

HANDS & Associates Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Identity Buildtech Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Identity Buildtech Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal



financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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.

Those 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 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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

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

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

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

Our opinion is not modified in respect of these matters.

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 Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss, 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 the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

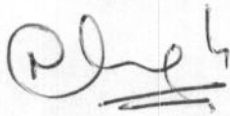
(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For H A N D S & Associates

Chartered Accountants

Firm Regn. No. 025196N



Nitish Kumar Chugh

Partner

Membership No. 512742

UDIN: 20512742AAAAAF4340

Date: 22.07.2020

Place: DELHI

ANNEXURE-ATO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph - 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date.)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:-

- (i) The company does not have property, plant and equipments. Hence, the paragraph 3(i) of the order is not applicable on the company.
- (ii) The inventory of building materials has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. According to the information and explanations given to us, keeping in view the nature of the operations of the company, inventory of work-in-progress, cannot be physically verified. As explained to us, there was no material discrepancies noticed on physical verification of inventory.
- (iii) The company has not granted loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence, the paragraph 3(iii) of the order is not applicable on the company.
- (iv) In our opinion, in respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The company has not accepted any deposits, hence the paragraph 3(v) of the order is not applicable.
- (vi) The company is not required to maintain cost records under sub-section(1) of section 148 of the Companies Act, 2013. Hence, the paragraph 3(vi) of the order is not applicable.
- (vii) (a) On the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited during the year by the company with the appropriate authorities.

In our opinion, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) On the basis of our examination of the books of accounts and records, the company does not have any dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.

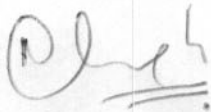


- (viii) The Company did not have any outstanding dues to financial institution, banks or debenture holders during the financial year. Hence, paragraph 3(viii) of the order is not applicable.
- (ix) In our opinion the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans raised during the year have been applied for the purpose for which they were obtained.
- (x) In our opinion, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Hence, paragraph 3(xii) of the Order is not applicable.
- (xiii) Based on our examination of the records of the Company and in our opinion, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) Based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) Based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For H A N D S & Associates

Chartered Accountants

Firm Regn. No. 025196N



Nitish Kumar Chugh

Partner

Membership No. 512742

UDIN: 20512742AAAAAF4340

Date: 22.07.2020

Place: DELHI



Identity Buildtech Pvt. Ltd.
 110, INDRA PRAKASH, 21 BARAKHAMBA ROAD, NEW DELHI-110001
 CIN No.- U45200DL2006PTC153603
 BALANCE SHEET AS AT 31st Mar, 2020


		(Rs. In Lakh)	
		As at 31st Mar, 2020	As at 31st Mar, 2019
I. ASSETS			
1 Non-current assets			
a	Income tax	2	1.06
Total non-current assets		1.06	-
2 Current Assets			
a	Inventories	3	1,811.82
b	Financial assets		
i	Cash and cash equivalents	4	5.42
ii	Other financial assets	5	125.00
c	Other Current Assets	6	53.25
Total current assets		1,995.49	136.71
TOTAL ASSETS		1,996.55	136.71
I. EQUITY AND LIABILITIES			
1 Equity			
a	Equity	7	1.00
b	Other Equity	8	116.00
Equity attributable to owners of the Company		117.00	135.53
2 Current Liabilities			
a	Financial liabilities		
ii	Trade Payables	9	1,647.37
iii	Other financial liabilities	10	8.86
b	Short Term Provisions	11	1.93
c	Other Current Liabilities	12	221.39
Total current liabilities		1,879.55	0.18
TOTAL ASSETS		1,996.55	136.71

Summary of significant accounting policies

Note 1 to 34

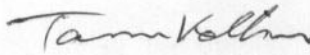
AS PER OUR REPORT OF EVEN DATE ATTACHED

For M/S H A N D S & Associate
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 Firm Registration No.- 025196N

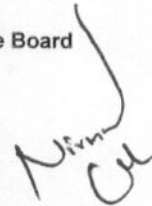

CA Nitish Kumar Chugh
 Partner
 Membership No.-512742
 UDIN: 20512742AAAAAF4340
 Place:- New Delhi
 Date:- 22/07/2020



For and on behalf of the Board



Tarun Kathuria
 Director
 DIN : 00120432



Nirmal Chand
 Director
 DIN : 07313088

Identity Buildtech Pvt. Ltd.

