

## INDEPENDENT AUDITOR'S REPORT

To the Members of Nailknaware Profile Constructions Private Limited

### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the standalone financial statements of Nailknaware Profile Constructions Private Limited ("the Company"), which comprise the Standalone Balance sheet as at 31st March 2019, and the Standalone Statement of Profit and Loss, Standalone Statement of Changes in Equity, Standalone Statement of Cash Flows for the year then ended and notes to the Standalone 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone 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 March 31, 2019, and its loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- a) Our audit report on the standalone financial statements for the year ended March 31, 2018 was qualified in respect of physical verification of inventories. As we were not appointed as the Statutory Auditors of the Company until March 31, 2018 we were unable to observe the physical verification. Also, we were unable to satisfy ourselves by performing alternative procedures in relation to the inventory held as at March 31, 2018 which are stated in the Statement at Rs.1549.16 lakhs. Further, as per the practice followed by the Company up to March 31, 2018, construction materials and consumables purchased for construction were treated as consumed and included in Construction Work in Process. During the year due to inadequate information regarding opening inventory as at April 1, 2018 we are unable to ascertain the consequential impact on the cost of materials consumed, changes in inventories and Loss stated in the standalone financial statements for the year.
- b) The Company values its non-current investments other than investment in associate, using Fair Valuation through Other Comprehensive Income model in accordance with Ind AS 109 "Financial Instruments". As at March 31, 2019, the Company has not carried out fair valuation of the said non-current investments, hence we are unable to comment on the consequential



impact, if any, on the other comprehensive income for the year ended March 31, 2019 and carrying value of such investments and Other equity as at that date and related disclosures in the standalone financial statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Information Other than the Standalone financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is the information included in the director's report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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.

#### **Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report



### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone financial statements.



**Report on Other Legal and Regulatory Requirements**

1. This Report does not include a statement on the matters specified in paragraph 3 and 4 of 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, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss, the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) Except for the matter described in the Basis of Qualified Opinion section above, in our opinion, the aforesaid standalone 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) The matter described in Basis of Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) 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.
  - (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (h) 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:



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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 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.
3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

**For MSKA & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W

**Anup Mundhra**

**Partner**

**Membership No. 061083**



**Place: Pune**

**Date: May 30, 2019**

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NAIKNAVARE PROFILE CONSTRUCTIONS PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2019**

**Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to the standalone financial statements 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.
- 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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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.

**For MSKA & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W



**Anup Mundhra**

**Partner**

**Membership No. 061083**

**Place: Pune**

**Date: May 30, 2019**



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NAIKNAVARE PROFILE CONSTRUCTIONS PRIVATE LIMITED**

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Naiknavare Profile Constructions Private Limited on the Financial Statements for the year ended March 31, 2019]

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

We have audited the internal financial controls with reference to the standalone financial statements of Naiknavare Profile Constructions Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls.

Because of matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient and appropriate audit evidence to provide basis for an audit opinion on internal financial controls with reference to financial statements of the Company.





**Meaning of Internal Financial Controls With reference to Financial Statements**

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

**Disclaimer of Opinion**

According to the information and explanation given to us, the Company has not established its internal financial control with reference to the standalone financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had internal financial controls with reference to the standalone financial statements and whether such internal financial controls were operating effectively as at March 31, 2019.



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We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer does not affect our opinion on the standalone financial statements of the Company.

**For MSKA & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W



**Anup Mundhra**

**Partner**

**Membership No. 061083**

**Place : Pune**

**Date : May 30, 2019**



Naiknavare Profile Constructions Private Limited  
 Standalone Balance Sheet as on March 31, 2019  
 (Amount in Lakhs- INR, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	16	19
Investment in associate	8A	974	974
<b>Financial assets</b>			
Investments	8B	172	172
Other financial assets	9	22	233
Other non-current assets	10	1,775	1,818
<b>Total Non-current assets</b>		<b>2,959</b>	<b>3,216</b>
<b>Current assets</b>			
Inventories	11	4,144	1,549
<b>Financial assets</b>			
Cash and cash equivalents	12	129	353
Other financial assets	13	1	1
Other current assets	14	670	314
<b>Total Current assets</b>		<b>4,944</b>	<b>2,217</b>
<b>Total Assets</b>		<b>7,903</b>	<b>5,433</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	1	1
Other equity	16	(3,578)	(2,414)
<b>Total equity</b>		<b>(3,577)</b>	<b>(2,413)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	6,443	5,848
Other Non-current liabilities	18	188	774
<b>Total Non-current liabilities</b>		<b>6,631</b>	<b>6,622</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	173	220
<b>Trade payables</b>			
total outstanding dues of micro enterprises and small enterprises	20	1	-
total outstanding dues of creditors other than micro enterprises and small enterprises	20	521	390
Other financial liabilities	21	1,404	322
Other current liabilities	22	2,750	292
<b>Total Current liabilities</b>		<b>4,849</b>	<b>1,224</b>
<b>Total Liabilities</b>		<b>11,480</b>	<b>7,846</b>
<b>Total Equity and Liabilities</b>		<b>7,903</b>	<b>5,433</b>

The accompanying notes from 1 to 43 are an integral part of the Financial Statements.

