T. P. Ostwal & Associates LLP
CHARTERED ACCOUNTANTS
Suite#1306-1307, 13th Floor, Lodha Supremus, Senapati Bapat Marg, Lower Parel, Mumbai 400 013
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# Independent Auditors' Report

To,
The Members,
**HL Promoters Private Limited**

## Report on the Financial Statements

1. We have audited the accompanying Ind AS financial statements of HL Promoters Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder under Section 143(11) of the Act. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

T.P. OSTWAL & ASSOCIATES LLP MUMBAI C.A.

## Opinion

6. In our opinion and to the best of our information and according to the explanations given to us. the Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally acceptable in India including the Ind AS:
   i) in the case of the Financial Position of the state of affairs of the Company as at 31st March. 2018;
   ii) in the case of the Financial Performance including other comprehensive income for the year ended on that date;
   iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date: and
   iv) in the case of Statement of Changes in Equity, the changes in equity for the year ended on that date.

## Emphasis of Matters

7. We draw attention to the following matters in the Notes to the Ind AS financial statements: -

   Note 36 in the Ind AS financial statements which indicate that the Company has accumulated losses and its Net worth has been fully eroded. Although the Company has incurred cash losses during the year, the Company is confident of its continuance in the years to come on account of the promoters support. The Ind AS financial statements are prepared under going concern assumption though there are accumulated losses.

   Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

8. As required by section 143(3) of the Act, we report that:
   a) we have 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e) the going concern matter under the Emphasis of Matters paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.
   f) on the basis of the written representations received from the directors of the Company, taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2018 for 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A , and
   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 :
      i. The Company has no pending litigations which has an impact on its financial position.

T.P. OSTWAL & ASSOCIATES LLP MUMBAI C.A.

ii. The Company did not have any long-term contracts including derivatives 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.

9. As required by the Companies (Auditor's Report) Order, 2016, ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in the paragraph 3 and 4 of the order.

**For T.P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

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**Anil A. Mehta**
(Partner)
Membership No. 30529

Place: Mumbai
Date: 03 MAY 2018

**Annexure - A to the Independent Auditors' Report – 31st March, 2018**

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

We have audited the internal financial controls over financial reporting of HL Promoters Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets. the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

T. P. OSTWAL & ASSOCIATES LLP * C.A. *

Anil A. Mehta
(Partner)
Membership No:30529

Place: Mumbai
Date 0 3 MAY 2018

**Annexure - B to the Independent Auditors' Report – 31st March, 2018**

With reference to the Annexure referred to in paragraph 9 of the Independent Auditors' Report of HL Promoters Private Limited on the Ind AS financial statements for the year ended on 31st March, 2018, we report the following:

i) In respect of fixed assets:

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

(b) The fixed assets were physically verified during the year by the management. According to the information and explanation given to us, no material discrepancies are noticed on such verification.

(c) The Company does not have any immovable property.

ii) According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals, and no material discrepancies were noticed in such physical verification.

iii) According to the information and explanations given to us, the Company has not granted any loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013.

iv) According to the information and explanations given to us, the Company does not have any loans, investments, guarantees and securities.

v) The Company has not accepted any deposits from the public.

vi) According to the information and explanations given to us, maintenance of cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the company.

vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, value added tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, duty of excise and duty of customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, value added tax, service tax, cess and other material statutory dues were in arrears, as at 31st March, 2018, for a period of more than six months from the date they became payable.

(b) There is no statutory dues payable on account of any dispute.

viii) The Company does not have any loans or borrowings from any financial institutions or Government and has not issued any debentures during the financial year under audit.

ix) The Company has not raised any funds by way of an initial public offer or a further public offer (including debt instruments) and has applied monies raised through term loans for the purpose for which it was raised.

x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the financial year under audit.

xi) According to the information and explanations given to us, the Company has not paid any managerial remuneration during the financial year under audit.

xii) According to information and explanations given to us the Company is not a Nidhi Company.

T.P. OSTWAL & ASSOCIATES LLP MUMBAI C.A.

xiii) According to information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under audit.

xv) According to the information and explanations given to us to the best of our knowledge the company has not entered into any non-cash transactions with directors or persons connected with him.

xvi) The Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

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Suite # 1306-1307
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Lower Parel,
MUMBAI - 13.
★ C.A. ★

Anil A. Mehta

**Anil A. Mehta**
(Partner)
Membership No:30529

Place: Mumbai
Date: 0 3 MAY 2018

HL PROMOTERS PRIVATE LIMITED

BALANCE SHEET AS AT 31 MARCH, 2018

(₹ in lacs)

| Particulars | Note No | As at 31 March, 2018 | As at 31 March, 2017 |
|---|---|---|---|
| **Assets** | | | |
| **1. Non-current assets** | | | |
| (a) Property, plant and equipment | 3 | 3.74 | 5.27 |
| (b) Financial assets | | | |
| (i) Other financial assets | 4 | 386.65 | 204.34 |
| (c) Deferred tax assets (net) | 5 | 619.66 | 512.00 |
| (d) Income tax asset | 6 | 44.33 | 46.07 |
| **Total non-current assets** | | **1,054.38** | **767.68** |
| **2. Current assets** | | | |
| (a) Inventories | 7 | 23,340.38 | 20,160.18 |
| (b) Financial assets | | | |
| (i) Trade receivables | 8 | 185.05 | 629.38 |
| (ii) Cash and cash equivalents | 9 | 59.90 | 176.06 |
| (iii) Other financial assets | 10 | 982.10 | 342.90 |
| (c) Other current assets | 11 | 1,518.32 | 977.46 |
| **Total current assets** | | **26,094.75** | **22,285.98** |
| **Total Assets** | | **27,149.13** | **23,053.66** |
| **Equity and Liabilities** | | | |
| **1. Equity** | | | |
| (a) Equity Share Capital | 12 | 800.00 | 800.00 |
| (b) Other equity | 13 | (1,773.96) | (1,482.35) |
| **Total equity** | | **(973.96)** | **(682.35)** |
| **2. Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Other financial liabilities | 14 | 186.32 | - |
| (a) Provisions | 15 | 9.04 | 10.68 |
| **Total non-current liabilities** | | 195.36 | 10.68 |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | 14,431.91 | 10,656.73 |
| (ii) Trade payables | 17 | 9,521.15 | 9,354.96 |
| (iii) Other financial liabilities | 18 | 1,694.93 | 1,044.46 |
| (b) Provisions | 19 | 2.72 | 4.08 |
| (d) Other current liabilities | 20 | 2,277.02 | 2,665.60 |
| **Total current liabilities** | | 27,927.73 | 23,725.33 |
| **Total liabilities** | | **28,123.09** | **23,736.01** |
| **Total Equity and Liabilities** | | **27,149.13** | **23,053.66** |
| ***See accompanying notes to the financial statements*** | **1 - 41** | | |

In terms of our report attached

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

Anil A. Mehta

**Anil A. Mehta**
Partner
Membership No: 30529

Place:
Date: 0 3 MAY 2019

T.P. OSTWAL & ASSOCIATES LLP
Suite # 1306-1307
13th Floor, Lodha Supremus,
Opp. Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel,
MUMBAI - 13
C.A.

**For and on behalf of the Board of Directors**

Atul Narang

**Director**

**Director**

Place:
Date:

HE PROMOTERS PRIVATE LIMITED

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

(₹ in Lacs)

| Particulars | Note No | Year ended 31 March, 2018 | Year ended 31 March, 2017 |
|---|---|---|---|
| Revenue from operations | 21 | 1,889.06 | 1,700.78 |
| Other income | 22 | 34.81 | 6.56 |
| **Total Income** | | **1,923.87** | **1,707.34** |
| **Expenses** | | | |
| Cost of sales | 23 | 2,039.49 | 2,245.62 |
| Employee benefit expense | 24 | 85.90 | 101.06 |
| Finance costs | 25 | 0.50 | 1.92 |
| Depreciation and amortisation expense | 3 | 2.45 | 3.91 |
| Other expenses | 26 | 192.97 | 337.30 |
| **Total expenses** | | **2,321.31** | **2,689.81** |
| **Profit / (Loss) before tax** | | **(397.44)** | **(982.47)** |
| **Tax expense** | | | |
| -Deferred tax | 5 | (107.18) | (177.67) |
| **Total tax expense** | | **(107.18)** | **(177.67)** |
| **Profit / (Loss) for the year** | | **(290.26)** | **(804.80)** |
| **Other comprehensive income** | | | |
| -Items that will not be reclassified to profit and loss<br>Remeasurements of post-employment benefit obligations | | **1.83** | **(0.98)** |
| -Income tax relating to items that will not be reclassified to profit and loss | 5 | **(0.48)** | **0.25** |
| **Other comprehensive income / (loss) for the year, net of tax** | | **1.35** | **(0.73)** |
| **Total comprehensive income / (loss) for the year** | | **(291.61)** | **(804.07)** |
| **Earnings per equity share** | | | |
| Basic earnings per share | | (3.63) | (10.06) |
| Diluted earnings per share | | (3.63) | (10.06) |
| **See accompanying notes to the financial statements** | **1 - 41** | | |

In terms of our report attached

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

**Anil A. Mehta**
Partner
Membership No: 30529

Place:
Date: 0 3 MAY 2018

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C.A.

**For and on behalf of the Board of Directors**

**Director**

**Director**

HL PROMOTERS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(₹ In Lacs)

| Particulars | Note No | For the year ended 31 March, 2018 | For the year ended 31 March, 2017 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the year | | (290.26) | (804.80) |
| Adjustments for : | | | |
| Tax expense recognised in profit or loss | | (107.18) | (177.67) |
| Finance costs | | 0.50 | 1.92 |
| Interest income | | (10.72) | (5.58) |
| Depreciation expense | | 2.45 | 3.91 |
| Remeasurements of post-employment benefit obligations | | (1.83) | 0.98 |
| **Operating profit before working capital changes** | | **(407.04)** | **(981.22)** |
| Changes in working capital: | | | |
| **Adjustment for (increase)/decrease in operating assets:** | | | |
| Inventories | | (3,185.20) | (3,412.71) |
| Trade receivables | | 444.33 | (564.14) |
| Other current financial assets | | (639.10) | 285.83 |
| Other current assets | | (540.66) | 157.76 |
| Other non-current financial assets | | (182.31) | (203.34) |
| **Adjustment for increase/(decrease) in operating liabilities:** | | | |
| Trade payables | | 165.19 | (621.87) |
| Other current financial liabilities | | 650.47 | 350.58 |
| Current provisions | | (1.36) | 1.80 |
| Other current liabilities | | (388.58) | 2,231.27 |
| Other non-current financial liabilities | | 186.32 | - |
| Non-current provisions | | (1.64) | 6.94 |
| **Cash generated from operations** | | **(3,902.78)** | **(2,749.10)** |
| Income tax paid | | 1.74 | (32.89) |
| **Net cash generated by operating activities (a)** | | **(3,901.04)** | **(2,781.99)** |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | (0.92) | (1.08) |
| Bank balances not considered as cash and cash equivalents | | | |
| - Placed | | - | - |
| Interest received | | 10.62 | 5.47 |
| **Net cash used in investing activities (b)** | | **9.70** | **4.39** |
| **Cash flows from financing activities** | | | |
| Proceeds from non current financial borrowings | | - | - |
| Proceeds from current financial borrowings | | 3,775.68 | 2,900.73 |
| Finance costs | | (0.50) | (1.92) |
| **Net cash used in financing activities (c)** | | **3,775.18** | **2,898.81** |
| **Net decrease in cash and cash equivalents (a+b+c)** | | **(116.16)** | **121.21** |
| Cash and cash equivalents at the beginning of the year | 9 | 176.06 | 54.85 |
| **Cash and cash equivalents at the end of the year** | 9 | **59.90** | **176.06** |
| **See accompanying notes to the financial statements** | 1 - 41 | | |

In terms of our report attached

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

Anil A. Mehta

**Anil A. Mehta**
Partner
Membership No: 30529

Place:
Date: 03 MAY 2018

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C.A.

**For and on behalf of the Board of Directors**

Atul Nalawade

**Director**

**Director**

HL PROMOTERS PRIVATE LIMITED

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

**a. Equity share capital**

(₹ in Lacs)

| Particulars | Amount |
|---|---|
| **Balance as at 31 March 2017** | **800.00** |
| Changes in equity share capital during the year | - |
| **Balance as at 31 March 2018** | **800.00** |

**b. Other equity**

(₹ in Lacs)

| Particulars | Reserves and surplus | Total equity |
|---|---|---|
| | Retained Earnings | |
| **Balance as at 31 March 2017** | **(1,481.74)** | **(1,481.74)** |
| Loss for the year | (290.26) | (290.26) |
| Other comprehensive income | (1.35) | (1.35) |
| **Total comprehensive income for the year** | **(291.61)** | **(291.61)** |
| **Balance as at 31 March 2018** | **(1,773.35)** | **(1,773.35)** |

**See accompanying notes to the financial statements** **1 - 41**

In terms of our report attached

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

**Anil A. Mehta**
Partner
Membership No: 30529

Place:
Date: 03 MAY 2018

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Lower Parel,
MUMBAI-13.
C.A.

**For and on behalf of the Board of Directors**

**Director** **Director**

**Note – 1 Corporate Information**

HL Promoters Private Limited [CIN: U45200DL2013PTC254832] ("the Company") is a limited by shares, incorporated and domiciled in India. The company incorporated on 3rd July, 2013, is a 51% subsidiary of HLT Residency Private Limited (a 100% subsidiary of Tata Value Homes Limited).

**2 significant accounting policies**

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

a. Basis of Preparation

i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii. Historical cost convention

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

- Certain financial assets and liabilities
- defined benefit plans - plan assets measured at fair value,

b. Segment Reporting

The Company operates only in one Business Segment i.e. business of development of property and related activities within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

c. Foreign Currency Transactions

i. Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the company.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through statement of profit or loss are recognised in statement of profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

d. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are net of cancellations, value added taxes, service tax and amount collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the activities described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**i. Revenue for real estate development**

Revenue from real estate developmental projects under development is recognised based on 'Percentage Completion Method'. The Percentage Completion Method is applied when the stage of completion of the project reaches a reasonable level of development. Revenue is recognized, in relation to the project area sold. For computation of revenue, the stage of completion is arrived at with reference to the entire project costs incurred including cost of land / cost of development rights, construction and development cost, overheads related to project under construction and borrowing costs as compared to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.

The threshold for 'reasonable level of development' is considered to have been met when the criteria specified in the Guidance Note on Accounting for Real Estate Transactions (Ind AS compliant companies) issued by the Institute of Chartered Accountants of India are satisfied, i.e., when:

1. All critical approvals necessary for commencement of the project have been obtained.

2. The expenditure incurred on construction and development costs is not less than 25 % of the construction and development costs.

3. At least 25% of the saleable project area is secured by contracts or agreements with buyers.

4. At least 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

e. Other income

**i. Interest income**

Interest income from financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit loss.

**ii. Dividend income**

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

f. Cost of sales

Project Cost which includes cost of land and cost of development rights, construction and development costs, borrowing costs incurred are charged as cost of sales in proportion to the project area sold. Costs incurred for projects which have not achieved reasonable level of development is carried over as construction work-in-progress. Any expected loss on real estate projects is recognised as an expense when it is certain that the cost will exceed the revenue.

g. Income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws. The current tax is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred 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 the accounting profit nor taxable profit or loss. Deferred tax is determined using tax laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or deferred tax liability is settled.

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

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

Current tax and deferred tax are recognised in profit or loss, except when they relate to Items that are recognised in other comprehensive income or directly in equity. In this case, current tax and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to the future current tax liability, is considered as an asset if there is reasonable certainty of it being set off against regular tax payable within the stipulated statutory period. MAT credit is reviewed at each balance sheet date and the carrying amount of MAT credit is written down to the extent there is no longer reasonable certainty to the effect that the Company will pay regular tax during such specified period.

h. Leases – as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i. Impairment of tangible and intangible assets other than goodwill

The carrying amounts of tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indications exists, the recover able amount of the asset is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised in profit and loss wherever the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount factor. When there is an indication that an impairment loss recognised for the asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in profit and loss.

j. Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

k. Unbilled revenue

Unbilled revenue represents excess of revenue recognised on 'Percentage of Completion Method' over actual bills raised. Unbilled revenue is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

l. Inventories

Inventories comprises of cost of construction material, finished residential or commercial properties and costs of projects under construction/development (construction work-in-progress). Inventories are valued at the lower of cost and net realisable value. The cost of construction material is determined on a weighted average basis.