110, INDRA PRAKASH, 21 BARAKHAMBA ROAD, NEW DELHI-110001

CIN No.- U45200DL2006PTC153603

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

(Rs. In Lakh)

		For the year ended 31st Mar, 2020	For the year ended 31st Mar, 2019
REVENUE			
- Revenue from Operations	13	0.01	-
Total Revenue		<u>0.01</u>	<u>-</u>
EXPENSES			
- Cost of Construction	14	-	-
- Finance Costs	15	5.51	-
- Other Expenses	16	14.03	0.31
Total Expenses		<u>19.54</u>	<u>0.31</u>
Profit/ (Loss) Before Tax		<u>(19.53)</u>	<u>(0.31)</u>
Tax Expense:			
- Current Tax		-	-
- Deferred Tax		-	-
Profit/ (Loss) for the year		<u>(19.53)</u>	<u>(0.31)</u>
Other comprehensive income			
i. Items that will not be reclassified to profit and loss			
ii. Items that will be reclassified to profit and loss			
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total Comprehensive Income for the year		<u>(19.53)</u>	<u>(0.31)</u>
Earnings per equity share of face value of Rs. 10 each.			
- Basic and Diluted		<u>(195.34)</u>	<u>(3.12)</u>

Summary of significant accounting policies

Note 1 to 34

AS PER OUR REPORT OF EVEN DATE ATTACHED

For M/S H A N D S & Associate

Chartered Accountants

Firm Registration No.- 025196N

CA Nitish Kumar Chugh

Partner

Membership No.-512742

UDIN: 20512742AAAAAF4340

Place:- New Delhi

Date:- 22/07/2020



For and on behalf of the Board

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DIN : 00120432

Nirmal Chand

Director

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Identity Buildtech Pvt. Ltd.
 110, INDRA PRAKASH, 21 BARAKHAMBA ROAD, NEW DELHI-110001
 CIN No.- U45200DL2006PTC153603
 CASH FLOW STATEMENT FOR THE YEAR ENDED 31st Mar, 2020

(Rs. In Lakh)

	For the year ended 31st Mar, 2020	For the year ended 31st Mar, 2020
A. Cash Flow from Operating Activities		
Net Profit before taxation	(19.53)	(0.31)
Adjustments for		
Interest and finance charges	5.51	-
Depeciation	-	-
Operating Profit Before working capital change	(14.02)	(0.31)
Movement in working capital:		
Adjustments for (Increase)/decrease in operating assets:		
Inventories	(1,811.82)	-
Other financial assets - current	11.00	-
Other assets - current	(52.85)	0.51
Adjustments for Increase/(decrease) in operating liabilities:		
Trade payable	1,647.37	-
Other financial liabilities - current	8.86	-
Other liabilities - current	221.20	0.01
Provisions - current	1.93	-
Cash generated from Operation	11.67	0.21
Income Tax	(1.06)	-
Net Cash Flow from Operating Activities (A)	10.61	0.21
B. Cash Flow Investing Activities		
Net Cash Flow Investing Activities (B)	-	-
C. Cash Flow Financing Activities		
Interest paid	(5.51)	-
Net Cash Flow Financing Activities (C)	(5.51)	-
D. Net Increase / (Decrease) in Cash & Cash equivalents (A + B + C)	5.10	0.21
E. Cash & Cash Equivalents at beginning of the year	0.32	0.11
F. Cash & Cash equivalents at end of the year	5.42	0.32

Summary of significant accounting policies

Note 1 to 34

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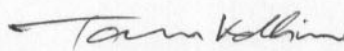
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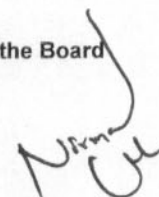
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Identity Buildtech Pvt. Ltd.
 110, INDRA PRAKASH, 21 BARAKHAMBA ROAD, NEW DELHI-110001
 CIN No.- U45200DL2006PTC153603
 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st Mar, 2020

a Equity Share Capital	No. of shares	(Rs. In Lakh) Amount
- Equity Share Capital of Rs. 10/- each Issued, Subscribed and fully Paid		
Opening balance as at 1st April, 2018	10,000	1.00
Changes in equity share capital during the year	--	-
Balance as at 31st March, 2019	10,000	1.00
Changes in equity share capital during the year	--	-
Balance as at 31st March, 2020	10,000	1.00

b Other Equity	Reserve & Surplus Retained Earnings	Amount
Particulars		Total
- Opening balance as at 1st April, 2018	135.85	135.85
Profit/ (Loss) for the year	(0.31)	(0.31)
- Balance as at 31st March, 2019	135.53	135.53
Profit/ (Loss) for the year	(19.5)	(19.53)
- Balance as at 31st March, 2020	116.00	116.00