As per our report of even date

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W

Anup Mundhra  
 Partner

Membership No.: 061083

Place: Pune

Date: May 30, 2019



For and on behalf of the Board of Directors  
 Naiknavare Profile Constructions Private Limited  
 CIN: U45309PN2017PTC173686

Rajesh Choudhary  
 Director

DIN: 00313080

Place: Pune

Date: May 30, 2019

Anand Naiknavare  
 Director and Chief Finance  
 Officer

DIN: 07948372

Place: Pune

Date: May 30, 2019



Naiknavare Profile Constructions Private Limited  
 Standalone Statement for Profit & Loss for the year ended March 31, 2019  
 (Amount in Lakhs- INR, unless otherwise stated)

	Notes	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Income</b>			
Revenue from operations	23	-	-
Other income	24	24	233
<b>Total income</b>		<b>24</b>	<b>233</b>
<b>Expenses</b>			
Cost of material consumed	25	2,037	-
Changes in inventories of finished goods and construction work in progress	26	(2,037)	-
Finance costs	27	785	896
Depreciation and amortization expense	28	3	8
Other expenses	29	399	254
<b>Total expenses</b>		<b>1,187</b>	<b>1,158</b>
<b>Profit/(Loss) before tax</b>		<b>(1,163)</b>	<b>(925)</b>
<b>Tax (expense) / income</b>	30	-	-
<b>Net Profit/(Loss) for the year</b>		<b>(1,163)</b>	<b>(925)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Net (loss)/gain on FVTOCI of Investments		-	(33)
Income tax effect		-	-
<i>Items that will be reclassified to profit or loss</i>		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>(33)</b>
<b>Total comprehensive income for the year</b>		<b>(1,163)</b>	<b>(958)</b>
<b>Earnings / (Loss) per share</b>			
Basic and Diluted earnings / (loss) per share (Rs.)	31	(11,635)	(9,584)

The accompanying notes from 1 to 43 are an integral part of the Financial Statements.

As per our report of even date  
 For MSKA & Associates  
 Chartered Accountants  
 ICAI Firm Registration No.: 105047W

*Anup Mundhra*  
 Anup Mundhra  
 Partner



Membership No.: 061083  
 Place: Pune  
 Date: May 30, 2019

For and on behalf of the Board of Directors  
 Naiknavare Profile Constructions Private Limited  
 CIN: U45309PN2017PTC173686

*Rajesh Choudhary*  
 Rajesh Choudhary  
 Director

DIN: 00313080  
 Place: Pune  
 Date: May 30, 2019

*Anand Naiknavare*  
 Anand Naiknavare  
 Director and Chief  
 Finance Officer  
 DIN: 07948372  
 Place: Pune  
 Date: May 30, 2019



Naiknavare Profile Constructions Private Limited  
Standalone Statement of Cash Flows for the year ended 31 March 2019  
(Amount in Lakhs- INR, unless otherwise stated)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Cash flow from operating activities		
Net Loss before taxation	(1,163)	(925)
Adjustments for:		
Depreciation and amortization expenses	3	8
Interest paid	731	896
Interest income	(8)	(233)
Fair valuation changes for the year for investments in equity instruments (FVTOCI)	-	(33)
Reversal of excess provision	15	-
Operating loss before working capital changes	(422)	(286)
Changes in working capital		
Increase in trade payables	117	81
Increase/ (Decrease) in other financial liabilities	1,082	(161)
Increase in other current liabilities	2,458	259
Increase/ (Decrease) in non-current liabilities	(587)	329
Decrease in inventories	(2,595)	(594)
(Increase)/ Decrease in other current financial assets		54
(Increase)/ Decrease in other assets	(313)	665
Cash generated used in operations	(260)	347
Income tax paid	-	-
Net cash flows used in operating activities (A)	(260)	347
Cash flow from Investing activities		
Proceeds from sale of property, plant and equipment	-	(4)
Purchase of Investments	-	(941)
Proceeds from maturity/(Investment) in fixed deposits	211	(18)
Interest received	8	233
Net cash flow from investing activities (B)	219	(730)
Cash flow from Financing activities		
Proceeds from issuance of equity share capital	-	1
Repayment of long term borrowings	-	(4,298)
Proceeds from issuance of debentures	595	5,839
Proceeds/(Repayment) of short-term borrowings	(47)	63
Interest paid	(731)	(896)
Net cash flow from financing activities (C)	(183)	709
Net Increase in cash and cash equivalents (A+B+C)	(224)	326
Cash and cash equivalents at the beginning of the year	353	30
Cash and cash equivalents at the end of the year	129	356
Cash and cash equivalents comprise (Refer note 12)		
Balances with banks		
On current accounts	128	351
Cash on hand	1	2
Total cash and bank balances at end of the year	129	353

Financing activities include the following cash and non-cash changes

	As at 31 March 2018	As at 31 March 2019
Proceeds from issuance of debentures	600	5,850
Adjustments on account of fair value changes	-5	-11
	595	5,839

The accompanying notes from 1 to 43 are an integral part of the Financial Statements.

As per our report of even date  
For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No.: 105047W

Anup Mundhra  
Partner  
Membership No.: 061083  
Place: Pune  
Date: May 30, 2019



For and on behalf of the Board of Directors  
Naiknavare Profile Constructions Private Limited  
CIN: U45309PN2017PTC173686

Rajesh Choudhary  
Director  
DIN: 00313080  
Place: Pune  
Date: May 30, 2019

Anand Naiknavare  
Director and Chief Finance Officer  
DIN: 07948372  
Place: Pune  
Date: May 30, 2019



Naiknavare Profile Constructions Private Limited  
 Standalone Statement of Changes in Equity for the year ended 31 March 2019  
 (Amount in Lakhs- INR, unless otherwise stated)

(A) Equity share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
Opening				
Opening	10,000	1.00	10,000	1.00
Add: issue during the year	-	-	-	-
Closing	10,000	1.00	10,000	1.00

(B) Other equity

Particulars	Retained earnings	Items of OCI FVTOCI Reserve on equity instruments	Total
Balance as at 1 April 2017	(1,464)	8	(1,456)
Loss for the year	(925)	-	(925)
Other comprehensive income	-	(33)	(33)
Total other comprehensive income for the year	(2,389)	(25)	(2,414)
Balance as at 31 March 2018	(2,389)	(25)	(2,414)

Particulars	Retained earnings	Items of OCI FVTOCI Reserve on equity instruments	Total
Balance as at 1 April 2018	(2,389)	(25)	(2,414)
Profit for the year	(1,164)	-	(1,164)
Other comprehensive income	-	-	-
Total other comprehensive income for the year	(3,553)	(25)	(3,578)
Balance as at 31 March 2019	(3,553)	(25)	(3,578)

The accompanying notes from 1 to 43 are an integral part of the Financial Statements.