Cost of project includes, cost of land / cost of development rights, construction and development cost, overheads related to project and justifiable borrowing costs which are incurred directly in relation to a project or which are apportioned to a project.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

m. Investments and other financial assets

i. Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election ( on an instrument-by-instrument basis) at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

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At initial recognition, the company measures a financial asset 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. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- **Amortised 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 amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVTOCI):** 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 (FVTOCI). 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 recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised 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 (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Equity instruments at FVTOCI

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss on disposal. Dividend from such investments are recognised in profit or loss as other income when the right to receive payment is established.

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Equity instruments at FVTPL

Investment in equity instruments are classified as at FVTPL, unless the company irrevocably elect on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

iii. Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost, FVTOCI debt instruments, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note XX details how the company determines whether there has been a significant increase in credit risk.

iv. Derecognition of financial assets

A financial asset is derecognised only when
- The company has transferred the rights to receive cash flows from the financial asset or
- 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 entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

n. Financial liabilities and equity instruments

i. Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial

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liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

ii. Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

iii. Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**Financial liabilities at FVTPL:** Financial liabilities are classified at FVPTL when the financial liability is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that are attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

**Financial liabilities subsequently measured at amortised costs:** Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of cost of an assets is recognised in profit or loss.

**Financial guarantee contracts:**

**Derecognition of financial liabilities**: The entity derecognizes financial liabilities when, and only when the entity's obligation are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

o. Financial guarantee contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.
Financial guarantee contracts issued by the company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

p. Offsetting financial instruments

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

q. Property, plant and equipment

r. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses including the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located and borrowing costs attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use. Depreciation methods, estimated useful lives and residual value

Depreciation is provided using the written down value method using the useful life as follows:

| Assets | Useful life |
|---|---|
| Office Equipments | 5 years |
| Computers | 3 years |
| Furniture and Fixtures | 10 years |

In respect of cellular phones whose estimated useful life is assessed as 2.5 years based on technical advice, taking into consideration, the nature of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjust if appropriate, at the end of each reporting period.
Leasehold improvements are amortised over the period of lease.
The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.
Any gains or losses arising on the disposals or retirement of an item of property, plant and equipment is determined as difference between the sales proceeds and the carrying amount of the asset ad is recognised in profit or loss.

s. Intangible assets

Costs associated with maintaining software programs are recognised as an expense as incurred.
Computer software purchased is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowing costs attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

*Amortisation methods and periods*

The company amortises cost of software over a period of 3 years on a straight-line basis.

t. Borrowing costs

Borrowing costs include interest, other costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying construction project / assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying construction project / assets upto the date of substantial completion of project / capitalisation of such asset are added to the cost of construction project / assets. Capitalisation of borrowing costs is suspended and charged to profit and loss during extended periods when active development activity on the qualifying construction project / assets is interrupted. A qualifying construction project / asset is an asset that necessarily takes 12 months or more to get ready for its intended use or sale and includes the real estate properties developed by the Company. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying construction project / assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

u. Provisions

Provisions are recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

v. Employee benefits

*i. Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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*ii. Other Long-term employee benefit obligations*

The Company's obligation towards other long term employee benefits in the form of compensated absences and long service awards are measured at the present value of the expected future payments to be made by the Company in respect of services provided by employee upto the reporting date.

*iii. Post-employment obligations*

The company operates the following post-employment schemes:

(a) defined benefit plan

The Company's obligation towards gratuity to employees, post-retirement medical benefits and ex-directors pension obligations is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan asset, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in the retained earnings and not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised as employee benefit expense in profit and loss.

(b) Defined contribution plan

The Company's contributions to Provident fund, Superannuation Fund and employee's state insurance scheme are considered as defined contribution plans. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

w. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

x. Earnings per share

*i. Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

*ii. Diluted earnings per share*

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Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

y. Cash flow statement

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

z. Operating cycle

All assets and liabilities have been classified as current or non-current based on operating cycle determined in accordance with the guidance as set out in the Schedule III to the Companies Act, 2013.

aa. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

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## Note 3: Property, plant and equipment

(₹ in Lacs)

| | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **Carrying amounts of :** | | |
| Office Equipment | 0.52 | 1.79 |
| Computers | 1.50 | 1.65 |
| Furniture and Fixtures | 1.72 | 2.33 |
| Motor Vehicles | - | - |
| | **3.74** | **5.27** |

| | Office Equipment | Computers | Furniture and Fixtures | Total |
|---|---|---|---|---|
| **Balance as at 31 March 2017** | **8.37** | **5.50** | **4.01** | **17.88** |
| Additions | 0.22 | 0.70 | - | **0.92** |
| Disposals | - | - | - | - |
| **Balance as at 31 March 2018** | **8.59** | **6.20** | **4.01** | **18.80** |
| **Accumulated depreciation** | | | | |
| **Balance as at 31 March 2017** | **7.08** | **3.85** | **1.68** | **12.61** |
| Depreciation charge during the year | 0.99 | 0.85 | 0.61 | **2.45** |
| Disposals | - | - | - | - |
| **Balance as at 31 March 2018** | **8.07** | **4.70** | **2.29** | **15.06** |
| **Closing net carrying amount** | | | | |
| **Balance as at 31 March 2017** | **1.29** | **1.65** | **2.33** | **5.27** |
| Additions | 0.22 | 0.70 | - | **0.92** |
| Disposals | - | - | - | - |
| Depreciation expense | 0.99 | 0.85 | 0.61 | **2.45** |
| **Balance as at 31 March 2018** | **0.52** | **1.50** | **1.72** | **3.74** |

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NOTES TO THE FINANCIAL STATEMENTS

**Note 4: Other financial assets - Non current**

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Balance with bank | | |
| In deposit accounts (Refer note 4.1) | 1.00 | 1.00 |
| Security Deposits | - | - |
| Unbilled Revenue | 385.65 | 203.34 |
| - Deposit with government authorities | - | - |
| - Deposit with others | - | - |
| Total | 386.65 | 204.34 |

4.1 (a) The fixed deposits are under lien against VAT authorities and Company for operations.

(b) Balances with banks include deposits which have a maturity of from the Balance Sheet date. 1.00 1.00

**Note 5: Deferred tax asset (Net)** (₹ in Lacs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Deferred tax assets | 619.66 | 512.00 |
| Total | 619.66 | 512.00 |

| 2017-18 | Opening Balance | Recognised in profit or loss | Recognised in other comprehensive income | Closing Balance |
|---|---|---|---|---|
| **Deferred tax assets in relation to:** | | | | |
| Property, plant and equipment | 0.95 | 0.18 | - | 1.13 |
| Defined benefit obligation | 3.16 | (0.61) | 0.48 | 3.03 |
| brought forward business losses | 490.53 | 106.92 | - | 597.45 |
| Deferred Revenue | 17.36 | 0.69 | - | 18.05 |
| | 512.00 | 107.18 | 0.48 | 619.66 |

| 2016-17 | Opening Balance | Recognised in profit or loss | Recognised in other comprehensive income | Closing Balance |
|---|---|---|---|---|
| **Deferred tax assets in relation to:** | | | | |
| Property, plant and equipment | 0.72 | 0.23 | - | 0.95 |
| Defined benefit obligation | 1.75 | 1.66 | (0.25) | 3.16 |
| brought forward business losses | 331.00 | 159.53 | - | 490.53 |
| Deferred Revenue | 1.11 | 16.25 | - | 17.36 |
| | 334.58 | 177.67 | (0.25) | 512.00 |

**Note 6: Income tax asset** (₹ in Lacs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Advance income tax (net) | 44.33 | 46.07 |
| Total | 44.33 | 46.07 |

**Note 7: Inventories** (₹ in Lacs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Construction material | 211.16 | 446.79 |
| Construction work-in-progress | 23,138.22 | 19,713.39 |
| Total | 23,349.38 | 20,160.18 |

**Note 8: Trade receivables** (₹ in Lacs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Trade Receivables | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 185.05 | 629.38 |
| Doubtful | - | - |
| Less: Allowance for doubtful debts | - | - |
| Total | 185.05 | 629.38 |

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NOTES TO THE FINANCIAL STATEMENTS

**Note 9: Cash and cash equivalents** (₹ in Lacs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Balances with banks | | |
| In current accounts | 59.90 | 176.06 |
| Deposit with maturity of less than 3 months | | |
| Cash on hand | - | - |
| **Total** | **59.90** | **176.06** |
| Cash and cash equivalent as per statement of cash flow | **59.90** | **176.06** |

**Note 10: Other financial assets - current** (₹ in Lacs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Deposit with others | 13.87 | 1.80 |
| Interest accrued on deposits | 0.26 | 0.16 |
| Unbilled revenue | 967.97 | 340.94 |
| **Total** | **982.10** | **342.90** |

**Note 11: Other current assets** (₹ in Lacs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Deposit with Government authorities | - | 3.97 |
| Balances with government authorities | 864.28 | 418.68 |
| Mobilisation advance | 105.06 | 275.36 |
| Advance for projects | 549.11 | 279.13 |
| Less: Provision for doubtful loans and advances | (6.00) | - |
| | 543.11 | 279.13 |
| Prepaid expenses | 5.87 | 0.32 |
| **Total** | **1,518.32** | **977.46** |

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 12: Share capital

Authorised/Issued/Subscribed and Paid-up

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | Number of shares | (₹ in Lacs) | Number of shares | (₹ in Lacs) |
| **Authorised**<br>Equity shares of ₹ 10/- each | 1,00,00,000 | 1,000 | 1,00,00,000 | 1,000 |
| **Issued, Subscribed and paid-up**<br>Equity shares of ₹ 10/- each fully paid-up | 80,00,000 | 800 | 80,00,000 | 800 |
| | **80,00,000** | **800** | **80,00,000** | **800** |

**12.1 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:**

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | Number of shares | (₹ in Lacs) | Number of shares | (₹ in Lacs) |
| Shares outstanding at the beginning of the year | 80,00,000 | 800.00 | 80,00,000 | 800.00 |
| Shares issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| **Shares outstanding at the end of the year** | **80,00,000** | **800.00** | **80,00,000** | **800.00** |

| Name of shareholder | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| HLT Residency Private Limited | 40,80,000 | 51 | 40,80,000 | 51 |

**12.2 Details of equity shares held by shareholders holding more than 5% of equity shares in the Company:**

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| HLT Residency Private Limited | 40,80,000 | 51 | 40,80,000 | 51 |
| SAS Realtech LLP | 39,20,000 | 49 | 39,20,000 | 49 |

**12.3 Details of shares issued otherwise than for cash/bonus shares/shares bought back during the immediately preceding 5 years - None**

**12.4 Rights, preference and restriction attached to shares**

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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**HL PROMOTERS PRIVATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Note 13: Other equity** (₹ in Lacs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Retained earnings | (1,773.96) | (1,482.35) |
| **Total** | **(1,773.96)** | **(1,482.35)** |

(i) Retained earnings (₹ in Lacs)

| **Particulars** | **As at 31 March 2018** | **As at 31 March 2017** |
|---|---|---|
| Balance at the beginning of the year | (1,482.35) | (578.28) |
| Net profit for the year | (290.26) | (904.80) |
| Items of other comprehensive income recognised directly in retained earnings: | - | - |
| Remeasurements of post-employment benefit obligation, net of tax | (1.35) | 0.73 |
| Total | **(1,773.96)** | **(1,482.35)** |

**Note 14: Other financial liabilities - non current** (₹ in Lacs)

| **Particulars** | **As at 31 March, 2018** | **As at 31 March, 2017** |
|---|---|---|
| Retention money payable | 186.32 | - |
| **Total** | **186.32** | - |

**Note 15: Provision non current** (₹ in Lacs)

| **Particulars** | **As at 31 March 2018** | **As at 31 March 2017** |
|---|---|---|
| **Provision for employee benefits:** | | |
| - Provision for compensated absences | 8.27 | 8.42 |
| - Provision for long service award | 0.77 | 2.26 |
| Total | **9.04** | **10.68** |

**Note 16: Borrowings - current** (₹ in Lacs)

| **Particulars** | **As at 31 March 2018** | **As at 31 March 2017** |
|---|---|---|
| **Secured - at amortised cost** | | |
| Loans repayable on demand | | |
| -from bank (Refer note 16.1) | 4,952.35 | 4,267.67 |
| **Unsecured** | | |
| **Loans and Advances from related parties** | | |
| HLT Residency Private Limited | 8,181.36 | 5,090.36 |
| SAS Realtech LLP | 1,298.20 | 1,298.20 |
| **Total** | **14,431.91** | **10,656.23** |

**16.1** The cash-credit facility is secured by hypothecation of stocks and receivable of the Company and also by RM/EM of land bearing khewat/khatoni no. 5/5, 19/22, 20/23, 3/3, 21/24 in Sector 37 situated at Village Nuna Majra, Tehsil Bahadurgarh, District Jhajjar, Haryana.

**Note 17: Trade payables - current** (₹ in Lacs)

| **Particulars** | **As at 31 March 2018** | **As at 31 March 2017** |
|---|---|---|
| Trade payables - other than acceptances (see note below) | 9,521.15 | 9,354.96 |
| Total | **9,521.15** | **9,354.96** |

**Note:**
Based on the information available with the Company, the balance due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is Rs. Nil (31 March, 2017: Rs. Nil) and no interest has been paid or is payable during the year under the terms of the MSMED Act, 2006. The information provided by the Company has been relied upon by the auditors.

**Note 18: Other financial liabilities - current** (₹ in Lacs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Retention money payable | 46.68 | 175.47 |
| Security deposits received | 5.40 | - |
| Interest accrued but not due on borrowings | 1,642.85 | 868.99 |
| Total | **1,694.93** | **1,044.46** |

**Note 19: Provisions-current** (₹ in Lacs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **Provision for employee benefits** | | |
| - Provision for compensated absences | 2.63 | 1.62 |
| - Provision for gratuity (Refer note 33) | 0.09 | 2.46 |
| Total | **2.72** | **4.08** |

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**Note 20: Other current liabilities** (₹ in Lacs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Income received in advance (unearned revenue) | 2,166.29 | 2,495.73 |
| Statutory dues (contribution to PF, Withholding tax, Service Tax, etc.) | 110.73 | 169.87 |
| Total | 2,277.02 | 2,665.60 |

**Note 21: Revenue from operations** (₹ in Lacs)

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|---|---|
| Sale of properties | 2,479.59 | 2,226.76 |
| Less: JV Share | (626.43) | (565.76) |
| | 1,853.16 | 1,661.00 |
| Other operating revenues | | |
| - Other income from customers | 35.90 | 39.78 |
| Total | 1,889.06 | 1,700.78 |

**Note 22: Other income** (₹ in Lacs)

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|---|---|
| Interest on | | |
| - Deferred revenue | 24.09 | 0.80 |
| - Fixed deposits from bank | 0.10 | 0.09 |
| - Delayed payment charges | 9.65 | 5.47 |
| - Income-tax Refund | 0.97 | - |
| Miscellaneous Income | - | 0.20 |
| Total | 34.81 | 6.56 |

**Note 23: Cost of sales** (₹ in Lacs)

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|---|---|
| Cost of sales | 2,039.49 | 2,245.62 |
| Total | 2,039.49 | 2,245.62 |

**Note 24: Employee Benefits Expense** (₹ in Lacs)

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|---|---|
| Salaries and Bonus etc. | 82.99 | 95.53 |
| Contribution to Provident and Other Funds | 2.58 | 5.17 |
| Staff Welfare Expenses | 0.33 | 0.36 |
| Total | 85.90 | 101.06 |

**Note 25: Finance costs** (₹ in Lacs)

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|---|---|
| **Interest expense on borrowings:** | | |
| - Borrowings | 936.24 | 825.70 |
| - on fixed Loans | 415.79 | 64.76 |
| -Interest expense on others | - | 310.49 |
| | 1,352.03 | 1,200.95 |
| **Other borrowing costs:** | | |
| - Other ancillary costs | 0.50 | 1.92 |
| Total Finance cost | 1,352.53 | 1,202.87 |
| Less: Apportionment to construction work-in-progress | (1,352.03) | (1,200.95) |
| Total | 0.50 | 1.92 |

**Note 26: Other expenses** (₹ in Lacs)

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|---|---|
| Professional fees | 1.51 | 0.59 |
| Rates and Taxes | 0.42 | - |
| Insurance | 1.58 | 1.92 |
| Selling expenses | 163.19 | 257.12 |
| Payments to auditors (Refer Note (i) below) | 1.55 | 1.66 |
| Directors Fees | 0.10 | 0.20 |
| Miscellaneous expenses | 18.62 | 45.81 |
| Provision for advances | 6.00 | - |
| Total | 192.97 | 337.30 |

**Note:**

| | | |
|---|---|---|
| (i) Payments to the auditors comprise (net of service tax input credit): | | |
| To statutory auditors | | |
| For audit | 0.85 | 0.85 |
| In Other Capacity | 0.70 | 0.80 |
| Service Tax | - | 0.01 |
| Total | 1.55 | 1.66 |

## Note 27: Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Finance department that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Finance department activities are designed to:
- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
  protect the Company's financial investments, while maximising returns

### A) Management of liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting year:

(₹ in Lacs)

| | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Bank OD/CC | 47.65 | - |

The bank overdraft facilities may be drawn at any time.