Summary of significant accounting policies

Note 1 to 34

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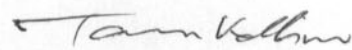
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 Chartered Accountants
 Firm Registration No.- 025196N



CA Nitish Kumar Chugh
 Partner
 Membership No.-512742
 UDIN: 20512742AAAAAF4340
 Place:- New Delhi
 Date:- 22/07/2020



For and on behalf of the Board



Tarun Kathuria
 Director
 DIN : 00120432



Nirmal Chand
 Director
 DIN : 07313088

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2020

Background

Identity Buildtech Private Limited was incorporated on 12/09/2006 (Hereinafter referred to as the Company). The Company is a wholly owned subsidiary of the Ansal Housing Limited "(Holding Company" "AHL)" and involved in the activity of land purchase for developing the same by holding company.

I SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

i) Basis of preparation

a) Compliance with Ind AS

The financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The transition to Ind AS has not affected the reported financial position, financial performance and cash flows of the Company no seprate reconciliation has been disclosed.

b) Basis of Measurement

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

These financial statements are prepared in accordance with Indian Accounting Standards (IND ASs) with the going-concern principle and on a historical cost basis except for Certain Financials Assets and Liabilities that are measured at Fair Value (Refer Accounting Policy Regarding Financial Instruments). The methods used to measure fair values are discussed below.

The presentation and grouping of individual items in the Balance Sheet, the Statement of Profit & Loss and the Cash Flow statement are based on the principle of materiality.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2020

c) **Current versus non-current classification**

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

An asset is treated 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 reporting period

All other assets are classified as non-current.

A liability is 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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products/ activities of the Company and the normal time between the acquisition of the assets and their realisation in cash or cash equivalent, the Company has determined its operating cycle as 48 months for real estate projects and 12 months for others for the purpose of classification of its assets and liabilities as current and non current.

II **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

i) **Property, plant and equipment**

Property, Plant and Equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises its purchase price, directly attributable cost of bringing the asset to its working condition for its intended use and borrowing Costs attributable to construction of qualifying asset, upto the date asset is ready for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised 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.

Derecognition

An item of Property, Plant & Equipment is derecognised upon disposal or when no future economic benefits are expected from the use. Any gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognised net within "Other income/ Other expenses" in the Statement of Profit and Loss

Depreciation

Depreciation is charged on the assets as per Written Down Value method at rates worked out based on the useful lives and in the manner prescribed in the Schedule II to the Companies Act, 2013. The depreciation method, useful lives and residual value are reviewed at each of the reporting date. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which the asset is ready for use (disposed off). The residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2020

ii) Intangible assets

Computer software

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Amortisation methods and periods:

The Company amortises intangible assets with the finite useful life (computer software) using straight line method over a period of 5 years.

iii) Financial Instruments

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

a) Financial Assets

Financial assets comprise - Cash and cash equivalents and other eligible assets.

Initial recognition and measurement:

All financial assets are recognised initially at fair value except trade receivables which are initially measured at transaction price. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

-**Financial Assets measured at amortised cost:** Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These financial assets are subsequently carried at amortized cost using the effective interest method, less any impairment loss. The EIR amortisation is recognised as finance income in the Statement of Profit and Loss.

- **Financial assets at fair value through other comprehensive income (FVTOCI):** Financial assets held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payment towards principal and interest (SPPI) on principal outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognised in other comprehensive income. However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

-**Equity instruments other than investment in associates:** Equity instruments held for trading are classified at fair value through Profit or Loss (FVTPL). For other equity instruments the Company classifies the same as at FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity instruments at FVTOCI, excluding dividends, are recognised in other comprehensive

- **Financial assets at fair value through fair value through Profit or Loss (FVTPL):** Financial assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. Fair value changes are recognised in Statement of Profit and Loss.

Subsequent measurements of financial assets are dependent on initial categorisation.

Derecognition of financial assets:

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the financial asset is transferred and the transfer qualified for derecognition. On derecognition of financial asset in its entirety the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in Statement of Profit and Loss.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2020

Impairment of financial assets:

Trade receivables, contract assets, receivables under Ind AS 109 are tested for impairment based on the expected credit losses (ECL) for the respective financial asset. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. The approach followed by the company for recognising the impairment loss is given below:

1) Trade receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future

2) Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL issued. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

b) Financial liabilities:

Financial liabilities comprise borrowings, trade payables and other eligible liabilities.

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value. Any transaction costs that are attributable to the acquisition of the financial liabilities (except financial liabilities at fair value through profit or loss) are deducted from the fair value of financial liabilities.

