,587,900	18,425,794
Less: Cash and cash equivalents	(690,160)	(5,853,080)
Net debt	**357,847,575**	**282,796,213**
Equity share capital	10,000,000	10,000,000
Other equity	(6,442,297)	(5,382,446)
Total Capital	**3,557,703**	**4,617,554**
Gearing ratio	**0.01**	**0.02**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

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Additional notes to the financialstatments for the year ended 31 March 2019

33 Disclosure as per Ind AS 115 - Revenue from Contarcts with Customers

Particulars	31 March 2019	31 March 2018
The amount of project revenue recognized as revenue during the year	69,294,780	78,911,008
The amount of advances received	99,847,456	130,533,302
The amount of work in progress	280,279,195	282,444,294

34 Contingent Liabilities and commitments

Particulars	31 March 2019	31 March 2018
Contingent Liabilities		
Claims against the company not acknowledged as debt:		
Disputed demand of income tax for Assessment Year 2014-15	24,948,150	24,948,150

** The Company is under appeal before Commissioner (Appeal) of Income tax*

35 Disclosures required under Sec 22 of MSMED Act, 2006

The amounts due to Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" have been identified on the basis of information available with the Company.

Particulars	31 March 2019	31 March 2018
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	-	
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;		
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);		
The amount of interest accrued and remaining unpaid at the end of accounting year; and		
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.		

* Interest paid or payable, if any have been waived by vendor.

36 Figures of the previous year have been regrouped/ reclassified wherever necessary to conform to the presentation of the current year.

Significant accounting policies 1-2
Notes to the accounts 2-36
The accompanying notes form an integral part of the financial statements

As per our report of even date
For Vineet Khetan & Associates
Chartered Accountants

Vineet Khetan
Proprietor
Membership No.060270
3B,Lal Bazar Street,
Kolkata - 700 001.
The 20th day of May 2019

For and on behalf of the Board of Directors of
RDB Mumbai Infrastructures Private Limited

Vikash chand Jhanwar.

Vikash Jhanwar
Director
DIN: 0006901812

Kiran Mali
Director
DIN: 0003106868

Notes to the financial statements for the year ended 31 March 2019

1. Corporate Information

RDB Mumbai Infrastructures Private Limited (Formerly Maple Tie Up Private Limited)(The Company) is a deemed Public limited company, private company being a subsidiary of Listed Public Company domiciled and incorporated in India.It is a part of a group leading in real estate activities in Eastern India. The registered office of the Company is situated at 8/1, Lalbazar Street, Bikaner Building, 1 Floor, Room No.10, Kolkata-700001. The principle business activity of the company is Real Estate Development.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation of financial statements

Basis of preparation

The financial statements (Separate financial statements) have been prepared on accrual basis in accordance with Indian Accounting Standards(Ind. AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

Basis of measurement

The financial statements have been prepared on a going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis, except for certain financialassets and liabilities which have been measured atfair value as explained in relevant accounting policies.

2.2 Operating Cycle

An asset is considered as current when it is:

- Expected to be realised or intended to be 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 reportingperiod

All other assets are classified as non-current.

Vineet Khetan & Associates Chartered Accountants Kolkata

Notes to the financial statements for the year ended 31 March 2019

Significant accounting policies *(continued)*

A liability is considered as current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Company's normal operating cycle in respect of operations relating to the construction of realestate projects may vary from project toproject depending upon the size of the project, type of development, project complexities and related approvals. Accordingly, project relatedassets and liabilities have been classified in to current and non-current based on operating cycle of respectiveproject. All other assets andliabilities have been classified into current and non-current based on a period of twelve months.

2.3 Use of estimates and management judgments

The preparation of financial statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reportedbalances 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.

i) **Key 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 Companybased its assumptions and estimates on parameters available when the financialstatements 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.

ii) **Revenue recognition, contract costs and valuation of unbilled revenue**
The Company uses the percentage of-completion method for recognitionof revenue, accounting for unbilled revenue and contract cost thereon for its real estate and contractual projects. The percentage of completion is measured by reference to the stage of the projects

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Notes to the financial statements for the year ended 31 March 2019

Significant accounting policies *(continued)*

and contracts determined based on the proportion of contract costs incurred for work performed to date bear tothe estimated total contract costs. Use of the percentage-of-completionmethod requires the Company to estimate the efforts or costsexpended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

iii)Estimation of net realisable value for inventory property (including land advance)

Inventory property is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory 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 property under construction 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 Land advance given, 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.

2.4 Property, Plant and Equipment

The cost of an item of property, plant and equipment comprises of its purchase price, any costs directly attributable to its acquisition and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs when the item is acquired. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a

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Notes to the financial statements for the year ended 31 March 2019

Significant accounting policies *(continued)*

major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is derecognised.