As per our report of even date  
 For MSA & Associates  
 Chartered Accountants  
 ICAI Firm Registration No.: 105047W

*Anup Mundhra*

Anup Mundhra  
 Partner  
 Membership No.: 061083  
 Place: Pune  
 Date: May 30, 2019



For and on behalf of the Board of Directors  
 Naiknavare Profile Constructions Private Limited  
 CIN: U45309PN2017PTC173686

*Rajesh Choudhary*

Rajesh Choudhary  
 Director  
 DIN: 00313080  
 Place: Pune  
 Date: May 30, 2019

*Anand Naiknavare*

Anand Naiknavare  
 Director and Chief Finance Officer  
 DIN: 07948372  
 Place: Pune  
 Date: May 30, 2019





## 1 General Information

Naiknare Profile Constructions Private Limited (the "Company") is a private limited company domiciled in India. Prior to incorporation, the Company was a Limited Liability Partnership Firm operating in the name of Naiknare Profile Constructions LLP and was converted into a Private Company w.e.f. December 4, 2017 in accordance with the provisions of the Companies Act, 2013. Its registered and principal office of business is located at CTS 1204/4, F P No 568 Ghole Road Pune, Pune MH 411004. The Company is primarily engaged in the business of Real Estate Development Projects. Its Non-convertible debentures are listed on Bombay stock exchange.

## 2 Basis of Preparation of Standalone Financial Statements

### (a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

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

The standalone financial statements were authorized for issue by the Company's Board of Directors on May 30, 2019.

### (b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and liabilities that have been measured at fair value as required by relevant Ind AS.

### (c) Current/Non-current classification of assets/ liabilities

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

### (d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

### (e) Functional and presentation currency

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

Figures below 50,000 are rounded off to 0.

### (f) Measurement of Fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the notes regarding Financial Instruments.

## 3 Significant accounting policies

### 3.1 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.



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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

#### Transition to Ind AS

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

#### Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the written down value method. The estimated useful lives of assets are as prescribed in Schedule II of Companies act, 2013

Depreciation on additions to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

### 3.2 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.

Revenue is recognized in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognize revenue in the standalone financial statements. The Company satisfies a performance obligation and recognizes 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 Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

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

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

#### Point of Time: Revenue from real-estate project

Revenue is recognized at a Point in Time w.r.t. sale of real estate units, including land, plots, apartments, commercial units, development rights as and when the control passes on to the customer which coincides with handing over of the possession to the customer.

#### Other Income

Interest Income is recognized on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

### 3.3 Taxes

Tax expense for the year, if any, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year, except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.



(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.4 Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

3.5 Inventories

Raw materials are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Construction work-in-progress: Direct expenditure relating to construction activity is inventorised. Other expenditure during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the construction activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received. Work-in-progress represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and Net Realizable Value (NRV). NRV in respect of inventories under construction is assessed with reference to market prices (reference to the recent selling prices) at the reporting date less estimated costs to complete the construction, and estimated cost necessary to make the sale. The costs to complete the construction are estimated by management.

3.6 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) 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 their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing operations that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").



### 3.7 Provisions and contingent liabilities and contingent assets

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, and is recognized as an asset.

### 3.8 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

### 3.10 Financial instruments

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

#### (a) Financial assets

##### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### (ii) Subsequent measurement

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

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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





(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on 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 is used. If in subsequent years, 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 recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

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

*Financial liabilities at fair value through profit or loss*

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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

*Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. 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 as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability 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 in the Statement of Profit and Loss as finance costs.



(c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(d) 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 recognized amounts and there is an intention to settle on a net basis or realize 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.

### 3.11 Earnings Per Share

Basic earnings per share is 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. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year, if any. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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 is adjusted for the effects of all dilutive potential equity shares.

### 3.12 Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. For details of joint operation considered in the consolidated financial statements as at March 31, 2018, please refer note 38.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS 111 applicable to the particular assets, liabilities, revenues and expenses.

## 4 Changes in accounting policies and disclosures

### Ind AS 115, Revenue from contracts with customers

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers.

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

For real estate contracts with customers where the Company was following Percentage of Completion method (POCM) as per the "Guidance Note on Real Estate Transactions", issued by Institute of Chartered Accountants of India, revenue has been recognized at a point in time in accordance with and pursuant to conditions specified in Ind AS 115 "Revenue from Contracts with Customers".

The Company has applied the modified retrospective approach to contracts that were not completed as of 1 April 2018. The Company elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying Ind AS 115 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

The Company has applied the modified retrospective approach to contracts that were not completed as of 1 April 2018 and there is no has impact of Ind AS 115 application to retained earnings as at the said pertaining to recognition of revenue based on satisfaction of performance obligation.