Subsequent measurement

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

Financial liabilities at amortised cost: The Company has classified the following under amortised cost:

- a) Trade payables
- b) Other financial liabilities

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to trade payables and other contractual

- **Financial liabilities at fair value through profit or loss (FVTPL):** Financial liabilities at fair value through profit or loss include financial liabilities held for trading 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.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments

For trade and other payables maturing within one year from the Balance Sheet Date are carried at a value which is approximately equal to fair value due to the short maturity of these instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Derecognition of financial liabilities

A financial liability shall be derecognised when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2020

d) **Reclassification of Financial Assets**

The Company determines the classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets or financial liabilities that are specifically designated at FVTPL. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

iv) **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

v) **Impairment of non-financial assets**

The carrying amount of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from the continuing use that are largely independent of cash inflows of other assets or group of assets (the cash generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU. Impairment losses are recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net

vi) **Inventories**

Inventories are valued at lower of cost and net realizable value. Cost of Inventory(Stock In Trade) represents cost of land and all expenditure incurred in connection with.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2020

vii) **Provisions and Contingencies**

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

viii) **Accounting for Taxes on Income**

Income Taxes

Income tax comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax

Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the

Deferred tax

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences.

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

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

Minimum Alternate Taxes

set off against regular income tax payable in subsequent years. MAT paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises 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. MAT credit is recognised as an asset and is shown as 'MAT Credit Entitlement'. The Company reviews the 'MAT Credit Entitlement' asset at each reporting date and write down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2020

ix) Foreign Currency Translations

a) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is Radhika Heights Private Limited's functional and presentation currency.

b) Foreign Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

x) Leases

Where the company is the lessee

Right of use assets and lease liabilities

- For any new contracts entered into on or after 1 April, 2019, (the transition approach has been explained and disclosed in Note 47) the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'

- *Classification of lease*

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

- *Recognition and initial measurement*

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

- *Subsequent measurement*

useful life of the right-of use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in standalone statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessee

- Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental

income from operating lease is recognized on a straightline basis over the term of the relevant lease, except when the lease rentals, increase are in line with general inflation index. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

- Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

xi) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2020

xii) **Revenue Recognition**

Pursuant to the application of Ind AS 115 - 'Revenue from Contracts with Customers' effective from 1 April 2018, the Company has applied following accounting policy for revenue recognition. Revenue is measured at the fair value of the consideration received/ receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is net of rebates and discounts. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the standalone financial statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- (b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.

a) **REAL ESTATE**

The Company engaged in the business of construction and development of integrated townships, residential and commercial complexes, Sale of land etc. Revenue from contracts is recognised when the performance obligation has been satisfied and control over the property has been transferred to the customers. The performance obligation is satisfied once the property is substantially completed and the control thereof is transferred from the company to the buyer upon possession/issuance of letter for offer of possession or completion certificate obtained/applied ("deemed date of possession"), whichever is earlier, subject to realisation/ certainty of realisation.

b) **INTEREST TO/ FROM CUSTOMERS**

The revenue on account of interest on delayed payment by customers and expenditure on account of compensation / penalty for project delays are accounted for at the time of acceptance / settlement with the customers on the ground of prudence and uncertainties with regard to determination of amount receivable / payable.

c) **SALE OF GOODS**

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

d) **RENTAL INCOME**

Lease income on an operating lease is recognised in the statement of profit and loss on straight line basis over the lease term.

e) **RENDERING OF SERVICES**

Revenue from a contract to provide services is recognised by on completion of the contract. The revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

f) **INTEREST INCOME**

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

xiii) **Cost Recognition**

Costs and expenses are recognized when incurred and are classified according to their nature.

Expenditure charged to Cost of Construction represents cost of land (including cost of development rights/land under agreements to purchase), estimated internal development charges, external development charges, employee costs, payment made to collaborators, expenses through contractors, material and store consumed, finance cost and other expenses incurred for construction undertaken by the Company which is charged to the statement of profit and loss based on the revenue recognised as explained in accounting policy for revenue from real estate projects above, in consonance with the concept of matching cost and revenue.