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.5 Revenue Recognition-

Revenue is recognized as follows:

i. Revenue from own construction projects are recognised on Percentage Completion Method. Revenue recognition starts when 25 % of estimated project cost excluding land and marketing cost is incurred, atleast 25% of the saleable project area is secured by contracts or agreements with buyers and Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

ii. Revenue from Construction Contracts are recognised on "Percentage of Completion Method" measured by reference to the survey of works done up to the reporting date and certified by the client before finalisation of projects accounts.

iii. Real Estate: Sales is exclusive of service tax, if any, net of sales return.

iv. Revenue from services are recognised on rendering of services to customers except otherwise stated

v. Rental income from assets is recognised for an accrual basis except in case where ultimate collection is considered doubtful. Rental income is exclusive of service tax

vi. Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

2.6 Borrowing Costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are carried as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the year they are incurred.

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Notes to the financial statements for the year ended 31 March 2019

Significant accounting policies *(continued)*

2.7 Impairment of Non-Financial Assets

The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

2.8 Inventories

Constructed properties, shown as work in progress, includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development costs, construction costs, overheads, borrowing costs, construction materials including material lying at respective sites, finance and administrative expenses which contribute to bring the inventory to their present location and condition and is valued at lower of cost/ estimated cost and net realizable value.

On completion of projects, unsold stocks are transferred to project finished stock under the head "Inventory" and the same is carried at cost or net realizable value, whichever is less.
Finished Goods – Flats: Valued at cost and net realizable value.
Land Inventory: Valued at lower of cost and net realizable value.
Provision for obsolescence in inventories is made, wherever required.

2.9 Retirement Benefits

No such benefits are payable to any employee.

2.10 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if the company has a present obligation as a result of past event and the amount of obligation can be reliably estimated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time isrecognised as a finance cost.

Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated is disclosed as contingent liability in the financial statement.

Vineet Khetan & Associates
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Notes to the financial statements for the year ended 31 March 2019

Significant accounting policies *(continued)*

2.11 Taxes on Income

i. Tax expense comprises both current and deferred tax. Current tax is determined in respect of taxable income for the year based on applicable tax rates and laws.

ii. Deferred tax Asset/liability is recognized, subject to consideration of prudence,on timing differences being the differences between taxable incomes and accounting income that originates in one year and is capable of reversal in one or more subsequent year and measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

iii. Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. 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 that 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 Alternative 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 specified period.

2.12 Segment Reporting

The company has identified that its operating activity is a single primary business segment viz. Real Estate Development and Services carried out in India. Accordingly, whole of India has been considered as one geographical segment

2.13 Earnings Per Share

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

Vineet Khetan & Associates * Kolkata * Chartered Accountants

Notes to the financial statements for the year ended 31 March 2019

Significant accounting policies *(continued)*

2.14 Cash & Cash Equivalents

Cash and cash equivalents comprise cash & cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less,which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management and that are readily convertible to known amounts of cash to be cash equivalents.

2.15 Financial Instruments

➢ **Financial Instruments - Initial recognition and measurement**
Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognized initially 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.

➢ **Financial assets –Subsequent measurement**
The Subsequent measurement of financial assets depends on their classification which is as follows:

- Financial assets at fair value through profit or loss
  Financial assets at fair value through profit and loss include financial assets held for sale in thenear term and those designated upon initial recognition at fair value through profit or loss.
- Financial assets measured at amortized cost
  Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.
  Debt instruments at amortisedcost:
  A 'debt instrument' is measuredat the amortised cost if both thefollowing conditions are met:
  i. The asset is held within abusiness model whose objectiveis to hold assets for collectingcontractual cash flows, and
  ii. Contractual terms of the assetgive rise on specified datesto cash flows that are solelypayments of principal andinterest (SPPI) on the principalamount outstanding.

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Notes to the financial statements for the year ended 31 March 2019

Significant accounting policies *(continued)*

This category is the most relevant tothe Group. After initial measurement,such financial assets aresubsequently measured at amortisedcost using the effective interest rate(EIR) method. Amortised cost iscalculated by taking into account anydiscount or premium on acquisitionand fees or costs that are an integralpart of the EIR. The EIR amortization is included in finance income in theprofit or loss. The losses arisingfrom impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
ii. The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

- **Financial assets at fair value through OCI**
  All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable. If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

- **Financial assets –Derecognition**
  The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value

Notes to the financial statements for the year ended 31 March 2019

Significant accounting policies *(continued)*

through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

- **Financial liabilities –**
  Initial recognition and measurement
  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.
  The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.
  Subsequent measurement
  The Subsequent measurement of financial liabilities depends on their classification which isas follows:
  - Financial liabilities at fair value through profit or loss
    Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any,and financial liabilities designated upon initial recognition as at fair value throughprofit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
    Gains or losses on liabilities held for trading are recognised in the profit or loss.

  - Financial liabilities measured at amortized cost
    Interest bearing loans and borrowings including debentures issued by the company are subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortized is included in finance costs in the statement of profit and loss.

  - **Financial liabilities –Derecognition**
    A financial liability is derecognized when the obligation under the liability is discharged or expires.

2.16 Fair Value measurement

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The company uses valuation technique that are appropriate in the circumstances and for which

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Notes to the financial statements for the year ended 31 March 2019

Significant accounting policies *(continued)*

sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value

measurement is directly or indirectly observable, or

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value

measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.17 Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

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