(ii) Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance sheet date:

(₹ in Lacs)

| As at 31 March 2018 | Less than 1 year | 1-3 Years | 3-5 Years | Total |
|---|---|---|---|---|
| Borrowings | 14,431.91 | - | - | 14,431.91 |
| Interest on borrowings | 1,642.85 | - | - | 1,642.85 |
| Trade payables | 9,521.15 | - | - | 9,521.15 |
| Other financial liabilities | 52.08 | 186.32 | - | 238.40 |

(₹ in Lacs)

| As at 31 March 2017 | Less than 1 year | 1-3 Years | 3-5 Years | Total |
|---|---|---|---|---|
| Borrowings | 10,656.23 | - | - | 10,656.23 |
| Interest on Borrowings | 868.99 | - | - | 868.99 |
| Trade payables | 9,354.96 | - | - | 9,354.96 |
| Other financial liabilities | 175.47 | - | - | 175.47 |

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**B) Management of market risk**

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- interest rate risk
- commodity price risk
- currency risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below:

| POTENTIAL IMPACT OF RISK | MANAGEMENT POLICY | SENSITIVITY TO RISK |
|---|---|---|
| **(i) Interest rate risk** | | |
| Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.<br>The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these investments.<br><br>The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.<br><br>As at March 31, 2018, the exposure to interest rate risk due to borrowings amounted to Rs. 10,656.23 lacs (March 31, 2017: Rs. 10,656.23 lacs) | The Company's strategy is to mitigate interest rate risk by ensuring that a minimum of 85% of its total borrowing is at fixed interest rates, by taking out fixed rate loans.<br><br>The Company's interest rate risk is monitored by the management and treasury team on a monthly basis. Management analyses the Company's interest rate exposure on a dynamic basis. Various scenarios are simulated, taking into consideration refinancing, renewal of existing positions and alternative financing sources. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions. The simulation is done on a monthly basis to verify that the maximum potential loss is within the limits set by management. | As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 0.25% change in interest rates. A 0.25% increase in interest rates would have led to an approximate reduction in profit of Rs. 26.64 lacs gain. A 0.25% decrease in interest rates would have led to an equal but opposite effect |

**C) Management of credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.
The group is exposed to credit risk from Loans and Inter corporate deposits, deposits with banks and financial institutions, as well as credit exposure to customers with deferred payment terms.
Trade receivables
Credit risks related to receivables resulting from the sale of inventory property is managed by requiring customers to pay the dues before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
Other financial assets
Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparties. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's top management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure

**Note 28: Capital Management**

The Company considers that capital includes net debt and equity attributable to the equity holders.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy credit ratios in order to support its business and maximise shareholders value.

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

The Company monitors capital using a gearing ratio which is total capital divided by Net debt. The Company includes within Net debt, interest bearing loans and borrowings, loan from venture partners, trade and other payables, less cash and cash equivalents excluding discontinued operations.

The gearing ratios were as follows:

(₹ in Lacs)

| | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Short-term borrowings (Note 17) | 14,431.91 | 10,656.23 |
| Cash and cash equivalents (Note 9) | (59.90) | (176.06) |
| Net debt (net off cash and bank balances) | 14,372.01 | 10,480.17 |
| Total Equity | (973.06) | (682.25) |
| **Net debt to equity ratio** | (14.76) | (15.36) |

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## Note 29: Fair value measurements

**Financial instruments by category** (Rs. / Lacs)

| | 31 March 2018 FVPL | FVOCI | Amortised cost | 31 March 2017 FVPL | FVOCI | Amortised cost |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalents | - | - | 59.90 | - | - | 176.06 |
| Trade receivables | - | - | 185.05 | - | - | 629.38 |
| Other current financial asset | - | - | 983.10 | - | - | 343.90 |
| **Total financial assets** | - | - | **1,228.05** | - | - | **1,352.68** |
| **Financial liabilities** | | | | | | |
| Current borrowings | - | - | 14,431.91 | - | - | 10,656.23 |
| Trade payables | - | - | 9,521.15 | - | - | 9,354.96 |
| Other current financial liabilities | - | - | 1,881.25 | - | - | 1,044.46 |
| **Total financial liabilities** | - | - | **25,834.31** | - | - | **21,055.65** |

**(i) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Rs. / Lacs)

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31 March 2018 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | - | - | 59.90 | 59.90 |
| Trade receivables | - | - | 185.05 | 185.05 |
| Other current financial asset | - | - | 983.10 | 983.10 |
| **Total financial assets** | - | - | **1,228.05** | **1,228.05** |
| **Financial liabilities** | | | | |
| Current borrowings | - | - | 14,431.91 | 14,431.91 |
| Trade payables | - | - | 9,521.15 | 9,521.15 |
| Other current financial liabilities | - | - | 1,881.25 | 1,881.25 |
| **Total financial liabilities** | - | - | **25,834.31** | **25,834.31** |

(Rs. / Lacs)

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31 March 2017 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | - | - | 176.06 | 176.06 |
| Trade receivables | - | - | 629.38 | 629.38 |
| Other current financial asset | - | - | 343.90 | 343.90 |
| **Total financial assets** | - | - | **1,352.68** | **1,352.68** |
| **Financial liabilities** | | | | |
| Current borrowings | - | - | 10,656.23 | 10,656.23 |
| Trade payables | - | - | 9,354.96 | 9,354.96 |
| Other current financial liabilities | - | - | 1,044.46 | 1,044.46 |
| **Total financial liabilities** | - | - | **21,055.65** | **21,055.65** |

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarachy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :
**Level 1** : Level 1 hierarchy includes financial instruments measured using quoted prices.
**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Fair value of financial assets and liabilities measured at amortised cost** (Rs. / Lacs)

| | 31 March 2018 Carrying amount | Fair value | 31 March 2017 Carrying amount | Fair value |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | 59.90 | 59.90 | 176.06 | 176.06 |
| Trade receivables | 185.05 | 185.05 | 629.38 | 629.38 |
| Other current financial asset | 983.10 | 983.10 | 343.90 | 343.90 |
| **Total financial assets** | **1,228.05** | **1,228.05** | **1,352.68** | **1,352.68** |
| **Financial liabilities** | | | | |
| Current borrowings | 14,431.91 | 14,431.91 | 10,656.23 | 10,656.23 |
| Trade payables | 9,521.15 | 9,521.15 | 9,354.96 | 9,354.96 |
| Other current financial liabilities | 1,881.25 | 1,881.25 | 1,044.46 | 1,044.46 |
| **Total financial assets** | **25,834.31** | **25,834.31** | **21,055.65** | **21,055.65** |

The carrying amounts of trade receivables, receivables against services rendered and other recoveries, trade payables, advances recoverable, other payables , cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 30 : Earnings per share (EPS)**

(₹ in Lacs)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Profit / (Loss) after tax (₹ in Lacs) | (290.26) | (804.80) |
| Number of equity shares | 80,00,000 | 80,00,000 |
| Weighted average number of equity shares | 80,00,000 | 80,00,000 |
| Earnings per share (basic & diluted) - in ₹ | (3.63) | (10.06) |
| Face value per share (in ₹) | 10 | 10 |

**Note 31 : Segment reporting**

As the Company is engaged only in the business of development of property and related activities in India, it has no reportable segments in terms of Accounting Standard 108 on Operating Segment reporting notified by the Companies (Accounting Standards) Rules.

**Note 32: Disclosure as per Guidance Note on Accounting for Real Estate Transactions:**

(₹ in Lacs)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Project revenue recognised as revenue for the year ended | 1,889.06 | 1,700.78 |
| Methods used to determine the project revenue | Percentage of completion method | |
| Method used to determine the stage of completion of the project | Physical completion substianted by cost incurred | |
| **In respect of all projects in progress as at year end** | | |
| Aggregate amount of costs incurred and profits recognised to date | 29,529.19 | 24,215.30 |
| Advances received as at year end | 2,166.29 | 2,495.73 |
| Amount of work in progress and the value of inventories as at year end | 23,349.38 | 20,160.18 |
| Unbilled revenue as at year end | 1,353.62 | 544.28 |

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**Note 33: Employee benefits**

33.1 The Company has recognised, under the construction work in progress the following amount as contribution under defined contribution plans.

(₹ in Lacs)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Provident fund | 4.45 | 4.28 |
| **Total** | **4.45** | **4.28** |

The Company's contributions paid / payable during the year towards Recognised Provident Fund is charged to the construction work in progress. This fund is recognised by the Income-tax authorities.

33.2 The Company operates the funded gratuity benefit plan.

**A) Changes in defined benefit obligation:**

(₹ in Lacs)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **Opening defined benefit obligation** | 4.24 | 1.79 |
| Current service cost | 1.75 | 1.42 |
| Interest cost | 0.29 | 0.10 |
| Liability transferred in / acquisitions | 0.40 | 0.36 |
| Actuarial (gain) / loss on obligations | (1.67) | 1.07 |
| Benefits paid | - | - |
| **Closing defined benefit obligation** | **5.02** | **4.24** |

**B) Change in plan assets:**

(₹ in Lacs)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **Plan assets at the beginning of the year** | 1.78 | 0.57 |
| Expected return on plan assets | 0.12 | 0.04 |
| Actual Company contributions | 2.46 | 0.72 |
| Assets transferred in / acquisitions | 0.40 | 0.36 |
| Actuarial gain / (loss) on plan assets | 0.16 | 0.09 |
| Benefits paid | - | - |
| **Plan assets at the end of the year** | **4.93** | **1.78** |

Expected rate of return on asset is taken on the basis of the benchmark rate on government securities for the tenure of the payment.

**C) Net liability recognised in the Balance Sheet:**

(₹ in Lacs)

| Particulars | As at 31 March, 2018 | As at 31 March, 2017 |
|---|---|---|
| Present value of the obligation as at the end of the year | 5.02 | 4.24 |
| Fair value of plan assets as at the end of the year | 4.93 | 1.78 |
| **Net liability recognised in the Balance Sheet** | **0.09** | **2.46** |

**D) Expenses recognised in Statement of Profit and loss during the year:**

(₹ in Lacs)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Current service cost | 1.75 | 1.42 |
| Interest cost | 0.29 | 0.10 |
| Expected return on plan assets | (0.12) | (0.04) |
| **Expenses recognised in Statement of Profit and loss during the year** | **1.92** | **1.48** |

**E) Expenses recognised in Other Comprehensive Income during the year:**

(₹ in Lacs)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Actuarial loss /(gain) | (1.83) | 0.98 |
| **Expenses recognised in Other Comprehensive Income during the year** | **(1.83)** | **0.98** |

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**F) Composition of the plan assets is as follows:**

| Particulars | As at 31 March, 2018 | As at 31 March, 2017 |
|---|---|---|
| Government bonds | 44.06% | 44.06% |
| Corporate bonds | 15.51% | 15.51% |
| Infrastructure bonds | 35.93% | 35.93% |
| Reverse repos' | 4.51% | 4.51% |
| Others | - | - |
| | 100.00% | 100.00% |

**G) Actuary assumptions - Gratuity:**

| Date of Valuation | Refer note below | As at 31 March, 2018 | As at 31 March, 2017 |
|---|---|---|---|
| Discount rate | 1 | 7.60% | 6.81% |
| Rate of salary increase | 2 | 7.00% | 7.00% |
| Rate of return | 3 | 7.60% | 6.81% |
| Retirement age | | 60 years | 60 years |
| Attrition rate | | 13.00% | 13.00% |
| Mortality table | | Indian Assured Lives Mortality (2006-2008) | Indian Assured Lives Mortality (2006-2008) |
| Contribution expected to be paid to the plan during next financial year | | 2.15 | 3.02 |

**Notes:**

1. The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.
2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
3. The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**Risk analysis**

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:
Investment risk
Defined benefit plans are funded with Life Insurance Corporation of India (LIC). Company does not have any liberty to manage the fund provided to LIC.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds for Company's Indian operations. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk
A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk/ Life expectancy
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

**33.3 Actuarial Assumptions for unfunded compensated absences:**

| Particulars | Refer note below | As at 31 March, 2018 | As at 31 March, 2017 |
|---|---|---|---|
| Compensated absences | | | |
| Discount rate | 1 | 7.60% | 6.81% |
| Future salary increase | 2 | 7.00% | 7.00% |
| Retirement age | | 60 years | 60 years |
| Mortality table | | Indian Assured Lives Mortality (2006-2008) | Indian Assured Lives Mortality (2006-2008) |

**Notes:**

1. The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.
2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

T. P. OSTWAL & ASSOCIATES LLP MUMBAI C.A.

HL PROMOTERS PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 34: Related Party Transactions

34.1 List of Related Parties and relationship

| Sr. No. | Related parties |
|---|---|
| 1 | **Holding company**<br>Tata Value Homes Limited<br>HLT Residency Private Limited |
| 2 | **Company which holds substantial interest**<br>SAS Realtech LLP |

34.2 Transactions with the Related Parties

(₹ in Lacs)

| Sr. No. | Particulars | Related Parties 31 March 2018 | Related Parties 31 March 2017 |
|---|---|---|---|
| 1 | **Receiving of services (expenses)** | | |
| | Interest on borrowings<br>HLT Residency Private Limited | 780.45 | 653.68 |
| | SAS Realtech LLP | 155.78 | 241.51 |
| | Project management fees<br>Tata Value Homes Limited | 432.47 | 418.79 |
| | Marketing Fees<br>Tata Value Homes Limited | 9.89 | 36.35 |
| 2 | **Reimbursement of Interest expenses paid**<br>HLT Residency Private Limited | 150.00 | 122.92 |
| 3 | **JD Share**<br>HLT Residency Private Limited | 31.24 | 115.86 |
| | SAS Realtech LLP | 30.01 | 111.32 |
| 4 | **Reimbursement of Interest expenses (Received)**<br>SAS Realtech LLP | 150.00 | 122.92 |
| 5 | **Loans taken**<br>HLT Residency Private Limited | 3,091.00 | 3,305.71 |
| 6 | **Loans repaid**<br>HLT Residency Private Limited | - | 4,672.65 |
| | | **Related Parties 31 March 2018** | **Related Parties 31 March 2017** |
| 7 | **Assets**<br>Outstanding Receivable<br>SAS Realtech LLP | 541.49 | 272.69 |
| 8 | **Liabilities** | | |
| | Loans<br>HLT Residency Private Limited | 8,181.36 | 5,090.36 |
| | SAS Realtech LLP | 1,298.20 | 1,298.20 |
| | Trade payables<br>Tata Value Homes Limited | 2,461.20 | 1,983.54 |
| | HLT Residency Private Limited | 422.69 | 272.69 |
| | JD Share Payable<br>HLT Residency Private Limited | 1,300.71 | 1,269.78 |
| | SAS Realtech LLP | 1,249.70 | 1,219.99 |
| | Interest accrued but not due on borrowings<br>HLT Residency Private Limited | 1,142.34 | 509.28 |
| | SAS Realtech LLP | 499.91 | 359.71 |

T.P. OSTWAL & ASSOCIATES LLP * C.A. * MUMBAI

**Note 35 : Micro, Small and Medium Enterprises**

**35.1** Sundry creditors include principal amount of ₹ Nil (As at 31st March, 2017 ₹ Nil) due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006

**35.2** No Interest was paid during the current year as well as during the previous year by the Company to such suppliers.