Due to application of Ind AS 115, revenue from operations for the year ended 31 March 2019 is lower by 2,193 lakhs and net profit after tax for the year ended 31 March 2019 is lower by 280 lakhs than it would have been if erstwhile standards were applicable. Refer note 23 for details disclosures as required under Ind AS 115 Revenue from contracts with customers.





## 5 Significant accounting judgments, estimates and assumptions

In the preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Information about assumptions, judgments and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 are as below

### (a) Revenue from contracts with customers

The Company has applied judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers

### (b) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward.

### (c) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows. Estimation uncertainty relates to assumptions about future operating results.

### (d) Fair value measurement of financial instruments

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation technique. The inputs to these models are taken from the observable market where possible, but where this is not feasible, a review of judgment is required in establishing fair values. Any changes in the aforesaid assumptions will affect the fair value of financial instruments.

### (e) Evaluation of Net realizable Value of Inventories

Inventories comprising of completed flats and construction-work-in progress are valued at lower of cost and net realizable value. Net Realizable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognized in the standalone financial statements for the period in which such changes are determined.

## 6 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

### 6.1 Ind AS 116

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace existing leases standard, Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees- leases of 'low value' assets (e.g. personal computers) and short-term leases (i.e. leases with a term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make a lease payments (i.e. the lease liability) and an asset representing the right use the underlying asset during the lease term (i.e. the right-of-use-assets). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expenses on the right-of-use-asset. As the company does not have any leases, therefore the adoption of this standard is not likely to have an impact in its financial statements.

### 6.2 Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.



**6.3 Amendment to Ind AS 12 - Income taxes :**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

**6.4 Amendment to Ind AS 19 - plan amendment, curtailment or settlement :**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement;
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling;

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

**6.5 Ind AS 109 - Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not expect this amendment to have any impact on its financial statements.

**6.6 Ind AS 23 - Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not expect any impact from this amendment.

**6.7 Ind AS 28 - Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not currently have any long-term interests in associates and joint ventures.

**6.8 Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.



**Naiknare Profile Constructions Private Limited**  
**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019**  
(Rs. in Lakhs, unless otherwise stated)

**7 PROPERTY, PLANT AND EQUIPMENT**

Particulars	Air Conditioner	Furniture & Fixtures	Plant and Equipment	Computers	Total
<b>GROSS CARRYING VALUE</b>					
As at April 1, 2017	2	15	7	3	27
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Other Adjustments	-	-	-	-	-
As at March 31, 2018	2	15	7	3	27
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Other Adjustments	-	-	-	-	-
As at March 31, 2019	2	15	7	3	27
<b>ACCUMULATED DEPRECIATION/IMPAIRMENT</b>					
As at April 1, 2017	-	-2	-1	-1	-4
Depreciation for the year	-0	-2	-1	-1	-4
Impairment Loss for the year	-	-	-	-	-
Deductions/Adjustments during the period	-	-	-	-	-
As at March 31, 2018	-0	-4	-2	-2	-8
Depreciation for the year	-0	-2	-1	-0	-3
Impairment Loss for the year	-	-	-	-	-
Deductions/Adjustments during the period	-	-	-	-	-
As at March 31, 2019	-1	-6	-3	-2	-11
<b>Net Carrying value as at March 31, 2019</b>	2	9	4	1	16
<b>Net Carrying value as at March 31, 2018</b>	2	11	5	1	19

Transition to Ind AS - On transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April, 2016 measured as per Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

For details of assets given as security against borrowings, Refer Note 17



**Naikavare Profile Constructions Private Limited**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019

(Rs. in Lakhs, unless otherwise stated)

**8A Investment in Associate**

**Particulars**

**Unquoted**

**Investment in Associate (at cost)**

**Investments in Equity Instruments**

Synergy Development Corporation Private Limited [No. of shares: 10,000 (PY: 10,000) of FV 10]

974

974

**Total Investment in Associate**

974

974

**8B Non-current Investments**

**Investments carried at fair value through Other Comprehensive Income**

**Investments in Equity Instruments**

Asian Food Products Limited [No. of shares: 41,795 (PY: 41,795) of FV 10]

85

85

Bhupati Marketing Private Limited [No. of shares: 150,000 (PY: 150,000) of FV 10]

15

15

Dhanush Marketing Private Limited [No. of shares: 25,000 (PY: 25,000) of FV 10]

25

25

Thakkers Housing Private Limited [No. of shares: 78,500 (PY: 78,500) of FV 10]

47

47

**Total Investments in Equity Instruments**

172

172

**Aggregate book value of:**

**Unquoted investments**

87

87

**Quoted investments**

85

85

**Market value of quoted investments #**

-

-

# Quote not available as trading in equity shares of investee company has been suspended by the Stock Exchange due to penal reasons.

**Aggregate amount of impairment in value of Investments**



**9 OTHER FINANCIAL ASSETS- NON-CURRENT**

**Particulars**

Unsecured, considered good  
Fixed Deposits accounts with maturity for  
more than 12 months from balance sheet date  
Total

As at March 31, 2019	As at March 31, 2018
22	233
<b>22</b>	<b>233</b>

**10 OTHER NON-CURRENT ASSETS**

**Particulars**

Unsecured, considered good  
Advances for purchase of development rights  
Total

As at March 31, 2019	As at March 31, 2018
1,775	1,818
<b>1,775</b>	<b>1,818</b>

The Company has paid advance of Rs. 1,645 lakhs against TDR to Naiknavare Developers Pvt Ltd (NDPL) in a view of getting additional FSI for project. The said TDR will accrue to NDPL post completion of one of its SRA project, and expected to be settled by end of the financial year FY 2019-20.