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2020

xiv) **Use of estimates & Judgements**

- The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

- In particular, information about significant areas of estimation of uncertainty and critical judgements in applying accounting policies at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year the amounts recognised in the financial statements are given below:

a) **Revenue Recognition**

The Revenue is more dependent over the estimated cost and estimated revenue of the projects. The Company estimates total cost and total revenue of the project at the time of launch of the project. These are reviewed at each reporting date. Significant assumptions are required in determining the stage of completion and the estimated total contract cost. These estimates are based on events existing at the end of each

b) **Inventory**

Inventory of real estate property including work-in-progress is valued at lower of cost and net realizable value (NRV). NRV of completed property is assessed by reference to market prices existing at the reporting date and based on comparable transactions made by the Company and/or identified by the Company for properties in same geographical area. NRV of properties under construction/development is assessed with reference to marked value of completed property as at the reporting date less estimated cost to

c) **Deferred Tax Assets/Liabilities**

Recognition of deferred tax assets is based on estimates of taxable profits in future years. The Company prepares detailed cash flow and profitability projections, which are reviewed by the board of directors of the Company.

d) **Leases**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset)

xv) **Earnings Per Share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

xvi) **Contingent liabilities :**

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management

xvii) **Segment reporting**

Business segment: The segmental reporting disclosures as required under Ind AS - 108 are not required, as there are no reportable business segments.

xviii) **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded as per the requirement of Part I of Schedule III, unless otherwise stated.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st Mar, 2020
NOTE

(Rs. In Lakh)

2	NON CURRENT- INCOME TAX	As at 31st Mar, 2020	As at 31st Mar, 2019
	- Advance Income Tax/ Tax deducted at source	1.06	-
		<u>1.06</u>	<u>-</u>
3	INVENTORIES		
	(At lower of cost or Net realizable value)		
	- Building Material and stores	68.92	-
	- Projects in progress	1,742.90	-
		<u>1,811.82</u>	<u>-</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st Mar, 2020
NOTE

	As at 31st Mar, 2020	As at 31st Mar, 2019
4 CASH AND CASH EQUIVALENTS		
Balance with Banks:		
- In current account	5.40	0.31
Cash on hand	0.02	0.02
	<u>5.42</u>	<u>0.32</u>
	<u>5.42</u>	<u>0.32</u>
5 CURRENT- OTHER FINANCIAL ASSETS (Unsecured considered good)		
- Security Deposit Paid other than Collaborator	125.00	136.00
	<u>125.00</u>	<u>136.00</u>
6 OTHER CURRENT ASSETS		
- Prepaid Expenses (including brokerage)	10.50	-
- Other advances *	42.75	0.40
	<u>53.25</u>	<u>0.40</u>

* Other Advances includes Advance to Contractors and Creditors.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st Mar, 2020
NOTE

7 EQUITY

Authorized, Issued, Subscribed and paid up share capital and par value per share

Particulars	As at 31st Mar, 2020	As at 31st Mar, 2019
- Authorized Share Capital		
50,000 (Previous year 50,000) Equity Shares of Rs.10/- each	5.00	5.00
	<u>5.00</u>	<u>5.00</u>
- Issued, Subscribed and Paid-up Share Capital		
10,000 (Previous year 10,000) Equity Shares of Rs.10/- each fully paid-u	1.00	1.00
	<u>1.00</u>	<u>1.00</u>

NOTES:

7.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31st Mar, 2020	As at 31st Mar, 2019
Number of shares outstanding as at the beginning of the year	10,000	10,000
Number of shares outstanding as at the end of the year	<u>10,000</u>	<u>10,000</u>

7.2 Detail of Shareholder's holding more than 5% shares

S.No.	Name of Shareholder	As at 31st Mar, 2020		As at 31st Mar, 2019	
		No. of shares	Percentage	No. of shares	Percentage
1	Ansal Housing Ltd. (including share held by nominee)	10,000	100.00%	10,000	100.00%



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st Mar, 2020
NOTE

(Rs. In Lakh)

8 OTHER EQUITY	As at 31st Mar, 2020		As at 31st Mar, 2019	
- Retained earnings				
Opening Balance	135.53		135.85	
Add: Profit/loss for the year	<u>(19.53)</u>	116.00	<u>(0.31)</u>	135.53
		<u>116.00</u>		<u>135.53</u>

8.1 Nature and purpose of reserves:

- Retained earnings - Retained earnings are profits of the company earned till date less transferred to general reserve.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st Mar, 2020
NOTE

(Rs. In Lakh)

9	TRADE PAYABLES	As at 31st Mar, 2020	As at 31st Mar, 2019
-	Micro, Small and Medium Enterprises- (Refer Note 20)	-	-
-	Others	1,647.37	-
		<u>1,647.37</u>	<u>-</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st Mar, 2020
NOTE

(Rs. In Lakh)