**35.3** No Interest is due and payable for the period of delay in making payment, if any, at the end of the current year as well as previous year by the Company to such suppliers.

**35.4** No interest was accrued and remains unpaid at the end of the current year as well as previous year by the Company to such suppliers.

The above information has been determined to the extent such suppliers have been identified on the basis of information available with the Company.

**Note 36: Going concern**

The Company has accumulated losses of ₹ 1,773.96 Lakhs as at 31st March, 2018 and therefore, its net worth has been completely eroded. The Company has incurred net loss of ₹ 290.26 Lakhs during the year ( P.Y : ₹ 804.80 Lakhs). Although the Company has incurred cash losses during the year and has accumulated losses, the Company has received an undertaking from the ultimate holding company for continuous financial support. Hence, The financial statements are prepared under going concern assumption.

**Note 37: Pending litigation**

There are no pending litigations against the company as at 31st March 2018, which will impact it's financial position.

**Note 38: Foreseeable losses**

The Company does not have any long-term contracts nor derivatives contracts, which require a provision for any foreseeable losses.

**Note 39: Investor Education and Protection Fund**

There were no amounts which were required to be transferred to the above fund as at 31st March, 2018.

T.P. OSTWAL & ASSOCIATES LLP MUMBAI C.A.

**Note 40: Income tax**

The major components of income tax expense for the year ended March 31, 2018 are indicated below:

| | Year ended 31 March, 2018 (Rupees) | Year ended 31 March, 2017 (Rupees) |
|---|---|---|
| Current tax on profit for the year | - | - |
| Deferred tax liability arising on temporary differences | (107.18) | (177.67) |
| | **(107.18)** | **(178)** |

A reconciliation of income tax expense applicable to accounting profits / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

| | Year ended 31 March, 2018 | Year ended 31 March, 2017 |
|---|---|---|
| Accounting profit before tax | (397.44) | (982) |
| Statutory tax rate | 26.000% | 25.750% |
| Tax on profit at statutory tax rate | (103.33) | (252.99) |
| Disallowable expenses | - | - |
| Deferred tax on defined benefit obligation recognised in OCI | 0.48 | |
| Effect due to change in income tax rate from 25.75% to 26.00% | (4.97) | - |
| Tax charge for the year | **(107.83)** | **(252.99)** |

**Note 41: Previous year's figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification /disclosure.

**For and on behalf of the Board of Directors**

Atul Narang

**Director**

**Director**

**Place:** Mumbai
**Date:** 03 MAY 2018

T.P. OSTWAL & ASSOCIATES LLP MUMBAI C.A.

# T. P. Ostwal & Associates LLP

CHARTERED ACCOUNTANTS

Suite#1306-1307, 13th Floor, Lodha Supremus, Senapati Bapat Marg, Lower Parel, Mumbai 400 013

+91 22 49454000 (Board) Fax: +91 22 49454010

Web: http://www.tpostwal.in, E-mail: itax@tpostwal.in

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of HL Promoters Private Limited**

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the Ind AS financial statements of HL Promoters Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

**Basis for Opinion**

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

**Material Uncertainty regarding Going Concern**

We are of the view that material uncertainty exists regarding the company's ability to continue as a going concern due to heavy losses incurred during the year resulting into negative net worth. However, written representation has been obtained from the holding company as mentioned in the note 35 of the financials. Thus going concern assumption has been followed.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" of this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 of the aforesaid Ind AS financial statement.

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

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

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) 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.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate
Report in "Annexure B".

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

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

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL
ANANTRAI
MEHTA

**Anil A. Mehta**
(Partner)
Membership number: 30529

Place: Mumbai
Date: 29.12.2020
UDIN: 20030529AAAAQX7891

**Annexure - A to the Independent Auditors' Report – 31st March, 2019**

With reference to the Annexure referred to in the Independent Auditors' Report of HL Promoters Private Limited on the Ind AS financial statements for the year ended on 31st March, 2019, we report the following:

i. In respect of fixed assets:

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

(b) The fixed assets were physically verified during the year by the management. According to the information and explanation given to us, no material discrepancies are noticed on such verification.

(c) The Company does not have any immovable property.

ii. According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals, and no material discrepancies were noticed in such physical verification.

iii. According to the information and explanations given to us, the Company has not granted any loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013.

iv. According to the information and explanations given to us, the Company does not have any loans, investments, guarantees and securities.

v. The Company has not accepted any deposits from the public.

vi. According to the information and explanations given to us, maintenance of cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, value added tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, duty of excise and duty of customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, value added tax, service tax, cess and other material statutory dues were in arrears, as at 31st March, 2019, for a period of more than six months from the date they became payable.

(b) There is no statutory dues payable on account of any dispute.

viii. The company has not defaulted in any repayment of loans to bank. The Company does not have any loans or borrowings from any financial institutions or Government and has not issued any debentures during the financial year under audit.

ix. The Company has not raised any funds by way of an initial public offer or a further public offer (including debt instruments) and has applied monies raised through term loans for the purpose for which it was raised.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the financial year under audit.

xi. According to the information and explanations given to us, the Company has not paid any managerial remuneration during the financial year under audit.

xii. According to information and explanations given to us the Company is not a Nidhi Company.

xiii. According to information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under audit.

xv. According to the information and explanations given to us to the best of our knowledge the company has not entered into any non-cash transactions with directors or persons connected with him.

xvi. The Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL ANANTRAI MEHTA

**Anil A. Mehta**
(Partner)
Membership No:30529

Place: Mumbai
Date: 29.12.2020
UDIN: 20030529AAAAQX7831

**Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of HL Promoters Private Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL
ANANTRA
I MEHTA

**Anil A. Mehta**
(Partner)
Membership number: 30529

Place: Mumbai
Date: 29.12.2020
UDIN: 20030529AAAAQX7891

**HL PROMOTERS PRIVATE LIMITED**
**BALANCE SHEET AS AT 31 March 2019**

(₹ in lakhs)

| Particulars | Note | 31 March 2019 | 31 March 2018 |
|---|---|---|---|
| **Assets** | | | |
| **1. Non-current assets** | | | |
| (a) Property, plant and equipment | 3 | 2.90 | 3.29 |
| (b) Financial assets | | | |
| (i) Other financial assets | 4 | 1.00 | 588.85 |
| (c) Deferred tax assets (net) | 5 | 0.41 | 419.66 |
| (d) Income tax assets | 6 | 55.80 | 44.37 |
| **Total non-current assets** | | **59.11** | **1,054.38** |
| **2. Current assets** | | | |
| (a) Inventories | 7 | 32,855.27 | 23,240.39 |
| (b) Financial assets | | | |
| (i) Trade receivables | 8 | - | 185.65 |
| (ii) Cash and cash equivalents | 9 | 23.05 | 59.59 |
| (iii) Other financial assets | 10 | 14.22 | 982.10 |
| (c) Other current assets | 11 | 1,493.30 | 1,616.32 |
| **Total current assets** | | **34,375.94** | **26,094.75** |
| **Total Assets** | | **34,435.05** | **27,149.13** |
| **Equity and Liabilities** | | | |
| **1. Equity** | | | |
| (a) Equity Share Capital | 12 | 800.00 | 800.00 |
| (b) Other equity | 13 | (6,382.21) | (1,773.96) |
| **Total equity** | | **(5,582.21)** | **(973.96)** |
| **2. Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Other financial liabilities | 14 | 115.62 | 186.33 |
| (b) Provisions | 15 | 44.69 | 9.03 |
| **Total non-current liabilities** | | **160.31** | **195.36** |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | 16,659.90 | 14,433.93 |
| (ii) Trade payables | | | |
| total outstanding dues of micro enterprise and small enterprise | | | |
| total outstanding dues of creditors other than micro enterprise and small enterprise | 17 | 10,377.59 | 9,571.35 |
| (iii) Other financial liabilities | 18 | 2,865.34 | 1,694.93 |
| (b) Provisions | 19 | 5.13 | 2.22 |
| (c) Other current liabilities | 20 | 9,554.42 | 2,277.83 |
| **Total current liabilities** | | **39,856.95** | **27,927.73** |
| **Total liabilities** | | **40,017.26** | **28,123.09** |
| **Total Equity and Liabilities** | | **34,435.05** | **27,149.13** |
| **See accompanying notes to the financial statements** | 1 - 41 | | |

In terms of our report attached

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Firm Registration No. 124444W/W100150)

ANIL ANANTRAI MEHTA

**Anil A. Mehta**
Partner
Membership No: 20529

Place: Mumbai
Date: 29/12/2020

**For and on behalf of the Board of Directors**

KHIRODA CHANDRA JENA

**Khiroda Jena**
Director
DIN No : 06938529
Place:
Date:

Atul Narang

**Atul Narang**
Director
DIN No : 02672071
Place:
Date:

**HL PROMOTERS PRIVATE LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in Lacs)

| Particulars | Note | 31 March 2019 | 31 March 2018 |
|---|---|---|---|
| Revenue from operations | 21 | 21.30 | 1,889.06 |
| Other income | 22 | 2.19 | 34.81 |
| **Total Income** | | 23.49 | 1,923.87 |
| **Expenses** | | | |
| Cost of sales | 23 | 18.84 | 2,039.49 |
| Employee benefit expense | 24 | 93.42 | 85.90 |
| Finance costs | 25 | - | 0.50 |
| Depreciation and amortisation expense | 3 | 1.81 | 2.45 |
| Other expenses | 26 | 4,435.83 | 192.97 |
| **Total expenses** | | 4,549.90 | 2,321.31 |
| **Profit / (Loss) before tax** | | (4,526.41) | (397.44) |
| **Tax expense** | | | |
| -Deferred tax | 5 | 473.61 | (107.16) |
| **Total tax expense** | | 473.61 | (107.16) |
| **Profit / (Loss) for the year** | | (5,000.02) | (290.26) |
| **Other comprehensive income** | | | |
| -Items that will not be reclassified to profit and loss | | | |
| -Remeasurements of post-employment benefit obligations | | 19.03 | 1.83 |
| -Income tax relating to items that will not be reclassified to profit and loss | 5 | (4.95) | (0.48) |
| **Other comprehensive income / (loss) for the year, net of tax** | | **14.08** | **1.35** |
| **Total comprehensive income / (loss) for the year** | | **(5,014.10)** | **(291.61)** |
| **Earnings per equity share** | | | |
| Basic earnings per share | | (62.50) | (3.63) |
| Diluted earnings per share | | (62.50) | (3.63) |
| **See accompanying notes to the financial statements** | **1 - 41** | | |

In terms of our report attached

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL
ANANTRAI
MEHTA

**Anil A. Mehta**
Partner
Membership No.: 30529

Place: MUMBAI
Date: 29/12/2020

**For and on behalf of the Board of Directors**

KHIRODA
CHANDRA
JENA

**Khiroda Jena**
Director
DIN no : 06926529
Place:
Date:

Atul Narang

**Atul Narang**
Director
DIN no : 07672071
Place:
Date:

**HL PROMOTERS PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in Lacs)

| Particulars | Note | 31 March 2019 | 31 March 2018 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the year | | (5,000.62) | (296.26) |
| Adjustments for : | | | |
| Tax expense recognised in profit or loss | | 473.61 | [illegible] |
| Finance costs | | - | 0.50 |
| Interest income | | (3.39) | (10.22) |
| Depreciation expense | | 1.81 | 2.05 |
| Remeasurements of post-employment benefit obligations | | (19.23) | (3.62) |
| **Operating profit before working capital changes** | | **(4,545.82)** | **(407.04)** |
| Changes in working capital: | | | |
| **Adjustment for (increase)/decrease in operating assets:** | | | |
| Inventories | | (1,265.51) | (3,189.20) |
| Trade receivables | | 365.05 | 446.33 |
| Other current financial assets | | 569.97 | (539.10) |
| Other current assets | | 95.42 | (546.35) |
| Other non-current financial assets | | 583.65 | (302.35) |
| **Adjustment for increase/(decrease) in operating liabilities:** | | | |
| Trade payables | | 836.75 | 166.18 |
| Other current financial liabilities | | 1,154.53 | 650.47 |
| Current provisions | | 2.41 | (1.36) |
| Other current liabilities | | 76.06 | (368.58) |
| Other non current financial liabilities | | (70.76) | 106.32 |
| Non-current provisions | | 35.05 | (1.64) |
| Other non-current liabilities | | | |
| **Cash generated from operations** | | **(2,283.56)** | **(3,992.70)** |
| Income tax paid | | (24.47) | 1.74 |
| **Net cash generated by operating activities (a)** | | **(2,306.03)** | **(3,991.04)** |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | (0.97) | (0.92) |
| Interest received | | 3.10 | 10.62 |
| **Net cash used in investing activities (b)** | | **1.13** | **9.70** |
| **Cash flows from financing activities** | | | |
| Proceeds from current financial borrowings | | 2,228.05 | 2,775.68 |
| Repayment of current financial liabilities borrowings | | | |
| Finance costs | | - | (0.50) |
| **Net cash used in financing activities (c)** | | **2,228.05** | **2,775.18** |
| **Net decrease in cash and cash equivalents (a+b+c)** | | (36.95) | (116.16) |
| Cash and cash equivalents at the beginning of the year | 9 | 59.90 | 176.06 |
| **Cash and cash equivalents at the end of the year** | 9 | **23.05** | **59.90** |
| **See accompanying notes to the financial statements** | 1 - 41 | | |

In terms of our report attached

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL ANANTRAI MEHTA

**Anil A. Mehta**
Partner
Membership No: 30529

Place: MUMBAI
Date: 29/12/2020

**For and on behalf of the Board of Directors**

KHIRODA CHANDRA JENA

**Khiroda Jena**
Director
DIN no : 06929535
Place:
Date:

**Atul Narang**
Director
DIN no : 02672071
Place:
Date:

HL PROMOTERS PRIVATE LIMITED

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

### a. Equity share capital

(₹ in Lacs)

| Particulars | Amount |
|---|---|
| **Balance as at 31 March 2018** | **800.00** |
| Changes in equity share capital during the year | - |
| **Balance as at 31 March 2019** | **800.00** |

### b. Other equity

(₹ in Lacs)

| Particulars | Reserves and surplus<br>Retained Earnings | Total equity |
|---|---|---|
| **Balance as at 31 March 2018** | **(1,773.96)** | **(1,773.96)** |
| Loss for the year | (5,000.02) | (5,000.02) |
| Change on adoption of Ind AS 115 (net of taxes) (refer note 41) | 405.85 | 405.85 |
| Other comprehensive income | (14.08) | (14.08) |
| **Total comprehensive income for the year** | **(4,608.25)** | **(4,608.25)** |
| **Balance as at 31 March 2019** | **(6,382.21)** | **(6,382.21)** |

**See accompanying notes to the financial statements** **1 - 41**

In terms of our report attached

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL ANANTRAI MEHTA

**Anil A. Mehta**
Partner
Membership No: 30529

Place: MUMBAI
Date: 29/12/2020

**For and on behalf of the Board of Directors**

KHIRODA CHANDRA JENA

**Khiroda Jana**
Director
DIN no : 06928529

Place:
Date:

**Atul Narang**
Director
DIN no : 02672071

Place:
Date:

## Note – 1 Corporate Information

HL Promoters Private Limited [CIN: U45200DL2013PTC254832] ("the Company") is a limited by shares, incorporated and domiciled in India. The company incorporated on 3rd July, 2013, is a 51% subsidiary of HLT Residency Private Limited (a 100% subsidiary of Tata Value Homes Limited).

## 2 Significant accounting policies

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

### a. Change in significant accounting policies

The Company has initially applied Ind AS 18 from 1 April 2018. Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 Revenue and related interpretations. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services

The Company has applied Ind AS 115 using the cumulative effect method - i.e. by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of equity at 1 April 2018. Therefore, the comparative information has not been restated and continues to be reported under Ind AS 18.

### b. Basis of Preparation

i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii. Historical cost convention

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

- Certain financial assets and liabilities
- defined benefit plans - plan assets measured at fair value.

### c. Segment Reporting

The Company operates only in one Business Segment i.e. business of development of property and related activities within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

### d. Foreign Currency Transactions

i. Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the company.

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ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through statement of profit or loss are recognised in statement of profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

e. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are net of cancellations, value added taxes, service tax and amount collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the activities described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**i. Revenue for real estate development**

Revenue is recognised when a customer obtains control of the goods or services.

f. Other Income

**i. Interest income**

Interest income from financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit loss.