**11 INVENTORIES (Lower of Cost or NRV)**

**Particulars**

Raw material in stock  
Construction work in progress  
Total

As at March 31, 2019	As at March 31, 2018
558	-
3,586	1,549
<b>4,144</b>	<b>1,549</b>

For Inventories pledged as securities against borrowings, Refer Note 17

**12 CASH AND CASH EQUIVALENTS**

**Particulars**

Balances with banks  
- in current accounts  
Cash in hand  
Total

As at March 31, 2019	As at March 31, 2018
128	351
1	2
<b>129</b>	<b>353</b>

**13 OTHER CURRENT FINANCIAL ASSETS**

**Particulars**

Other receivables  
Total

As at March 31, 2019	As at March 31, 2018
1	1
<b>1</b>	<b>1</b>

**14 OTHER CURRENT ASSETS**

**Particulars**

Advance to suppliers  
Balance with Government tax authorities  
Prepaid expenses  
Advance to Others  
Total

As at March 31, 2019	As at March 31, 2018
369	128
295	183
2	3
4	-
<b>670</b>	<b>314</b>



**Naiknavare Profile Constructions Private Limited**
**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019**

(Rs. in Lakhs, unless otherwise stated)

**15 SHARE CAPITAL**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorized</b>		
10,000 (31 March 2018 : 10,000) Equity Shares of Rs.10 /- each	1.00	1.00
	<b>1.00</b>	<b>1.00</b>
<b>Issued, subscribed and paid up</b>		
10,000 (31 March 2018 : 10,000) Equity Shares of Rs.10 /- each fully paid	1.00	1.00
<b>Total</b>	<b>1.00</b>	<b>1.00</b>

**(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount (Rs. in lakhs)	Number of shares	Amount (Rs. in lakhs)
Outstanding at the beginning of the year	10,000	1.00	10,000	1.00
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>10,000</b>	<b>1.00</b>	<b>10,000</b>	<b>1.00</b>

**(c) Rights, preferences and restrictions attached to shares**

The company has only one class of equity shares having par value of Rs. 10/- per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend, if any, 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.

**(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of INR 10/- each fully paid				
Name of the shareholder				
Hemant Naiknavare	2,500	25%	2,500	25%
Ranjit Naiknavare	2,500	25%	2,500	25%
Gauri Naiknavare	2,500	25%	2,500	25%
Rajesh Choudhary	2,500	25%	2,500	25%

(e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

**16 OTHER EQUITY**

Particulars	As at March 31, 2019	As at March 31, 2018
(Deficit) in the Statement of Profit and Loss	(3,553)	(2,389)
Investments FVTOCI Reserve on equity instruments	(25)	(25)
<b>Total</b>	<b>(3,578)</b>	<b>(2,414)</b>

**(A) Surplus/(deficit) in the Statement of Profit and Loss**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	(2,389)	(1,464)
Add: Net Profit / (loss) for the current year	(1,164)	(925)
Closing balance	<b>(3,553)</b>	<b>(2,389)</b>





**Naiknavare Profile Constructions Private Limited**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019

(Rs. in Lakhs, unless otherwise stated)

**(B) Investments FVTOCI Reserve on equity instruments**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	(25)	8
-Fair valuation changes for the year	-	(33)
Closing balance	(25)	(25)

**17 NON-CURRENT BORROWINGS**

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Secured</u>		
16% Non Convertible debentures	6,443	5,848
<b>Total</b>	<b>6,443</b>	<b>5,848</b>

Terms of repayment

100% Debentures are redeemable at par at the end of four years from the date of allotment, viz., December 20, 2017. The company has an option to redeem these debentures earlier; however, no redemption will take place before the end of 3rd year from the date of allotment.

Details of guarantee for borrowing (for total amount of loan sanctioned, Rs.7,000 lakhs)

Guaranteed by

Mr. Ranjit Naiknavare

Mr. Hemant Naiknavare

Naiknavare Developers Private Limited

Nature of security

(a) a first and exclusive mortgage by way of registered mortgage over the Mortgaged Properties and

(b) a first and exclusive charge by way of hypothecation on Company Moveable Assets,

(c) a first and exclusive charge by way of hypothecation on Specified Land Owner Share;

(d) a pledge over the entire shareholding and other economic interest of the Promoters in the Company;

(e) a pledge over the entire shareholding and other economic interest of the SDCL Pledgors in SDCL;

**18 OTHER NON-CURRENT LIABILITIES**

Particulars	As at March 31, 2019	As at March 31, 2018
Contract liability (Advance from customers)	188	774
<b>Total</b>	<b>188</b>	<b>774</b>

**19 CURRENT BORROWINGS**

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Unsecured</u>		
Loans from related parties (Refer Note below)	173	220
<b>Total</b>	<b>173</b>	<b>220</b>

Loans from related parties are interest bearing and repayable on demand.

**20 TRADE PAYABLES**

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	1	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	521	390
<b>Total</b>	<b>522</b>	<b>390</b>

The company has not paid/provided any interest to supplier of goods & services under Micro, Small & medium enterprises Act, 2006 (MSMED Act) as at March 31, 2019 as the payable balance as on that date were not outstanding for more than 45 days from appointed date as specified in the MSMED Act.