10 OTHER FINANCIAL LIABILITIES (CURRENT)	As at 31st Mar, 2020	As at 31st Mar, 2019
Security Deposits/ Retention Money	1.06	-
Other Payables	7.80	-
	<u>8.86</u>	<u>-</u>
11 SHORT-TERM PROVISIONS		
- Provision for Gratuity	1.93	-
	<u>1.93</u>	<u>-</u>
12 OTHER CURRENT LIABILITIES		
Advances from Customers (Contract Liability)	220.82	-
Other payables- Statutory Dues Payable	0.57	-
- Others	-	0.18
	<u>221.39</u>	<u>0.18</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st Mar, 2020
NOTE

(Rs. In Lakh)

13 REVENUE FROM OPERATIONS	As at 31st Mar, 2020	As at 31st Mar, 2019
A) Real Estate Operations		
- Administration Charges	0.01	-
	0.01	-

Disaggregate Revenue Information

The table below represents disaggregated revenues from contracts with customers for the year ended March 31, 2020 & March 31, 2019 by offering and contract type. The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and economic factors.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue by Nature/ Category		
Real Estate Operations	0.01	-
Total	0.01	-

Contract Balances

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Trade receivables from contracts	-	-
Contract Assets	-	-
Advance from customers (Contract Liabilities) (refer note 12)	220.82	-

Contract assets are initially recognised for revenue earned on account of contracts where revenue is recognised over the period of time as receipt of consideration is conditional on successful completion of performance obligations as per contract. Once the performance obligation is fulfilled and milestones for invoicing are achieved, contract assets are classified to trade receivables.

Contract liabilities include amount received from customers as per the installments stipulated in the buyer agreement to deliver properties once the properties are completed and control is transferred to customers.

Set out below is the amount of revenue recognised from :

Movement of Contract liability	Year ended March 31, 2020	Year ended March 31, 2019
Amounts included in contract liabilities at the beginning of the year	-	-
Amount received/ Adjusted against contract liability during the year	220.82	-
Performance obligations satisfied in current year	-	-
Amounts included in contract liabilities at the end of the year	220.82	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st Mar, 2020
NOTE

(Rs. In Lakh)

14 COST OF CONSTRUCTION	As at 31st Mar, 2020	As at 31st Mar, 2019
Opening Balance of Projects-in- Progress	-	-
Add: Expenses Incurred during the year		
- Expenses Through Contractors	84.51	-
- Materials/Stores Consumed	72.50	-
- Plan Submission Fee	8.10	-
- Salary, Wages & Other Benefits	22.46	-
- External Development Charges	1,513.75	-
- Sundry Expenses	40.77	-
- Finance Charges	0.58	-
- Repair and Maintenance- Plant and Machinery	0.24	-
	<u>1,742.90</u>	<u>-</u>
Less:		
- Closing Balance of Project-in- Progress	1,742.90	-
Cost of Construction charged to Statement of Profit and Loss	<u>-</u>	<u>-</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st Mar, 2020
NOTE

(Rs. In Lakh)

15 FINANCE COST	As at 31st Mar, 2020	As at 31st Mar, 2019
Interest Expense on borrowings	5.51	-
	<u>5.51</u>	<u>-</u>
16 OTHER EXPENSES		
Advertisement & Publicity	10.56	-
Bank Charges	-	0.11
Travelling & Conveyance	0.44	-
Payment to Auditors	-	-
- Audit Fee	0.18	0.18
Miscellaneous Expenses	0.52	0.02
Business Promotion	2.33	-
Total Other Expenses	<u>14.03</u>	<u>0.31</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st Mar, 2020

(Figures in Lakh)

17 INCOME TAX

March 31, 2020 March 31, 2019

The income tax expense consists of the following :

Current tax expense for the current year	-	-
Current tax expense pertaining to previous years	-	-
Minimum alternative tax (MAT) credit	-	-
Deferred tax expense/(benefit)	-	-
Total income tax	-	-

Reconciliation of tax liability on book profit vis-à-vis actual tax liability

Profit before income taxes	(19.53)	(0.31)
Enacted Tax Rate	26.00%	26.00%
Computed Tax Expense	-	-
Adjustments in respect of current income tax		
Tax impact of expenses which will never be allowed	-	-
Tax effect of expenses that are not deductible for tax purpose	-	-
Tax effect due to non taxable income	-	-
Minimum alternative tax (MAT) credit	-	-
Previously unrecognised tax losses used to reduce current tax expense	-	-
Other Temporary Differences	-	-
Total income tax expense	-	-

18 Earnings Per Share

March 31, 2020 March 31, 2019

Profit/(loss) attributable to shareholders	(19.53)	(0.31)
Weighted average number of equity shares	0.10	0.10
Nominal value per equity share	10.00	10.00
Weighted average number of equity shares adjusted for the effect of dilution	0.10	0.10
Earnings per equity share	(195.34)	(3.12)
Basic	(195.34)	(3.12)
Diluted	-	-

19 CONTINGENCIES AND COMMITMENTS

March 31, 2020 March 31, 2019

(A) Contingent liabilities

I Income Tax	-	-
II Other Legal Cases	-	-
	-	-

Contingent Liability in respect of Corporate guarantees given for repayment of credit limits to Non-Banking Finance Company (NBFC) / Bank taken by Ansal Housing Limited as on 31.03.2020 16,000 Lakh (Previous year Rs.16,700 Lakh). Total amount outstanding as on 31.03.2020 is Rs 14,985 Lakh (Previous year Rs 14,985 Lakh).