**ii. Dividend income**

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

g. Cost of sales

Project Cost which includes cost of land and cost of development rights, construction and development costs, borrowing costs incurred are charged as cost of sales in proportion to the project area sold. Costs incurred for projects which have not achieved reasonable level of development is carried over as construction work-in-progress. Any expected loss on real estate projects is recognised as an expense when it is certain that the cost will exceed the revenue.

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h. Income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws. The current tax is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred 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 the accounting profit nor taxable profit or loss. Deferred tax is determined using tax laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or deferred tax liability is settled.

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

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

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

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to the future current tax liability, is considered as an asset if there is reasonable certainty of it being set off against regular tax payable within the stipulated statutory period. MAT credit is reviewed at each balance sheet date and the carrying amount of MAT credit is written down to the extent there is no longer reasonable certainty to the effect that the Company will pay regular tax during such specified period.

i. Leases – as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

j. Impairment of tangible and intangible assets other than goodwill

The carrying amounts of tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indications exists, the recover able amount of the asset is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised in profit and loss wherever the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount factor. When there is an indication that an impairment loss recognised for the asset in earlier accounting periods no

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longer exists or may have decreased such reversal of impairment loss is recognised in profit and loss.

k. Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

l. Unbilled revenue

Unbilled revenue represents excess of revenue recognised on 'Percentage of Completion Method' over actual bills raised. Unbilled revenue is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

m. Inventories

Inventories comprises of cost of construction material, finished residential or commercial properties and costs of projects under construction/development (construction work-in-progress). Inventories are valued at the lower of cost and net realisable value. The cost of construction material is determined on a weighted average basis.

Cost of project includes, cost of land / cost of development rights, construction and development cost, overheads related to project and justifiable borrowing costs which are incurred directly in relation to a project or which are apportioned to a project.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

n. Investments and other financial assets

i. Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election ( on an instrument-by-instrument basis) at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

At initial recognition, the company measures a financial asset 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. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- **Amortised 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 amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVTOCI)**: 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 (FVTOCI). 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 recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised 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 (FVTPL)**: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Equity instruments at FVTOCI

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss on disposal. Dividend from such investments are recognised in profit or loss as other income when the right to receive payment is established.

Equity instruments at FVTPL

Investment in equity instruments are classified as at FVTPL, unless the company irrevocably elect on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

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iii. Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost, FVTOCI debt instruments, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note XX details how the company determines whether there has been a significant increase in credit risk.

iv. Derecognition of financial assets

A financial asset is derecognised only when.

- The company has transferred the rights to receive cash flows from the financial asset or
- 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 entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

o. <u>Financial liabilities and equity instruments</u>

i. Classification as debt or equity
Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

ii. Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

iii. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**Financial liabilities at FVTPL:** Financial liabilities are classified at FVPTL when the financial liability is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that are attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

**Financial liabilities subsequently measured at amortised costs:** Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of cost of an assets is recognised in profit or loss.

**Financial guarantee contracts:**

**Derecognition of financial liabilities:** The entity derecognizes financial liabilities when, and only when the entity's obligation are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

p. Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

q. <u>Offsetting financial instruments</u>

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

r. <u>Property, plant and equipment</u>

s. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses including the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located and borrowing costs attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use. <u>Depreciation methods, estimated useful lives and residual value</u>

Depreciation is provided using the written down value method using the useful life as follows:

| Assets | Useful life |
|---|---|
| Office Equipments | 5 years |
| Computers | 3 years |
| Furniture and Fixtures | 10 years |

In respect of cellular phones whose estimated useful life is assessed as 2.5 years based on technical advice, taking into consideration, the nature of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjust if appropriate, at the end of each reporting period.

Leasehold improvements are amortised over the period of lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Any gains or losses arising on the disposals or retirement of an item of property, plant and equipment is determined as difference between the sales proceeds and the carrying amount of the asset ad is recognised in profit or loss.

t. <u>Intangible assets</u>

Costs associated with maintaining software programs are recognised as an expense as incurred.

Computer software purchased is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowing costs attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

*Amortisation methods and periods*

The company amortises cost of software over a period of 3 years on a straight-line basis.

u. Borrowing costs

Borrowing costs include interest, other costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying construction project / assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying construction project / assets upto the date of substantial completion of project / capitalisation of such asset are added to the cost of construction project / assets. Capitalisation of borrowing costs is suspended and charged to profit and loss during extended periods when active development activity on the qualifying construction project / assets is interrupted. A qualifying construction project / asset is an asset that necessarily takes 12 months or more to get ready for its intended use or sale and includes the real estate properties developed by the Company. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying construction project / assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

v. Provisions

Provisions are recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

w. Employee benefits

*i. Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

*ii. Other Long-term employee benefit obligations*

The Company's obligation towards other long term employee benefits in the form of compensated absences and long service awards are measured at the present value of the expected future payments to be made by the Company in respect of services provided by employee upto the reporting date.

*III. Post-employment obligations*

The company operates the following post-employment schemes:

(a) defined benefit plan

The Company's obligation towards gratuity to employees, post-retirement medical benefits and ex-directors pension obligations is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan asset, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in the retained earnings and not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised as employee benefit expense in profit and loss.

(b) Defined contribution plan

The Company's contributions to Provident fund, Superannuation Fund and employee's state insurance scheme are considered as defined contribution plans. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

x. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

y. Earnings per share

*i. Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

*ii. Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

z. Cash flow statement

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

aa. Operating cycle

All assets and liabilities have been classified as current or non-current based on operating cycle determined in accordance with the guidance as set out in the Schedule III to the Companies Act, 2013.

bb. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

HL PROMOTERS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

**Note 3: Property, plant and equipment**

(₹ in Lacs)

| Carrying amounts of : | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Office Equipment | 0.00 | 0.52 |
| Computers | 1.63 | 1.50 |
| Furniture and Fixtures | 1.27 | 1.72 |
| Motor Vehicles | | - |
| | 2.90 | 3.74 |

| | Office Equipment | Computers | Furniture and Fixtures | Total |
|---|---|---|---|---|
| **Gross carrying amount** | | | | |
| Balance as at 31 March 2018 | 8.59 | 6.20 | 4.01 | 18.80 |
| **Additions** | 0.17 | 0.80 | - | 0.97 |
| **Disposals** | - | - | - | - |
| **Balance as at 31 March 2019** | 8.76 | 7.00 | 4.01 | 19.77 |
| **Accumulated depreciation** | | | | |
| Balance as at 31 March 2018 | 8.07 | 4.70 | 2.29 | 15.06 |
| **Depreciation charge during the year** | 0.69 | 0.67 | 0.45 | 1.81 |
| **Disposals** | | - | - | - |
| **Balance as at 31 March 2019** | 8.76 | 5.37 | 2.74 | 16.87 |
| **Closing net carrying amount** | | | | |
| Balance as at 31 March 2018 | 0.52 | 1.50 | 1.72 | 3.74 |
| Additions | 0.17 | 0.80 | - | 0.97 |
| Disposals | - | - | - | - |
| Depreciation expense | 0.69 | 0.67 | 0.45 | 1.81 |
| **Balance as at 31 March 2019** | 0.00 | 1.63 | 1.27 | 2.90 |

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[illegible] PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 4: Other financial assets (Non Current)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| [illegible] | | |
| [illegible] | 1.20 | [illegible] |
| [illegible] | | [illegible] |
| Total | [illegible] | [illegible] |

[illegible]

[illegible] | [illegible] | [illegible]

Note 5: Deferred tax assets (Net)

(₹ in Lakhs)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Deferred tax assets | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

| 2018-19 | Opening Balance | IND AS 115 | Recognised in profit or loss | Recognised in other comprehensive income | Closing Balance |
|---|---|---|---|---|---|
| Deferred tax assets in relation to: | | | | | |
| Property, plant and equipment | [illegible] | | [illegible] | - | [illegible] |
| Defined benefit obligation | [illegible] | - | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | - | [illegible] | - | - |
| Deferred Revenue | [illegible] | - | [illegible] | - | - |
| Deferred tax impact of IND AS 115 | - | [illegible] | [illegible] | - | - |
| | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| 2017-18 | Opening Balance | IND AS 115 | Recognised in profit or loss | Recognised in other comprehensive income | Closing Balance |
|---|---|---|---|---|---|
| Deferred tax assets in relation to: | | | | | |
| Property, plant and equipment | [illegible] | - | [illegible] | - | [illegible] |
| Defined benefit obligation | [illegible] | | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | - | [illegible] | - | [illegible] |
| Deferred Revenue | [illegible] | | [illegible] | - | [illegible] |
| | [illegible] | | [illegible] | [illegible] | [illegible] |

Note 6: Income tax assets (Net)

(₹ in Lakhs)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Advance income tax (net) | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

[illegible]

[illegible] PROMOTERS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

**Note [illegible]: Inventories**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

**Note [illegible]: Trade receivables**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| Trade Receivables | | |
| [illegible] | | |
| [illegible] | - | [illegible] |
| Total | | [illegible] |

**Note [illegible]: Cash and cash equivalents**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| Balances with banks | | |
| - [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

**Note [illegible]: Other financial assets - [illegible]**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | - | [illegible] |
| Total | [illegible] | [illegible] |

**Note [illegible]: Other current assets**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| [illegible] | - | - |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

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HL PROMOTERS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 12: Share capital**
**Authorised/Issued/Subscribed and Paid-up**

| Particulars | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | Number of shares | (₹ in Lacs) | Number of shares | (₹ in Lacs) |
| **Authorised** | | | | |
| Equity shares of ₹ 10/- each | 10,000,000 | 1,000 | 10,000,000 | 1,000 |
| **Issued, Subscribed and paid-up** | | | | |
| Equity shares of ₹ 10/- each fully paid-up | 8,000,000 | 800 | 8,000,000 | 800 |
| | **8,000,000** | **800** | **8,000,000** | **800** |

**12.1 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:**

| Particulars | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | Number of shares | (₹ in Lacs) | Number of shares | (₹ in Lacs) |
| Shares outstanding at the beginning of the year | 8,000,000 | 800.00 | 8,000,000 | 800.00 |
| Shares issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| **Shares outstanding at the end of the year** | **8,000,000** | **800.00** | **8,000,000** | **800.00** |

| Name of shareholder | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| HLT Residency Private Limited | 4,080,000 | 51 | 4,080,000 | 51 |

**12.2 Details of equity shares held by shareholders holding more than 5% of equity shares in the Company:**

| Particulars | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| HLT Residency Private Limited | 4,080,000 | 51 | 4,080,000 | 51 |
| SAS Realtech LLP | 3,920,000 | 49 | 3,920,000 | 49 |

**12.3 Details of shares issued otherwise than for cash/bonus shares/shares bought back during the immediately preceding 5 years - None**

**12.4 Rights, preference and restriction attached to shares**
The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

[illegible] PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

**Note [illegible]: [illegible]**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

**[illegible]**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

**Note 24: Other financial liabilities - non current (?)**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

**Note 25: Provision non current (?)**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| **Provision for employee benefits: (?)** | | |
| - [illegible] | [illegible] | [illegible] |
| - [illegible] | [illegible] | |
| - [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

**Note 26: Borrowings - current (?)**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| **Secured - at amortised cost (?)** | | |
| [illegible] | | |
| [illegible] | [illegible] | [illegible] |
| **Unsecured (?)** | | |
| **Loans and advances from related parties (?)** | | |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

[illegible]

**Note 27: Trade payables - current (?)**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

Note:
[illegible]

**Note 28: Other financial liabilities - current (?)**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

**Note 29: Provisions current (?)**

(₹ in Lacs)

| Particulars | As at 31 March [illegible] | As at 31 March [illegible] |
|---|---|---|
| **Provision for employee benefits (?)** | | |
| - [illegible] | [illegible] | [illegible] |
| - [illegible] | | [illegible] |
| Total | [illegible] | [illegible] |

**Note 20: Other current liabilities** (₹ in Lakh)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Statutory dues [illegible] | 255.30 | [illegible] |
| Total | [illegible] | [illegible] |

**Note 21: Revenue from operations** (₹ in Lakh)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Sale of [illegible] | - | [illegible] |
| [illegible] | - | [illegible] |
| | | [illegible] |
| Other operating revenues | | |
| - [illegible] | 31.00 | - |
| - Other [illegible] | [illegible] | 55.01 |
| Total | [illegible] | [illegible] |

**Note 22: Other income** (₹ in Lakh)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Interest on: | | |
| - [illegible] | - | 74.35 |
| - [illegible] from bank | 6.25 | [illegible] |
| - [illegible] | 2.04 | 2.65 |
| - [illegible] | | [illegible] |
| [illegible] | - | - |
| Total | [illegible] | [illegible] |

**Note 23: Cost of sales** (₹ in Lakh)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Cost of [illegible] | 15.06 | [illegible] |
| Total | [illegible] | [illegible] |

**Note 24: Employee benefits expense** (₹ in Lakh)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Salaries and bonus etc | 15.31 | [illegible] |
| Contribution to provident and other funds | 2.51 | 2.55 |
| Staff welfare expenses | - | [illegible] |
| Total | [illegible] | [illegible] |

**Note 25: Finance costs** (₹ in Lakh)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Interest expense on [illegible]: | | |
| - Borrowings | [illegible] | [illegible] |
| - [illegible] | 329.25 | 415.25 |
| [illegible] | [illegible] | - |
| | [illegible] | [illegible] |
| Other borrowing costs | | |
| - [illegible] | - | [illegible] |
| Total [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Total | - | [illegible] |

[illegible] PROMOTERS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note [illegible]: Other expenses

(₹ in lakh)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| [illegible] | - | [illegible] |
| Insurance | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | - |
| [illegible] | [illegible] | - |
| Payments to auditors (refer note (i) below) | [illegible] | [illegible] |
| [illegible] | - | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | - | [illegible] |
| Total | [illegible] | [illegible] |

Note:

| (i) Payment to the auditors comprises [illegible] | | |
|---|---|---|
| To statutory auditors | | |
| For audit | [illegible] | [illegible] |
| For other services | - | [illegible] |
| Total | [illegible] | [illegible] |

[illegible]

**[illegible] Properties Private Limited**
**Notes forming part of the financial statements**

**Note 27: Financial risk management**

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, [illegible] risk and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. [illegible] Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, [illegible] risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the finance department that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The finance department's activities are designed to:
- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

**A) Management of liquidity risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management [illegible] conditions.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in lakhs)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Bank [illegible] | [illegible] | [illegible] |

The bank overdraft facilities may be drawn at any time.

(ii) Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

(₹ in lakhs)

| As at 31 March 2019 | Less than 1 year | 1-3 Years | 3-5 Years | Total |
|---|---|---|---|---|
| Borrowings | [illegible] | - | - | 10,959.95 |
| Interest on Borrowings | [illegible] | - | - | 2,774.99 |
| Trade payables | [illegible] | - | - | [illegible] |
| Other financial liabilities | [illegible] | [illegible] | - | [illegible] |

(₹ in lakhs)

| As at 31 March 2018 | Less than 1 year | 1-3 Years | 3-5 Years | Total |
|---|---|---|---|---|
| Borrowings | 14,431.95 | - | - | [illegible] |
| Interest on Borrowings | 1,842.05 | - | - | [illegible] |
| Trade payables | [illegible] | - | - | 9,331.15 |
| Other financial liabilities | 52.00 | 186.72 | - | [illegible] |

HL Promoters Private Limited
Notes forming part of the financial statements

### B) Management of market risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:
- interest rate risk
- commodity price risk
- currency risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below.

| POTENTIAL IMPACT OF RISK | MANAGEMENT POLICY | SENSITIVITY TO RISK |
|---|---|---|
| **(i) Interest rate risk** | | |
| Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these investments.<br><br>The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.<br><br>As at March 31, 2019, the exposure to interest rate risk due to borrowings amounted to Rs. 16,559.96 lacs (March 31, 2018: Rs. 14,431.50 lacs). | The Company's strategy is to minimise interest rate risk by ensuring that a [illegible] of its total borrowing is at fixed interest rates, by taking into [illegible].<br><br>The Company's interest rate risk is monitored by the management on a monthly basis. Management analyses the Company's interest rate exposure on a dynamic basis. Various scenarios are simulated, taking into consideration refinancing, renewal of existing positions and alternative financing sources. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions. The simulation is done on a monthly basis to verify that the maximum potential loss is within the limits set by management. | As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 0.25% change to interest rates. A 0.25% increase in interest rates would have led to approximately reduction in profit of Rs. [illegible] lacs. A 0.25% decrease in interest rates would have led to an equal but opposite effect. |

### C) Management of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations.
The Company is exposed to credit risk from loans and inter corporate deposits, deposits with banks and financial institutions, as well as credit exposure to customers with deferred payment terms.