**Naiknaware Profile Constructions Private Limited**

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019**

(Rs. in Lakhs, unless otherwise stated)

**21 OTHER CURRENT FINANCIAL LIABILITIES**

**Particulars**

Interest accrued and due on borrowings  
Refund Liabilities  
Payable under Joint Development Agreement (JDA)  
Retention money payable  
Other payables  
**Total**

As at March 31, 2019	As at March 31, 2018
252	227
1	78
1,113	1
38	4
-	12
<b>1,404</b>	<b>322</b>

**22 OTHER CURRENT LIABILITIES**

**Particulars**

Statutory dues payable  
Contract liability (Advance from customers)  
**Total**

As at March 31, 2019	As at March 31, 2018
94	36
2,656	257
<b>2,750</b>	<b>292</b>



## 23 REVENUE FROM CONTRACTS WITH CUSTOMERS

23.1 Revenue recognized by the company during the year in NIL (PY: NIL).

### 23.2 Performance obligations

Information about the Company's performance obligations are summarized below:

On the basis of revenue contracts entered with customers by the Company, its performance obligation includes giving possession of apartments to its customers as per the specifications and timelines provided in the terms of contracts. (i.e. at the point in time)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31st March 2019 are, as follows:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Within one year	3,075	-
More than one year	6,457	-
<b>Total</b>	<b>9,533</b>	<b>-</b>

### 23.3 Movement of contract liability

Particulars	Year Ended March 31, 2019
Amounts included in contract liability as at the beginning of the year	1,031
Amount received/(adjusted) during the year	1,813
Performance obligation satisfied during the year	-
Amounts included in contract liability as at the end of the year	2,844

### 23.4 Reconciliation of contracted price with revenue during the year:

Particulars	Year Ended March 31, 2019
Opening contracted price of orders as at April 1, 2018	3,297
Add: Fresh orders/change orders received (net)	4,111
Closing contracted price of orders as at March 31, 2019	7,409
Less: Revenue out of orders under execution at the end of the year	(7,409)
Revenue from contracts with customers	-

### 23.5 The Effect of Adopting Ind AS 115 As At April 01, 2018 was as Follows:

(i) Assets/Liabilities as at April 01, 2018	Ind AS 115	Ind AS 18	Increase / (decrease)
Inventories	1,549	1,549	-
Other financial assets	1	1	-
Other Non-current liabilities- Contract liabilities	774	774	-
Current liabilities- Contract liabilities	257	257	-
Net impact on equity			-

(ii) Statement of profit and loss for the year ended March 31, 2019	Ind AS 115	Ind AS 18	Increase / (decrease)
Revenue from operations	-	2,193	(2,193)
Manufacturing, construction and operating expenses	-	1,913	(1,913)
Profit before tax	(1,163)	(883)	(280)
Tax expenses	-	-	-
Profit after tax	(1,163)	(883)	(280)
Basic and Diluted earnings per share (INR)	(11,635)	(8,834)	(2,801)

(iii) Assets/Liabilities as at March 31, 2019	Ind AS 115	Ind AS 18	Increase / (decrease)
Inventories	4,144	2,231	1,913
Other financial assets	1	1	-
Other financial asset - Unbilled revenue	-	106	(106)
Other Non-current liabilities- Contract liabilities	188	188	-
Current liabilities - Contract liabilities	2,656	570	2,086
Net impact on equity	(3,578)	(3,298)	(280)



**Naiknavare Profile Constructions Private Limited**

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019**

(Rs. in Lakhs, unless otherwise stated)

**24 OTHER INCOME**

**Particulars**

Interest income  
Reversal of excess provision  
Scrap sale  
Total

Year Ended March 31, 2019	Year Ended March 31, 2018
8	233
15	-
0	-
24	233

**25 COST OF MATERIAL CONSUMED**

**Particulars**

Inventory of raw materials at the beginning of the year  
Add: Purchases of materials/ labour, overhead incurred during the year  
Less: Inventory of raw materials at the end of the year  
Total

Year Ended March 31, 2019	Year Ended March 31, 2018
-	-
2,595	-
(558)	-
2,037	-

**26 (INCREASE)/ DECREASE OF CONSTRUCTION WORK IN PROGRESS**

Opening construction work in progress  
Less: Closing construction work in progress  
Total

Year Ended March 31, 2019	Year Ended March 31, 2018
1,549	955
(3,586)	(1,549)
(2,037)	-

**27 FINANCE COSTS**

**Particulars**

Interest on borrowing  
Other Finance Cost  
Less : Transfer to Inventory  
Total

Year Ended March 31, 2019	Year Ended March 31, 2018
983	649
33	373
(231)	(126)
785	896

**28 DEPRECIATION AND AMORTIZATION EXPENSE**

**Particulars**

Depreciation  
Total

Year Ended March 31, 2019	Year Ended March 31, 2018
3	8
3	8

**29 OTHER EXPENSES**

**Particulars**

Legal and professional fees  
Rates and taxes  
Travelling and conveyance expenses  
Commission and Brokerage  
Advertisement expenses  
Donation  
Miscellaneous expenses  
Payment to auditors (Refer note below)  
Printing and Stationery  
Reimbursement of administrative expenses  
Less : Transferred to Inventory from other expenses  
Total

Year Ended March 31, 2019	Year Ended March 31, 2018
20	43
12	-
1	-
27	12
215	39
0	-
10	137
7	8
1	-
106	21
-	-6
399	254

**Note : The following is the break-up of Auditors remuneration (exclusive of Goods and Service Tax)**

**Particulars**

As auditor:  
Statutory audit  
Other audit services  
Total

Year Ended March 31, 2019	Year Ended March 31, 2018
6	8
1	-
7	8



**Naiknavare Profile Constructions Private Limited**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019

(Rs. in Lakhs, unless otherwise stated)

**30 INCOME TAX**

**30.1 DEFERRED TAX ASSETS**

Particulars	Deferred tax liabilities/ (assets) As at 31st April 2018	Charge/ (credit) to Statement of Profit and Loss	Charge/ (credit) to OCI	Deferred tax liabilities/ (assets) As at 31st March 2019
Deferred tax asset / (liability), Net #	-	-	-	-

# Unrecognized temporary differences: The Company has not recognized deferred tax asset associated with brought forward tax losses as based on the Management projection of future taxable income and existing plan, it is not probable that such difference will reverse in the foreseeable future.