(B) Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:

Particulars	March 31, 2020	March 31, 2019
Property, plant and equipment	-	-



20 MSME

Based on the information available with the company, there are no dues as at March 31, 2020 and 31st March, 2019 payable to enterprises covered under " Micro Small and Medium Enterprises Development Act, 2006. No Interest is paid/payable by the company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

21 Related Party Disclosure

As required by Indian Accounting Standard -24, the disclosures of transactions with the related parties are given below:

A Related parties with whom transactions have taken place during the year

Holding Company Ansal Housing Limited

Key Managerial Personal

There is no Key Management Person. The affairs of the Company are managed by the Board of Directors. The Directors of the Company are:

1. Sh Tarun Kathuria
2. Sh Vineet Miglani
3. Sh Nirmal Chand

Relative of Key Management Personal N.A.

Fellow Subsidiaries

1. A.R.Infrastructure Pvt. Ltd.
2. A. R . Paradise Pvt. Ltd.
3. Wrangler Builders Pvt. Ltd.
4. Maestro Promoters Pvt. Ltd.
5. Fenny Real Estate Pvt. Ltd.
6. Enchant Construction Pvt. Ltd. (upto 05 December, 2019)
7. Aevee Iron & Steel Works Pvt. Ltd.
8. Anjuman Buildcon Pvt. Ltd.
9. Cross Bridge Developers Pvt. Ltd.
10. Identity Buildtech Pvt. Ltd.
11. Shamia Automobiles Pvt. Ltd.
12. Third Eye Media Pvt. Ltd.
13. Andri Builders & Developers Pvt. Ltd.
14. V.S. Infratown Pvt. Ltd.
15. Oriane Developers Pvt. Ltd.
16. Geo Connet. Ltd.
17. Housing & Construction Lanka Pvt. Ltd.

b) Details of transactions with the related parties in the normal course of business:

Particulars	As at March 31, 2020	As at March 31, 2019
A. Transaction made during the year		
Expense Paid on Behalf of Company	13.53	0.01
B. Year end balance	As at March 31, 2020	As at March 31, 2019
Balance Due for Land Purchase	-	136.00
Balance Due -Other current assets	-	0.40
Balance Due -Other current liability	12.62	-
Outstanding Corporate Guarantee	14,985.00	14,985.00



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st Mar, 2020

22 FAIR VALUE MEASUREMENTS

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Fair Value of cash and current deposits, trade and other current receivables, trade payables, other current liabilities and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

The different levels of fair value have been defined below:

Level 1: Quoted (Unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(Figures in Lakh)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Carrying Amount		
Financial Instruments at fair value through Profit or Loss		
Financial Assets	-	-
Fair Value		
Level 1	-	-
Level 2	-	-
Level 3	-	-
Total	-	-
Financial Assets at Amortised Cost		
(i) Cash and cash equivalents	5.42	0.32
(ii) Other Financial Assets	125.00	136.00
Total Financial Assets	130.42	136.32
Financial Liabilities at Amortised Cost		
(i) Borrowings	-	-
(ii) Trade payables	1,647	-
(iii) Other financial liabilities	8.86	-
Total Financial Liabilities	1,656.23	-



23 Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The financial risks are identified, measured and managed in accordance with the Company's policies on risk management. Key financial risks and mitigation plans are reviewed by the board of directors of the Company.

A. MARKET RISK

Market risk is the risk of loss of future earnings, fair value of future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, equity prices and other market changes that may effect market sensitivity instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, loans and borrowings.

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. In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, management performs a comprehensive interest rate risk management. The Company has no interest bearing borrowings hence it is not exposed to significant interest rate risk as at the respective reporting dates. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

Foreign currency risk

The Company has operations in India only hence Company's exposure to foreign currency risk is nil.

Price Risk

Price risk arises from exposure to equity securities prices from investments held by the Company. The Company does not have any investments in equity shares.