Trade receivables

Credit risks related to receivables resulting from the sale of inventory property is managed by requiring customers to pay the dues before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

Other financial assets

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's top management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

### Note 20: Capital Management

The Company considers that capital includes net debt and equity attributable to the equity holders.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

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

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

The Company monitors capital using a gearing ratio which is total capital divided by Net debt. The Company includes within Net debt, interest bearing loans and borrowings, loan from venture partners, trade and other payables, less cash and cash equivalents excluding discontinued operations.

The gearing ratios were as follows:

(₹ in Lacs)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Short term borrowings (Note 10) | 16,559.96 | 14,431.30 |
| Cash and cash equivalents (Note 8) | (23.55) | (58.80) |
| Net debt (net off cash and bank balances) | 16,536.41 | 14,372.50 |
| Total Equity | (5,592.31) | (910.99) |
| Net debt to equity ratio | (2.96) | (15.78) |

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HL Promoters Private Limited
Notes forming part of the financial statements

## Note 29: Fair value measurements

**Financial instruments by category**

(Rs. / Lacs)

| | 31 March 2019 FVPL | 31 March 2019 FVOCI | 31 March 2019 Amortised cost | 31 March 2018 FVPL | 31 March 2018 FVOCI | 31 March 2018 Amortised cost |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalents | - | - | 23.05 | - | - | 59.90 |
| Trade receivables | - | - | - | - | - | 185.05 |
| Other current financial assets | - | - | 15.22 | - | - | 983.10 |
| **Total financial assets** | - | - | 38.27 | - | - | 1,228.05 |
| **Financial liabilities** | | | | | | |
| Current borrowings | - | - | 16,659.96 | - | - | 14,431.91 |
| Trade payables | - | - | 10,377.90 | - | - | 9,521.15 |
| Other current financial liabilities | - | - | 2,975.16 | - | - | 1,881.28 |
| **Total financial liabilities** | - | - | 30,013.02 | - | - | 25,834.31 |

**(i) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Rs. / Lacs)

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31 March 2019 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | - | - | 23.05 | 23.05 |
| Trade receivables | - | - | - | - |
| Other current financial assets | - | - | 15.22 | 15.22 |
| **Total financial assets** | - | - | 38.27 | 38.27 |
| **Financial liabilities** | | | | |
| Current borrowings | - | - | 16,659.96 | 16,659.96 |
| Trade payables | - | - | 10,377.90 | 10,377.90 |
| Other current financial liabilities | - | - | 2,975.16 | 2,975.16 |
| **Total financial liabilities** | - | - | 30,013.02 | 30,013.02 |

(Rs. / Lacs)

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31 March 2018 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | - | - | 59.90 | 59.90 |
| Trade receivables | - | - | 185.05 | 185.05 |
| Other current financial assets | - | - | 983.10 | 983.10 |
| **Total financial assets** | - | - | 1,228.05 | 1,228.05 |
| **Financial liabilities** | | | | |
| Current borrowings | - | - | 14,431.91 | 14,431.91 |
| Trade payables | - | - | 9,521.15 | 9,521.15 |
| Other current financial liabilities | - | - | 1,881.25 | 1,881.25 |
| **Total financial liabilities** | - | - | 25,834.31 | 25,834.31 |

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows :

**Level 1** : Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2**: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value such instruments are observable, these are included in level 2.

**Level 3**: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Fair value of financial assets and liabilities measured at amortised cost**

(Rs. / Lacs)

| | 31 March 2019 Carrying amount | 31 March 2019 Fair value | 31 March 2018 Carrying amount | 31 March 2018 Fair value |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | 23.05 | 23.05 | 59.90 | 59.90 |
| Trade receivables | - | - | 185.05 | 185.05 |
| Other current financial assets | 15.22 | 15.22 | 983.10 | 983.10 |
| **Total financial assets** | 38.27 | 38.27 | 1,228.05 | 1,228.05 |
| **Financial liabilities** | | | | |
| Current borrowings | 16,659.96 | 16,659.96 | 14,431.91 | 14,431.91 |
| Trade payables | 10,377.90 | 10,377.90 | 9,521.15 | 9,521.15 |
| Other current financial liabilities | 2,975.16 | 2,975.16 | 1,881.25 | 1,881.25 |
| **Total financial assets** | 30,013.02 | 30,013.02 | 25,834.31 | 25,834.31 |

The carrying amounts of trade receivables, receivables against services rendered and other recoveries, trade payables, advances recoverable, other payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

HL PROMOTERS PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 30 : Earnings per share (EPS)**

(₹ in Lacs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Profit / (Loss) after tax (₹ in Lacs) | (5,000.02) | (290.26) |
| Number of equity shares | 8,000,000 | 8,000,000 |
| Weighted average number of equity shares | 8,000,000 | 8,000,000 |
| Earnings per share (basic & diluted) - in ₹ | (62.50) | (3.63) |
| Face value per share (in ₹) | 10 | 10 |

**Note 31 : Segment reporting**

As the Company is engaged only in the business of development of property and related activities in India, it has no reportable segments in terms of Accounting Standard 108 on Operating Segment reporting notified by the Companies (Accounting Standards) Rules.

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**Note 32: Employee benefits**

32.1 The Company has recognised, under the construction work in progress the following amount as contribution under defined contribution plans

(₹ in Lacs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Provident fund | 6.60 | 4.45 |
| **Total** | **6.60** | **4.45** |

The Company's contributions paid / payable during the year towards recognised Provident Fund is charged to the construction work in progress. This fund is recognised by the Income-tax authorities.

32.2 The Company operates the funded gratuity benefit plan.

**A) Changes in defined benefit obligation:**

(₹ in Lacs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Opening defined benefit obligation** | 5.92 | 4.24 |
| Current service cost | 4.56 | 1.75 |
| Interest cost | 0.38 | 0.29 |
| Liability transferred in / acquisitions | - | 0.40 |
| Actuarial (gain) / loss on obligations | 19.35 | (1.67) |
| Benefits paid | (2.85) | - |
| **Closing defined benefit obligation** | **26.32** | **5.92** |

**B) Change in plan assets:**

(₹ in Lacs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Plan assets at the beginning of the year** | 4.93 | 1.70 |
| Expected return on plan assets | 0.37 | 0.12 |
| Actual Company contributions | 0.09 | 2.46 |
| Assets transferred in / acquisitions | - | 0.40 |
| Actuarial gain / (loss) on plan assets | 0.12 | 0.26 |
| Benefits paid | - | - |
| **Plan assets as at the end of the year** | **5.51** | **4.93** |

Expected rate of return on plan assets is taken on the basis of the benchmark rate on government securities for the tenure of the payment

**C) Net liability recognised in the Balance Sheet:**

(₹ in Lacs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Present value of the obligation as at the end of the year | 26.32 | 5.92 |
| Fair value of plan assets as at the end of the year | 5.51 | 4.93 |
| **Net liability recognised in the Balance Sheet** | **20.81** | **0.99** |

**D) Expenses recognised in Statement of Profit and loss during the year:**

(₹ in Lacs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Current service cost | 4.56 | 1.75 |
| Interest cost | 0.38 | 0.29 |
| Expected return on plan assets | (0.37) | (0.12) |
| **Expenses recognised in Statement of Profit and loss during the year** | **4.60** | **1.92** |

**E) Expenses recognised in Other Comprehensive Income during the year:**

(₹ in Lacs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Actuarial loss / (gain) | 19.03 | (1.83) |
| **Expenses recognised in Other Comprehensive Income during the year** | **19.03** | **(1.83)** |

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HL PROMOTERS PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

F) Composition of the plan assets is as follows:

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Government bonds | - | - |
| Corporate Bonds | - | - |
| Infrastructure bonds | - | - |
| Special deposit | - | - |
| Others | 100.00% | 100.00% |
| | 100.00% | 100.00% |

G) Actuary assumptions - Gratuity:

| Date of Valuation | Refer note below | 31 March 2019 | 31 March 2018 |
|---|---|---|---|
| Discount rate | 1 | 7.15% | 7.60% |
| Rate of salary increase | 2 | 7.00% | 7.00% |
| Rate of return | 3 | 7.60% | 7.60% |
| Retirement age | | 60 years | 60 years |
| Attrition rate | | 10.00% | 10.00% |
| Mortality table | | Indian Assured Lives Mortality (2006-2008) | Indian Assured Lives Mortality (2006-2008) |
| Contribution expected to be paid to the plan during next financial year | | 25.14 | 2.15 |

**Notes:**

1. The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.

2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

3. The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**Risk analysis**

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

Investment risk

Defined benefit plans are funded with Life Insurance Corporation of India (LIC). Company does not have any liberty to manage the fund provided to LIC.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds for Company's Indian operations. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

32.3 **Actuarial Assumptions for unfunded compensated absences:**

| Particulars | Refer note below | 31 March 2019 | 31 March 2018 |
|---|---|---|---|
| **Compensated absences** | | | |
| Discount rate | 1 | 7.15% | 7.60% |
| Future salary increase | 2 | 7.00% | 7.00% |
| Retirement age | | 60 years | 60 years |
| Mortality table | | Indian Assured Lives Mortality (2006-2008) | Indian Assured Lives Mortality (2006-2008) |

**Notes:**

1. The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.

2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

HL PROMOTERS PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 33: Related Party Transactions.

33.1 List of Related Parties and relationship

| Sr. No. | Related parties |
|---|---|
| 1 | **Holding company.**<br>Tata Value Homes Limited<br>HLT Residency Private Limited |
| 2 | **Company which holds substantial interest**<br>SAS Realtech LLP |

33.2 Transactions with the Related Parties

(₹ in Lacs)

| Sr. No. | Particulars | Related Parties | |
|---|---|---|---|
| | | 31 March 2019 | 31 March 2018 |
| 1 | **Receiving of services (expenses)** | | |
| | Interest on borrowings<br>HLT Residency Private Limited | 1,478.20 | 759.45 |
| | SAS Realtech LLP | 155.78 | 155.78 |
| | Project management fees<br>Tata Value Homes Limited | 230.45 | 432.47 |
| | Marketing fees<br>Tata Value Homes Limited | 85.68 | 8.60 |
| 2 | **Reimbursement of interest expenses paid.**<br>HLT Residency Private Limited | 245.51 | 150.00 |
| 3 | **JD Share**<br>HLT Residency Private Limited | 273.43 | 35.24 |
| | SAS Realtech LLP | 262.42 | 30.01 |
| 4 | **Reimbursement of interest expenses (Received)**<br>SAS Realtech LLP | 245.51 | 150.00 |
| 5 | **Loans taken**<br>HLT Residency Private Limited | 3,276.50 | 3,091.00 |
| 6 | **Loans repaid**<br>HLT Residency Private Limited | | |
| | | **Related Parties** | |
| | | 31 March 2019 | 31 March 2018 |
| 7 | **Assets**<br>Outstanding Receivable<br>SAS Realtech LLP | 650.56 | 541.49 |
| 8 | **Liabilities** | | |
| | Loans<br>HLT Residency Private Limited | 11,457.86 | 8,162.35 |
| | SAS Realtech LLP | 1,398.20 | 1,398.20 |
| | Trade payables<br>Tata Value Homes Limited<br>HLT Residency Private Limited | 2,930.67<br>669.19 | 2,963.20<br>422.69 |
| | JD Share Payable<br>HLT Residency Private Limited | 1,571.09 | 1,366.71 |
| | SAS Realtech LLP | 1,509.48 | 1,248.70 |
| | Interest accrued but not due on borrowings<br>HLT Residency Private Limited | 3,434.05 | 2,142.04 |
| | SAS Realtech LLP | 643.12 | 499.91 |

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**HL Promoters Private Limited**
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 34 : Micro, Small and Medium Enterprises**

**34.1** Sundry creditors include principal amount of ₹ Nil (As at 31st March, 2018 ₹ Nil) due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006

**34.2** No interest was paid during the current year as well as during the previous year by the Company to such suppliers.

**34.3** No interest is due and payable for the period of delay in making payment, if any, at the end of the current year as well as previous year by the Company to such suppliers.

**34.4** No interest was accrued and remains unpaid at the end of the current year as well as previous year by the Company to such suppliers.

The above information has been determined to the extent such suppliers have been identified on the basis of information available with the Company.

**Note 35: Going concern**

The Company has accumulated losses of ₹ 6,382.21 Lakhs as at 31st March, 2019 and therefore, its net worth has been completely eroded. The Company has incurred net loss of ₹ 5,000.02 Lakhs during the year ( P.Y : ₹ 290.26 Lakhs). Although the Company has incurred cash losses during the year and has accumulated losses, the Company has received an undertaking from the ultimate holding company for continuous financial support. Hence, The financial statements are prepared under going concern assumption.

**Note 36: Pending litigation**

**(a):** There are no pending litigations against the company as at 31[st] March 2019, which will impact it's financial position.

**(b):** There are ongoing discussion between Joint Venture partners relating to few terms and conditions of JV agreement which led to delay in conducting meeting for adoption of financials for the year ended March 2019. However such discussion between Joint Venture Partners have no impact on financial statement of the Company.

**Note 37: Foreseeable losses**

The Company does not have any long-term contracts nor derivatives contracts, which require a provision for any foreseeable losses.

**Note 38: Investor Education and Protection Fund**

There were no amounts which were required to be transferred to the above fund as at 31[st] March, 2019.

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**HL PROMOTERS PRIVATE LIMITED**
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 39: Income tax**

The major components of income tax expense for the year ended March 31, 2019 are indicated below:

| | 31 March 2019 (Rupees) | 31 March 2018 (Rupees) |
|---|---|---|
| Current tax on profit for the year | - | - |
| Deferred tax expense for the year | 473.61 | (107.38) |
| | 473.61 | (107.38) |

A reconciliation of income tax expense applicable to accounting profits / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Accounting profit before tax | (4,526.41) | (397.44) |
| Statutory tax rate | 26.00% | 26.00% |
| Tax on profit at statutory tax rate | (1,176.87) | (103.33) |
| Deferred tax on brought forward losses not recognised | 1,792.37 | - |
| Deferred tax on reversal as per Ind AS 115 | (142.59) | - |
| Deferred tax on defined benefit obligation recognised in OCI | 4.95 | 0.48 |
| Effect due to change in income tax rate in Previous year from 25.75% to 26.00% | - | (4.97) |
| Tax charge for the year | 477.06 | (107.82) |

**Note 40:** IND AS 115 - Revenue from Contracts with Customers has been notified by Ministry of Corporate Affairs (MCA) on 28 March 2018 and is effective from accounting period beginning on or after 1 April 2018, replaces existing revenue recognition standard. The application of IND AS 115 has impacted the Company's accounting for recognition of revenue from real estate residential projects.

The Company has applied the modified prospective approach to its real estate residential contracts as of 1 April 2018 and has given impact of adoption of IND AS 115 by crediting its retained earning as at the said date by INR 405.85 lakhs (net of tax of INR 142.59 lakhs).

**Note 41: Previous year's figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification /disclosure.

For and on behalf of the Board of Directors

KHIRODA CHANDRA JENA

Atul Narang

**Khiroda Jena**
Director
DIN no : 06928525

**Atul Narang**
Director
DIN no : 07673043

Place:
Date:

Place:
Date:

Atul Narang

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**INDEPENDENT AUDITOR'S REPORT**

**To the Members of HL Promoters Private Limited**

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the Directors report, but does not include the financial statements and our auditors' 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 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 statement 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 regards.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" of this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 of the aforesaid Ind AS financial statement.

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

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

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company 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.

With respect to matters to be included in Auditors' Report under section 196(16) of the Act :

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the current year.

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL
ANANTRAI
MEHTA

**Anil A. Mehta**
(Partner)
Membership number: 030529

Place: Mumbai

UDIN: 20030529AAABRY6079

Date: 29.12.2020

**Annexure - A to the Independent Auditors' Report – 31st March, 2020**

With reference to the Annexure referred to in the Independent Auditors' Report of HL Promoters Private Limited on the Ind AS financial statements for the year ended on 31st March, 2020, we report the following:

i. In respect of fixed assets:

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

(b) The fixed assets were physically verified during the year by the management. According to the information and explanation given to us, no material discrepancies are noticed on such verification.