**30.2 THE RECONCILIATION OF ESTIMATED INCOME TAX EXPENSE AT TAX RATE TO INCOME TAX EXPENSE REPORTED IN STATEMENT OF PROFIT OR LOSS IS AS FOLLOWS:**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit before tax	(1,163)	(925)
Applicable tax rate	26.00%	27.55%
Income tax expense at tax rates applicable	(303)	(255)
Tax effects of:		
Unrecognized deferred tax assets	303	255
Tax expense recognized	-	-



**31 EARNINGS/ (LOSS) PER SHARE**

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2019	March 31, 2018
Earnings / (Loss) attributable to equity holders	(1,163)	(958)
Weighted average number of equity shares for basic / diluted EPS	10,000	10,000
Basic / diluted earnings/ (loss) per share (INR)	(11,635)	(9,584)

**32 CONTINGENT LIABILITY AND COMMITMENTS**

There are no contingent liabilities and capital or other commitments as at the reporting dates.

**33 RELATED PARTY DISCLOSURES**

(A) In accordance with the requirement of Indian accounting Standard (Ind AS)- 24 on "Related Party Disclosures" the names of the related parties where control exists /able to exercise significant influence along with the aggregate transactions/year end balances with them as identified and certified by the management are given below::

**Details of related parties**

Related Parties	Nature of Relationship
Entity related to reporting entity	
Synergy Development Corporation Private Limited	Associate
Naiknavare Developers Private Limited	Entity significantly influenced by person related to KMP

**Key Management Personnel (KMP)**

Mr. Rajesh Madanmohan Choudhary	Directors
Mr. Rajiv Shyamlal Khiani	Directors
Mr. Bhavinkumar Nagraj Jain	Directors
Mr. Anand Hemant Naiknavare	Directors
Mr. Hemant Naiknavare	Relative of KMP
Mr. Ranjit D Naiknavare	Relative of KMP
Mrs. Gauri H Naiknavare	Relative of KMP





**Naiknavare Profile Constructions Private Limited**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2019

(Rs. in Lakhs, unless otherwise stated)

**(B) Details of transactions with related party in the ordinary course of business for the year ended:**

Particulars	March 31, 2019	March 31, 2018
(i) <u>Borrowings</u>		
From Associates		
Synergy Development Corporation Private Limited	-	400
(ii) <u>Joint developer's share in advance from customers</u>		
Synergy Development Corporation Private Limited	1,104	313
Hemant Naiknavare	4	1
(iii) <u>Interest accrued</u>		
Ranjit D Naiknavare	12	10
Gauri H Naiknavare	11	10
(iv) <u>Repayment of Borrowings</u>		
Synergy Development Corporation Private Limited	78	320
(v) <u>Reimbursement of administrative expenses</u>		
Naiknavare Developers Private limited	106	21

**(C) Amount due to/from related party as on:**

Particulars	March 31, 2019	March 31, 2018
Outstanding Loans payable		
Ranjit D Naiknavare	81	70
Gauri H Naiknavare	79	69
Synergy Development Corporation Private Limited	2	80
Payable against JDA		
Synergy Development Corporation Private Limited	1,104	-
Hemant Naiknavare	4	1
Advance against supply of service		
Naiknavare Developers Private limited	174	-
Advance against development rights		
Naiknavare Developers Private limited	1,646	1,669
Balance payable		
Naiknavare Developers Private limited	306	-



**34 SEGMENT REPORTING**

The Company's operations predominantly relate to Real Estate Development Projects. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence, no separate segment information has been furnished herewith.

**35 CATEGORIES OF FINANCIAL INSTRUMENTS****Particulars**

	As at	
	March 31, 2019	March 31, 2018
<b>A) Financial assets</b>		
<i>a) Measured at amortized cost</i>		
<i>Non-Current</i>		
Other financial assets	22	233
<b>Sub-Total</b>	<b>22</b>	<b>233</b>
<i>Current</i>		
(i) Cash and cash equivalents	129	353
(ii) Other financial assets	1	1
<b>Sub-Total</b>	<b>130</b>	<b>354</b>
<i>b) Financial assets measured at fair value through Other Comprehensive Income</i>		
<i>Non-Current</i>		
Investments	172	172
<b>Sub-Total</b>	<b>172</b>	<b>172</b>
<b>Total Financial Assets</b>	<b>325</b>	<b>759</b>

**Particulars**

	As at	
	March 31, 2019	March 31, 2018
<b>B) Financial liabilities</b>		
<i>a) Measured at amortized cost</i>		
<i>Non-Current</i>		
(i) Borrowings	6,443	5,848
(ii) Other financial liabilities	-	-
<b>Sub-Total</b>	<b>6,443</b>	<b>5,848</b>
<i>Current</i>		
(i) Borrowings	173	220
(ii) Trade payables	522	390
(iii) Other financial liabilities	1,404	322
<b>Sub-Total</b>	<b>2,099</b>	<b>932</b>
<b>Total Financial Liabilities</b>	<b>8,542</b>	<b>6,780</b>

**36 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The following methods and assumptions were used to estimate the fair values:

The fair value of other current financial assets, cash and cash equivalents, trade payables, short-term borrowings and other current financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

Non-current financial assets consisting of Fixed deposits are given at market rate. There the fair value of the same is not significantly different from the carrying amount. Non-current investments other than Investments in Associates are carried at Fair Value through OCI.