B. CREDIT RISK

Credit risk is the risk that customer or counter-party will not meet its obligation under the contract, leading to financial loss. Credit risk arises from trade receivables and other financial assets.

Trade Receivables

There are no trade receivables in the Company as at reporting date.

Other Financial Assets

There are no other Financial Assets in the Company as at reporting date.

Provision for Expected Credit losses

Financial Assets are considered to be of good quality and there is no credit risk to the Company.

C. LIQUIDITY RISK

that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Contractual Maturities of financial liabilities

The tables below provide details regarding the remaining contractual maturities of financial liabilities at reporting date based on contractual undiscounted payments.



(Figures in Lakh)

As at 31-Mar-20	Less than 1 year/ On Demand	1 - 2 years	2 - 3 years	More than 3 years
Current				
(i) Borrowings	-	-	-	-
(ii) Trade payables	1,647.37	-	-	-
(iii) Other financial liabilities	8.86	-	-	-
Total	1,656.23	-	-	-

As at 31-Mar-19	Less than 1 year/ On Demand	1 - 2 years	2 - 3 years	More than 3 years
Current				
(i) Borrowings	-	-	-	-
(ii) Trade payables	-	-	-	-
(iii) Other financial liabilities	-	-	-	-
Total	-	-	-	-

24 Capital Risk Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain creditors and market confidence and to sustain future development and growth of its business. There in no change in the Company capital structure since previous year.

25 Events after the Reporting period

There are no events observed after the reported period which have an impact on the company operations except as disclosed under Note No. 19 of the Standalone financial statement.

26 Impact of Corona virus (Covid-19) Pandemic

The outbreak of Corona virus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including ban on travel, quarantine, social distancing, and closure of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Covid-19 is significantly impacting business operation of the companies, by way of interruption in real estate development, production, supply chain disruption, unavailability of personnel, closure/ lock down of production facilities etc. On 24 March, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 31 May, 2020 to prevent community spread of Covid-19 in India resulting in significant reduction in economic activities.

The Company continues to monitor the impact of the global pandemic in future and it may be different from the estimates made as on the date of financial statements. Based on the information available on the date of approval of these financial statements, the management has evaluated the impact of the aforesaid situation on the business of the Company, financial risks including credit risks and liquidity risks. A definitive assessment of the impact is not possible in view of the highly uncertain economic environment and the scenario is still evolving. The company has evaluated its liquidity position and of recoverability and carrying value of its assets and have concluded that no material adjustments required at this stage in the financial results.

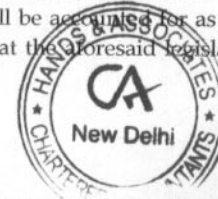
However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of Covid-19 may be different from that estimated as at the date of approval of this statement and the Company will continue to monitor any material changes to future economic conditions.

27 Balance Confirmation of certain outstanding balances

The Company has a system of obtaining periodic confirmation of balances from banks, trade receivables/payables and other parties (other than disputed parties). The balance confirmation letters as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to banks and parties and certain party's balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material

28 The company has a comprehensive system of maintenance of information and documents as required by the Goods and Services Act ("GST Act"). Since the GST Act requires existence of such information and documentation to be contemporaneous in nature, the company appoints independent GST auditor for conducting GST audit to determine whether all the transactions have been duly recorded and reconcile with the GST Portal. Adjustments, if any, arising from the GST Audit shall be accounted for as and when the audit is completed for the current financial year. However, the management is of the opinion that the aforesaid legislations will not have any impact on the financial statements.

29 The Company has made provisions, as required foreseeable losses.



30 Leases

The Company has adopted Ind AS 116 "Leases" effective from April 01, 2019 and considered all material leases contracts existing on April 01, 2019. The adoption of the standard does not have any material impact on the financial statement of the Company.

31 There are no events observed after the reported period which have an impact on the company operations.

32 There have been no amounts to transferred to the Investor Education and Protection Fund.

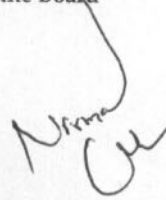
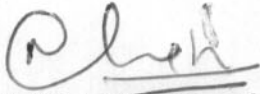
33 Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 22 July, 2020

34 Notes 1 to 34 form an integral part of the financial statements as at 31st March, 2020.

For M/S H A N D S & Associate
Chartered Accountants
Firm Registration No.- 025196N

For and on behalf of the Board



CA Nitish Kumar Chugh
Partner
Membership No.-512742
UDIN: 20512742AAAAAF4340
Place:- New Delhi
Date:- 22/07/2020

Tarun Kathuria
Director
DIN : 00120432

Nirmal Chand
Director
DIN : 07313088