(c) The Company does not have any immovable property.

ii. According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals, and no material discrepancies were noticed in such physical verification.

iii. According to the information and explanations given to us, the Company has not granted any loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013.

iv. According to the information and explanations given to us, the Company does not have any loans, investments, guarantees and securities.

v. The Company has not accepted any deposits from the public.

vi. According to the information and explanations given to us, maintenance of cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, value added tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, duty of excise and duty of customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, value added tax, service tax, cess and other material statutory dues were in arrears, as at 31st March, 2020, for a period of more than six months from the date they became payable.

(b) There is no statutory dues payable on account of any dispute.

viii. The company has not defaulted in any repayment of loans to bank. The Company does not have any loans or borrowings from any financial institutions or Government and has not issued any debentures during the financial year under audit.

ix. The Company has not raised any funds by way of an initial public offer or a further public offer (including debt instruments) and has applied monies raised through term loans for the purpose for which it was raised.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the financial year under audit.

xi. According to the information and explanations given to us, the Company has not paid any managerial remuneration during the financial year under audit.

xii. According to information and explanations given to us the Company is not a Nidhi Company.

xiii. According to information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under audit.

xv. According to the information and explanations given to us to the best of our knowledge the company has not entered into any non-cash transactions with directors or persons connected with him.

xvi. The Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL ANANTRAI MEHTA

**Anil A. Mehta**
(Partner)

Membership No:030529
UDIN: 20030529AAAAQY6094

Place: Mumbai
Date: 29.12.2020

**Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of HL Promoters Private Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL
ANANTRAI
MEHTA

**Anil A. Mehta**
**(Partner)**
Membership number: 030529

Place: Mumbai
Date: 29.12.2020

UDIN: 20030529AAAAQY6074

**NL PROMOTERS PRIVATE LIMITED**
**BALANCE SHEET AS AT 31 March 2020**

(₹ in lacs)

| Particulars | Note | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| **Assets** | | | |
| **1. Non-current assets** | | | |
| (a) Property, plant and equipment | 3 | 0.44 | 2.00 |
| (b) Financial assets | | | |
| (i) Other financial assets | 4 | 1.00 | 1.00 |
| (c) Deferred tax assets (net) | 5 | 18.19 | 0.41 |
| (d) Income tax asset | 6 | 15.09 | 46.80 |
| **Total non-current assets** | | **34.72** | **59.21** |
| **2. Current assets** | | | |
| (a) Inventories | 7 | 29,920.10 | 32,885.77 |
| (b) Financial assets | | | |
| (i) Cash and cash equivalents | 8 | 300.07 | 35.65 |
| (ii) Other financial assets | 9 | 19.33 | 14.23 |
| (c) Other current assets | 10 | 2,608.54 | 1,452.90 |
| **Total current assets** | | **32,733.84** | **34,375.91** |
| **Total Assets** | | **32,768.56** | **34,435.05** |
| **Equity and Liabilities** | | | |
| **1. Equity** | | | |
| (a) Equity Share Capital | 11 | 800.00 | 800.00 |
| (b) Other equity | 12 | (15,518.21) | (6,382.21) |
| **Total equity** | | **(14,718.21)** | **(5,582.21)** |
| **2. Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13 | 20,898.08 | - |
| (ii) Other financial liabilities | 14 | 4,076.28 | 115.62 |
| (b) Provisions | 15 | 52.12 | 44.69 |
| **Total Non-current liabilities** | | **25,026.48** | **160.31** |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | - | 16,659.96 |
| (ii) Trade payables | | | |
| total outstanding dues of micro enterprise and small enterprise | | | |
| total outstanding dues of creditors other than micro enterprise and small enterprise | 17 | 10,281.31 | 10,377.90 |
| (iii) Other financial liabilities | 18 | 60.43 | 2,855.54 |
| (b) Provisions | 19 | 8.36 | 5.13 |
| (c) Other current liabilities | 20 | 12,110.19 | 9,954.42 |
| **Total current liabilities** | | **22,460.29** | **39,852.95** |
| **Total liabilities** | | **47,486.77** | **40,017.26** |
| **Total Equity and Liabilities** | | **32,768.56** | **34,435.05** |
| **See accompanying notes to the financial statements** | 1 - 41 | | |

In terms of our report attached

**For S. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL ANANTRAI MEHTA

**Anil A. Mehta**
Partner
Membership No: 36939

Place: Mumbai
Date: 29/12/2020

**For and on behalf of the Board of Directors**

KHIRODA CHANDRA JENA

**Khiroda Jena**
Director
DIN No.: 06436935

Place:
Date:

**Atul Narang**
Director
DIN No.: 02572071

Place:
Date:

**HL PROMOTERS PRIVATE LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020**

(₹ in Lacs)

| Particulars | Note | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| Revenue from operations | 21 | 48.83 | 21.30 |
| Other Income | 22 | 5.54 | 2.19 |
| **Total Income** | | **54.37** | **23.49** |
| **Expenses** | | | |
| Cost of sales | 23 | - | 18.84 |
| Employee benefit expense | 24 | 62.25 | 93.42 |
| Finance costs | 25 | 3.92 | - |
| Depreciation and amortisation expense | 3 | 2.26 | 1.81 |
| Other expenses | 26 | 9,116.48 | 4,435.83 |
| **Total expenses** | | **9,184.81** | **4,549.90** |
| **Profit / (Loss) before tax** | | **(9,130.44)** | **(4,526.41)** |
| **Tax expense** | | | |
| -Deferred tax | 5 | (1.35) | 473.61 |
| **Total tax expense** | | **(1.35)** | **473.61** |
| **Profit / (Loss) for the year** | | **(9,129.09)** | **(5,000.02)** |
| **Other comprehensive income** | | | |
| -Items that will not be reclassified to profit and loss Remeasurements of post-employment benefit obligations | | 9.34 | 19.03 |
| -Income tax relating to items that will not be reclassified to profit and loss | 5 | (2.43) | (4.95) |
| **Other comprehensive income / (loss) for the year, net of tax** | | **6.91** | **14.08** |
| **Total comprehensive income / (loss) for the year** | | **(9,136.00)** | **(5,014.10)** |
| **Earnings per equity share** | | | |
| Basic earnings per share | | (114.11) | (62.50) |
| Diluted earnings per share | | (114.11) | (62.50) |
| **See accompanying notes to the financial statements** | **1 - 41** | | |

In terms of our report attached

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL ANANTRAI MEHTA

**Anil A. Mehta**
Partner
Membership No: 30529

Place: Mumbai
Date: 29/12/2020

**For and on behalf of the Board of Directors**

KHIRODA CHANDRA JENA

Atul Narang

**Khiroda Jena**
Director
DIN no : 08928529

Place:
Date:

**Atul Narang**
Director
DIN no : 02672071

Place:
Date:

HL PROMOTERS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lacs)

| Particulars | Note | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the year | | (3,129.09) | (5,093.02) |
| Adjustments for : | | | |
| Tax expense recognised in profit or loss | | (1.35) | 475.61 |
| Finance costs | | 0.82 | - |
| Interest income | | (5.54) | (2.10) |
| Depreciation expense | | 2.26 | 5.81 |
| Remeasurements of post-employment benefit obligations | | (0.34) | (26.62) |
| **Operating profit before working capital changes** | | (3,132.24) | (5,545.82) |
| Changes in working capital: | | | |
| **Adjustment for (increase) / decrease in operating assets** | | | |
| Inventories | | 3,164.67 | (2,386.61) |
| Trade receivables | | - | 199.55 |
| Other current financial assets | | (1.09) | 902.07 |
| Other current assets | | (3,155.64) | 55.42 |
| Other non-current financial assets | | - | 356.62 |
| **Adjustment for increase/(decrease) in operating liabilities** | | | |
| Trade payables | | (58.59) | 856.75 |
| Other current financial liabilities | | (2,799.51) | 1,364.51 |
| Current provisions | | 5.32 | 2.45 |
| Other current liabilities | | 2,185.75 | 76.06 |
| Other non-current financial liabilities | | 4,700.65 | (79.70) |
| Non-current provisions | | 7.45 | 35.55 |
| Other non-current liabilities | | - | - |
| **Cash generated from operations** | | (3,101.60) | (2,283.56) |
| Income tax paid | | 31.71 | (2.47) |
| **Net cash generated by operating activities (a)** | | (3,069.89) | (2,286.03) |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | (5.80) | (0.97) |
| Interest received | | 5.43 | 2.10 |
| **Net cash used in investing activities (b)** | | (0.37) | 1.13 |
| **Cash flows from financing activities** | | | |
| Proceeds from non current financial borrowings | | 20,098.96 | - |
| Proceeds from current financial borrowings | | (16,600.86) | 2,228.05 |
| Finance costs | | (0.82) | - |
| **Net cash used in financing activities (c)** | | 3,497.28 | 2,228.05 |
| **Net decrease in cash and cash equivalents (a+b+c)** | | 357.02 | (36.85) |
| Cash and cash equivalents at the beginning of the year | 8 | 23.05 | 59.90 |
| **Cash and cash equivalents at the end of the year** | 8 | 380.07 | 23.05 |
| **See accompanying notes to the financial statements** | 1 - 41 | | |

In terms of our report attached

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL ANANTRAI MEHTA

**Anil A. Mehta**
Partner
Membership No: 30929

Place: Mumbai
Date: 29/12/2020

**For and on behalf of the Board of Directors**

KHIRODA CHANDRA JENA

**Khiroda Jena**
Director
DIN No.: 06929539
Place:
Date:

**Atul Narang**
Director
DIN No.: 02672071
Place:
Date:

HL PROMOTERS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

**a. Equity share capital**

(₹ in Lacs)

| Particulars | Amount |
|---|---|
| **Balance as at 31 March 2019** | **800.00** |
| Changes in equity share capital during the year | - |
| **Balance as at 31 March 2020** | **800.00** |

**b. Other equity**

(₹ in Lacs)

| Particulars | Reserves and surplus<br>Retained Earnings | Total equity |
|---|---|---|
| **Balance as at 31 March 2019** | **(6,382.21)** | **(6,382.21)** |
| Loss for the year | (9,129.09) | (9,129.09) |
| Other comprehensive income | (6.91) | (6.91) |
| **Total comprehensive income for the year** | **(9,136.00)** | **(9,136.00)** |
| **Balance as at 31 March 2020** | **(15,518.21)** | **(15,518.21)** |

**See accompanying notes to the financial statements** **1 - 41**

In terms of our report attached

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL ANANTRAI MEHTA

**Anil A. Mehta**
Partner
Membership No: 30529

Place: Mumbai
Date: 29/12/2020

**For and on behalf of the Board of Directors**

KHIRODA CHANDRA JENA

**Khiroda Jena**
Director
DIN no : 06928329
Place:
Date:

**Atul Narang**
Director
DIN no : 02872071
Place:
Date:

## Note – 1 Corporate Information

HL Promoters Private Limited [CIN: U45200DL2013PTC254832] ("the Company") is a limited by shares, incorporated and domiciled in India. The company incorporated on 3rd July, 2013, is a 51% subsidiary of HLT Residency Private Limited (a 100% subsidiary of Tata Value Homes Limited).

## 2 Significant accounting policies

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

a. Basis of Preparation

i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii. Historical cost convention

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

- Certain financial assets and liabilities
- defined benefit plans - plan assets measured at fair value.

b. Segment Reporting

The Company operates only in one Business Segment i.e. business of development of property and related activities within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

c. Foreign Currency Transactions

i. Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the company.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through statement of profit or loss are recognised in statement of profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

d. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are net of cancellations, value added taxes, service tax and amount collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the activities described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**i. Revenue for real estate development**

Revenue is recognised when a customer obtains control of the goods or services.

e. Other Income

**i. Interest Income**

Interest income from financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit loss.

**ii. Dividend Income**

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

f. Cost of sales

Project Cost which includes cost of land and cost of development rights, construction and development costs, borrowing costs incurred are charged as cost of sales in proportion to the project area sold. Costs incurred for projects which have not achieved reasonable level of development is carried over as construction work-in-progress. Any expected loss on real estate projects is recognised as an expense when it is certain that the cost will exceed the revenue.

g. Income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws. The current tax is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred 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 the accounting profit nor taxable profit or loss. Deferred tax is determined using tax laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or deferred tax liability is settled.

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

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

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

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to the future current tax liability, is considered as an asset if there is reasonable certainty of it being set off against regular tax payable within the stipulated statutory period. MAT credit is reviewed at each balance sheet date and the carrying amount of MAT credit is written down to the extent there is no longer reasonable certainty to the effect that the Company will pay regular tax during such specified period.

h. Leases – as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i. Impairment of tangible and intangible assets other than goodwill

The carrying amounts of tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indications exists, the recover able amount of the asset is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised in profit and loss wherever the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount factor. When there is an indication that an impairment loss recognised for the asset in earlier accounting periods no

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longer exists or may have decreased such reversal of impairment loss is recognised in profit and loss.

j. Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance sheet.

k. Unbilled revenue

Unbilled revenue represents excess of revenue recognised on 'Percentage of Completion Method' over actual bills raised. Unbilled revenue is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

l. Inventories

Inventories comprises of cost of construction material, finished residential or commercial properties and costs of projects under construction/development (construction work-in-progress). Inventories are valued at the lower of cost and net realisable value. The cost of construction material is determined on a weighted average basis.

Cost of project includes, cost of land / cost of development rights, construction and development cost, overheads related to project and justifiable borrowing costs which are incurred directly in relation to a project or which are apportioned to a project.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

m. Investments and other financial assets

i. Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election ( on an instrument-by-instrument basis) at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

At initial recognition, the company measures a financial asset 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. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- **Amortised 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 amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVTOCI):** 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 (FVTOCI). 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 recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised 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 (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Equity instruments at FVTOCI

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss on disposal. Dividend from such investments are recognised in profit or loss as other income when the right to receive payment is established.

Equity instruments at FVTPL

Investment in equity instruments are classified as at FVTPL, unless the company irrevocably elect on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

iii. Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost, FVTOCI debt instruments, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note XX details how the company determines whether there has been a significant increase in credit risk.

iv. Derecognition of financial assets

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset or
- 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 entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

n. <u>Financial liabilities and equity instruments</u>

i. Classification as debt or equity
Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

ii. Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

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iii. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**Financial liabilities at FVTPL:** Financial liabilities are classified at FVPTL when the financial liability is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that are attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

**Financial liabilities subsequently measured at amortised costs:** Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of cost of an assets is recognised in profit or loss.

**Financial guarantee contracts:**

**Derecognition of financial liabilities:** The entity derecognizes financial liabilities when, and only when the entity's obligation are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

o. Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.
Financial guarantee contracts issued by the company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

p. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events

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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.

q. Property, plant and equipment

r. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses including the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located and borrowing costs attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use. Depreciation methods, estimated useful lives and residual value

Depreciation is provided using the written down value method using the useful life as follows:

| Assets | Useful life |
|---|---|
| Office Equipments | 5 years |
| Computers | 3 years |
| Furniture and Fixtures | 10 years |

In respect of cellular phones whose estimated useful life is assessed as 2.5 years based on technical advice, taking into consideration, the nature of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjust if appropriate, at the end of each reporting period.

Leasehold improvements are amortised over the period of lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Any gains or losses arising on the disposals or retirement of an item of property, plant and equipment is determined as difference between the sales proceeds and the carrying amount of the asset ad is recognised in profit or loss.

s. Intangible assets

Costs associated with maintaining software programs are recognised as an expense as incurred.

Computer software purchased is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowing costs attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

*Amortisation methods and periods*

The company amortises cost of software over a period of 3 years on a straight-line basis.

i. Borrowing costs

Borrowing costs include interest, other costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying construction project / assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying construction project / assets upto the date of substantial completion of project / capitalisation of such asset are added to the cost of construction project / assets. Capitalisation of borrowing costs is suspended and charged to profit and loss during extended periods when active development activity on the qualifying construction project / assets is interrupted. A qualifying construction project / asset is an asset that necessarily takes 12 months or more to get ready for its intended use or sale and includes the real estate properties developed by the Company. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying construction project / assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

u. Provisions

Provisions are recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

v. Employee benefits

*i. Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

*ii. Other Long-term employee benefit obligations*

The Company's obligation towards other long term employee benefits in the form of compensated absences and long service awards are measured at the present value of the expected future payments to be made by the Company in respect of services provided by employee upto the reporting date.