Non-current borrowing comprises Non-convertible debentures issued fixed rate of interest. The rate of interest approximate the fair market value and therefore the impact of fair value is not considered for above disclosure.

**37 FAIR VALUE HIERARCHY**

The Company has classified its investment in equity shares other than investment in Associate as fair value through other comprehensive income. However, the Company has not carried out fair valuation of these equity shares as at 31st March 2019.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes listed equity instruments, traded bonds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (i.e. derived from prices).

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.



The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

**Fair value measurement hierarchy for assets:**

Particulars	Date of Valuation	Fair Value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>FVOCI financial investments</b> Investment in equity shares is designated as FVTOCI. These have been fair valued using valuation report issued by an independent third party.	31-Mar-18	172	-	-	172

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy as at 31 March 2018 are as shown below:

**Description of significant unobservable inputs to valuation:**

Financial instrument	Valuation technique	Significant unobservable inputs
<b>FVTOCI assets in unquoted equity shares of following:</b> Asian Food Products Ltd Bhupati Marketing Pvt Ltd Dhanush Marketing Pvt Ltd Thakkers Housing Pvt Ltd	Valuation Report issued by an independent third party	Net Asset Value

The Company has classified its investment in equity shares other than investment in Associate as fair value through other comprehensive income. However, the Company has not carried out fair valuation of these equity shares as at 31st March 2019.

**38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

**(A) Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt.

**(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 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 did not have loans outstanding at floating rate of interest. Therefore, it is not exposed to interest rate risk.

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). The Company did not transact in currencies other than functional currency during the year. Therefore, it is not exposed to foreign currency risk.

**(B) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from advances and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.



The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities and fixed deposit.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts as mentioned in Note 9 to 14.

The Company has given advances for purchase of development rights to related parties. The settlement of advances is linked to the completion of the respective underlying projects. Such Financial Assets are not impaired as on the reporting date. Refer Note no. 10

**(C) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>March 31, 2019</b>				
Short term borrowings	173	-	-	173
Long-term borrowings	-	6,443	-	6,443
Trade payables	522	-	-	522
Other financial liability	1,404	-	-	1,404
	<b>2,099</b>	<b>6,443</b>	<b>-</b>	<b>8,542</b>
<b>March 31, 2018</b>				
Short term borrowings	220	-	-	220
Long-term borrowings	-	-	5,848	5,848
Trade payables	390	-	-	390
Other financial liability	322	-	-	322
	<b>932</b>	<b>-</b>	<b>5,848</b>	<b>6,780</b>

**39 CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Non-Convertible Debentures and current borrowing from Related parties of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The company's debt to equity ratio was as follows:

Particulars	March 31, 2019	March 31, 2018
Short-term debt (including current maturities of long-term debt)	173	220
Long-term debt	6,443	5,848
Less: Cash & cash equivalent	(129)	(353)
Total Net debt	<b>6,487</b>	<b>5,715</b>
Total equity	<b>(3,577)</b>	<b>(2,414)</b>
Long-term debt to equity	-1.80	-2.42
Total Net debt to equity	<b>-1.81</b>	<b>-2.37</b>

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 borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current period.

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



**40 JOINT OPERATION IN WHICH GROUP IS A JOINT OPERATOR**

Name of the Project :- Avon Vista	Percentage holding as at March 31, 2019	Percentage holding as at March 31, 2018	Principal Activity
Joint Development Agreement (between Naiknavare Profile Constructions Private Limited and Synergy Development Corporation Private Limited)	67%	67%	Real Estate Development

Company has entered into Joint Development Agreement with Synergy Development Corporation Pvt Ltd (Synergy) wherein Synergy has transferred development rights of the project land to the company for constructing complex containing Residential Flats/Commercial Premises/Shops/Units. In consideration Synergy and other confirming parties are entitled to receive 33% of gross sales proceeds of the said units and the company being developer is entitled to receive 67% of such gross sales proceeds.

The project size is about 6.15 lakhs square feet of saleable area which includes six residential buildings and other amenities and will get constructed in 3 phases.

- 41 For contracts involving the sale of property under development, the Company requires progress payments as a percentage of the selling price to be made as work goes on. Under previous accounting, the Company presented these progress payments made before satisfying the performance obligation as deferred revenue in the Balance Sheet and no interest was accrued on the long-term advances received. For contracts where revenue is recognized at a point in time (i.e., upon completion of the development) and the practical expedient cannot be applied, the Company adjusts the transaction price for the effects of the significant financing component by discounting it using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception. However, the Company has concluded that the impact from this adjustment is immaterial to the financial statements of both the current and prior years. Hence, the requirement to identify and account for the significant financing component in a contract under Ind AS 115 did not have material impact on the financial statements upon transition. Therefore, no adjustments have been made.

**42 Information on associates**

Name of entity	Country of Incorporation	Percentage of Holding
Synergy Development Corporation Private Limited	India	25%

- 43 Previous year figures have been regrouped / reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date  
For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No.: 105047W

Anup Mundhra  
Partner  
Membership No.: 061083  
Place: Pune  
Date: May 30, 2019



For and on behalf of the Board of Directors  
Naiknavare Profile Constructions Private Limited  
CIN: U45309PN2017PTC173686

Rajesh Choudhary  
Director  
DIN: 00313080  
Place: Pune  
Date: May 30, 2019



(Signature)

Anand Naiknavare  
Director and Chief Finance Officer  
DIN: 07948372  
Place: Pune  
Date: May 30, 2019