*iii. Post-employment obligations*

The company operates the following post-employment schemes:

(a) defined benefit plan

The Company's obligation towards gratuity to employees, post-retirement medical benefits and ex-directors pension obligations is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan asset, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in the retained earnings and not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised as employee benefit expense in profit and loss.

(b) Defined contribution plan

The Company's contributions to Provident fund, Superannuation Fund and employee's state insurance scheme are considered as defined contribution plans. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

w. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

x. Earnings per share

*i. Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

*ii. Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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y. Cash flow statement

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

z. Operating cycle

All assets and liabilities have been classified as current or non-current based on operating cycle determined in accordance with the guidance as set out in the Schedule III to the Companies Act, 2013.

aa. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

Note 3) Property, plant and equipment

(₹ in Lacs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Carrying amounts of :** | | |
| Office Equipment | 0.43 | 0.80 |
| Computers | 5.07 | 0.83 |
| Furniture and Fixtures | 0.94 | 1.27 |
| Motor Vehicles | - | - |
| | **6.44** | **2.90** |

| Particulars | Office Equipment | Computers | Furniture and Fixtures | Total |
|---|---|---|---|---|
| **Gross carrying amount** | | | | |
| Balance as at 31 March 2019 | 9.56 | 6.20 | 4.01 | 19.77 |
| **Additions** | - | 5.80 | - | 5.80 |
| **Disposals** | - | - | - | - |
| **Balance as at 31 March 2020** | 9.56 | 12.00 | 4.01 | 25.57 |
| **Accumulated depreciation** | | | | |
| Balance as at 31 March 2019 | 8.76 | 5.37 | 2.74 | 16.87 |
| **Depreciation charge during the year** | 0.37 | 1.56 | 0.33 | 2.26 |
| **Disposals** | - | - | - | - |
| **Balance as at 31 March 2020** | 9.13 | 6.93 | 3.07 | 19.13 |
| **Closing net carrying amount** | | | | |
| Balance as at 31 March 2019 | 0.80 | 0.83 | 1.27 | 2.90 |
| Additions | - | 5.80 | - | 5.80 |
| Disposals | - | - | - | - |
| Depreciation expense | 0.37 | 1.56 | 0.33 | 2.26 |
| **Balance as at 31 March 2020** | 0.43 | 5.07 | 0.94 | 6.44 |

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Notes to the financial statements

Note [illegible]

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |
| [illegible] | [illegible] | 1.00 |

Note [illegible] (₹ in Lacs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| [illegible] | 12.47 | [illegible] |
| Total | [illegible] | [illegible] |

| 2019-20 | Opening Balance | [illegible] | Recognised in profit or loss | Recognised in other comprehensive income | Closing Balance |
|---|---|---|---|---|---|
| Deferred tax assets in relation to: | | | | | |
| [illegible] | [illegible] | - | [illegible] | - | [illegible] |
| [illegible] | [illegible] | - | [illegible] | [illegible] | [illegible] |
| | [illegible] | | [illegible] | [illegible] | [illegible] |

| 2018-19 | Opening Balance | [illegible] | Recognised in profit or loss | Recognised in other comprehensive income | Closing Balance |
|---|---|---|---|---|---|
| Deferred tax assets in relation to: | | | | | |
| [illegible] | [illegible] | - | [illegible] | - | [illegible] |
| [illegible] | [illegible] | - | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | - | [illegible] | - | - |
| [illegible] | [illegible] | - | [illegible] | - | - |
| [illegible] | - | (152.93) | [illegible] | - | - |
| | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Note [illegible] (₹ in Lacs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

[illegible]
[illegible]

Note [illegible]

| Particulars | As at [illegible] | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

Note [illegible]

| Particulars | As at [illegible] | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

Note [illegible]

| Particulars | As at [illegible] | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

Note 10 [illegible]

| Particulars | As at 31 March 2020 | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Less: [illegible] | [illegible] | [illegible] |
| | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

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HL PROMOTERS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 11: Share capital**
**Authorised/Issued/Subscribed and Paid-up**

| Particulars | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Number of shares | (₹ in Lacs) | Number of shares | (₹ in Lacs) |
| **Authorised**<br>Equity shares of ₹ 10/- each | 10,000,000 | 1,000 | 10,000,000 | 1,000 |
| **Issued, Subscribed and paid-up**<br>Equity shares of ₹ 10/- each fully paid-up | 8,000,000 | 800 | 8,000,000 | 800 |
| | 8,000,000 | 800 | 8,000,000 | 800 |

11.1 **Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:**

| Particulars | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Number of shares | (₹ in Lacs) | Number of shares | (₹ in Lacs) |
| Shares outstanding at the beginning of the year | 8,000,000 | 800.00 | 8,000,000 | 800.00 |
| Shares issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| **Shares outstanding at the end of the year** | **8,000,000** | **800.00** | **8,000,000** | **800.00** |

| Name of shareholder | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| HLT Residency Private Limited | 4,080,000 | 51 | 4,080,000 | 51 |

11.2 **Details of equity shares held by shareholders holding more than 5% of equity shares in the Company:**

| Particulars | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| HLT Residency Private Limited<br>SAS Realtech LLP | 4,080,000<br>3,920,000 | 51<br>49 | 4,080,000<br>3,920,000 | 51<br>49 |

11.3 **Details of shares issued otherwise than for cash/bonus shares/shares bought back during the immediately preceding 5 years - None**

11.4 **Rights, preference and restriction attached to shares**

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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[illegible]

| Particulars | As at [illegible] | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

| Particulars | As at [illegible] | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

| Particulars | As at [illegible] | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

| Particulars | As at [illegible] | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

| Particulars | As at [illegible] | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

| Particulars | As at [illegible] | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

[illegible]

| Particulars | As at [illegible] | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

Note:
[illegible]

| Particulars | As at [illegible] | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

| Particulars | As at [illegible] | As at [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

[illegible]

[illegible]
NOTES TO THE FINANCIAL STATEMENTS

Note [illegible]: Other current liabilities

(₹ in lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

Note [illegible]: [illegible]

(₹ in lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Other operating revenue | | |
| - [illegible] | | [illegible] |
| - [illegible] | 94.82 | |
| Total | [illegible] | [illegible] |

Note [illegible]: Other income

(₹ in lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Interest on | | |
| - [illegible] | [illegible] | [illegible] |
| - [illegible] | [illegible] | [illegible] |
| - [illegible] | [illegible] | - |
| Total | [illegible] | [illegible] |

Note [illegible]: Cost of sales

(₹ in lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Cost of sales | - | [illegible] |
| Total | - | [illegible] |

Note [illegible]: Employee benefits expense

(₹ in lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Salaries and wages | 56.39 | [illegible] |
| Contribution to provident and other funds | 7.29 | [illegible] |
| Total | [illegible] | [illegible] |

Note [illegible]: Finance costs

(₹ in lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Interest expense on borrowings | | |
| - [illegible] | [illegible] | [illegible] |
| - [illegible] | | [illegible] |
| - [illegible] | [illegible] | [illegible] |
| | [illegible] | [illegible] |
| Less: [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

[illegible]

| Particulars | [illegible] | [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

Notes

| | | |
|---|---|---|
| [illegible] | | |
| [illegible] | | |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Total | [illegible] | [illegible] |

## Note [illegible]: Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has [illegible] a risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the finance department that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The finance department activities are designed to:
- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

### A) Management of liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

| | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Bank OD/CC | 5,050.00 | 1,096.10 |

(₹ in Lacs)

The bank overdraft facilities may be drawn at any time.

(ii) Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

(₹ in Lacs)

| As at 31 March 2020 | Less than 1 year | 1-3 Years | 3-5 Years | Total |
|---|---|---|---|---|
| Borrowings | - | 20,095.06 | - | 20,095.06 |
| Interest on borrowings | - | 4,053.96 | - | 4,053.96 |
| Trade payables | 10,261.31 | - | - | 10,221.55 |
| Other financial liabilities | 65.43 | 4,876.28 | - | 4,940.71 |

(₹ in Lacs)

| As at 31 March 2019 | Less than 1 year | 1-3 Years | 3-5 Years | Total |
|---|---|---|---|---|
| Borrowings | 36,659.46 | - | | 36,660.95 |
| Interest on Borrowings | 7,776.06 | - | | 7,774.06 |
| Trade payables | 10,272.30 | - | - | 10,272.30 |
| Other financial liabilities | 54.55 | 155.62 | - | 210.20 |

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SK Diamonds Private Limited
Notes forming part of the financial statements

(b) Management of market risk
The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:
• interest rate risk
• commodity price risk
• currency risk
The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk exposure within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below:

| POTENTIAL IMPACT OF RISK | MANAGEMENT POLICY | SENSITIVITY TO RISK |
|---|---|---|
| (i) Interest rate risk | | |
| Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.<br><br>The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.<br><br>As at March 31, 2020, the exposure to interest rate risk due to borrowings amounted to Rs. 20,009.06 lacs (March 31, 2019: Rs. 16,696.00 lacs) | The Company's strategy is to minimize interest rate risk by ensuring that [illegible] of [illegible]% of its total borrowing is at fixed interest rates, by taking [illegible] fixed rate loans.<br><br>The Company's interest rate risk is monitored by the management and treasury team on a monthly basis. Management analyses the Company's interest rate exposure on a dynamic basis. Various scenarios are simulated, taking into consideration refinancing, renewal of existing positions and alternative financing sources. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions. The simulation is done on a periodic basis to verify that the maximum potential loss is within the limits set by management. | As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 0.25% change in interest rates. A 0.25% increase in interest rates would have led to an approximate reduction in profit of Rs. [illegible] lacs. A 0.25% decrease in interest rates would have led to an equal but opposite effect. |

(c) Management of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations.
The group is exposed to credit risk from loans and from corporate deposits, deposits with banks and financial institutions, as well as credit exposure to customers with deferred payment terms.
Trade receivables
Credit risk related to receivables resulting from the sale of inventory property is managed by requiring customers to pay the dues before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
Other financial assets
Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's risk management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

**Note 28: Capital Management**

The Company considers that capital includes net debt and equity attributable to the equity holders.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

The Company monitors capital using a gearing ratio which is total capital divided by Net debt. The Company includes within Net debt, interest bearing loans and borrowings, loan from related parties, trade and other payables, less cash and cash equivalents excluding discontinued operations.

The gearing ratios were as follows:

(₹ in lacs)

| | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Long-term borrowings (Note 13) | 20,009.06 | - |
| Short-term borrowings (Note 15) | - | 16,696.00 |
| Cash and cash equivalents (Note 9) | (1,001.87) | (133.08) |
| Net debt (net of cash and bank balances) | [illegible] | [illegible] |
| Total Equity | [illegible] | [illegible] |
| Net debt to equity ratio | [illegible] | [illegible] |

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Note 20: Fair value measurements

**Financial instruments by category** (Rs. / Lacs)

| | 31 March 2020 | | | 31 March 2019 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortised cost | FVPL | FVOCI | Amortised cost |
| **Financial assets** | | | | | | |
| Cash and cash equivalents | - | - | 390.07 | - | - | 23.05 |
| Trade receivables | - | - | - | - | - | - |
| Other current financial asset | - | - | 15.33 | - | - | 15.22 |
| **Total financial assets** | - | - | 405.40 | - | - | 38.27 |
| **Financial liabilities** | | | | | | |
| Non current borrowings | - | - | 20,098.05 | - | - | - |
| Current borrowings | - | - | - | - | - | 16,659.96 |
| Trade payables | - | - | 10,281.31 | - | - | 10,377.90 |
| Other current financial liabilities | - | - | 4,936.72 | - | - | 2,975.16 |
| **Total financial liabilities** | - | - | 35,316.08 | - | - | 30,013.02 |

**(i) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Rs. / Lacs)

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31 March 2020 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | - | - | 390.07 | 390.07 |
| Trade receivables | - | - | - | - |
| Other current financial asset | - | - | 15.33 | 15.33 |
| **Total financial assets** | - | - | 405.40 | 405.40 |
| **Financial liabilities** | | | | |
| Non current borrowings | - | - | 20,098.05 | 20,098.05 |
| Trade payables | - | - | 10,281.31 | 10,281.31 |
| Other current financial liabilities | - | - | 4,936.72 | 4,936.72 |
| **Total financial liabilities** | - | - | 35,316.08 | 35,316.08 |

(Rs. / Lacs)

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31 March 2019 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | - | - | 23.05 | 23.05 |
| Trade receivables | - | - | - | - |
| Other current financial asset | - | - | 15.22 | 15.22 |
| **Total financial assets** | - | - | 38.27 | 38.27 |
| **Financial liabilities** | | | | |
| Non current borrowings | - | - | - | - |
| Current borrowings | - | - | 16,659.96 | 16,659.96 |
| Trade payables | - | - | 10,377.90 | 10,377.90 |
| Other current financial liabilities | - | - | 2,975.16 | 2,975.16 |
| **Total financial liabilities** | - | - | 30,013.02 | 30,013.02 |

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

**Level 1**: Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2**: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.

**Level 3**: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Fair value of financial assets and liabilities measured at amortised cost** (Rs. / Lacs)

| | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial assets** | | | | |
| Cash and cash equivalents | 390.07 | 390.07 | 23.05 | 23.05 |
| Trade receivables | - | - | - | - |
| Other current financial asset | 15.33 | 15.33 | 15.22 | 15.22 |
| **Total financial assets** | 405.40 | 405.40 | 38.27 | 38.27 |
| **Financial liabilities** | | | | |
| Non current borrowings | 20,098.05 | 20,098.05 | - | - |
| Current borrowings | - | - | 16,659.96 | 16,659.96 |
| Trade payables | 10,281.31 | 10,281.31 | 10,377.90 | 10,377.90 |
| Other current financial liabilities | 4,936.72 | 4,936.72 | 2,975.16 | 2,975.16 |
| **Total financial liabilities** | 35,316.08 | 35,316.08 | 30,013.02 | 30,013.02 |

The carrying amounts of trade receivables, receivables against services rendered and other receivables, trade payables, advances recoverable, other payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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HL PROMOTERS PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 30 : Earnings per share (EPS)**

(₹ in Lacs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Profit / (loss) after tax (₹ in Lacs) | (9,129.09) | (5,000.02) |
| Number of equity shares | 8,000,000 | 8,000,000 |
| Weighted average number of equity shares | 8,000,000 | 8,000,000 |
| Earnings per share (basic & diluted) - in ₹ | (114.11) | (62.50) |
| Face value per share (in ₹) | 10 | 10 |

**Note 31 : Segment reporting**

As the Company is engaged only in the business of development of property and related activities in India, it has no reportable segments in terms of Accounting Standard 108 on Operating Segment reporting notified by the Companies (Accounting Standards) Rules.

Note 32: Employee benefits

32.1 The Company has recognised, under the construction work in progress the following amount as contribution under defined contribution plans:

(₹ in Lacs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Provident fund | 8.41 | 8.00 |
| Total | 8.41 | 8.00 |

The Company's contributions paid / payable during the year towards Recognised Provident Fund is charged to the construction work in progress. The fund is recognised by the income tax authorities.

32.2 The Company operates the funded gratuity benefit plan.

A) Changes in defined benefit obligation:

(₹ in Lacs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Opening defined benefit obligation | 36.35 | 9.02 |
| Current service cost | 5.53 | 4.60 |
| Interest cost | 1.89 | 0.30 |
| Liability transferred in / acquisitions | - | - |
| Actuarial (gain) / loss on obligations | 9.32 | 25.15 |
| Benefits paid | - | (2.85) |
| Closing defined benefit obligation | 43.45 | 36.22 |

B) Change in plan assets:

(₹ in Lacs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Plan assets at the beginning of the year | 5.31 | 5.03 |
| Expected return on plan assets | 0.39 | 0.37 |
| Actual Company contributions | - | 0.59 |
| Assets transferred in / acquisitions | | |
| Actuarial gain / (loss) on plan assets | (0.03) | 0.01 |
| Benefits paid | - | - |
| Plan assets as at the end of the year | 5.88 | 5.31 |

Expected rate of return on asset is taken on the basis of the prevailing rate on government securities for the tenure of the business.

C) Net liability recognised in the Balance Sheet:

(₹ in Lacs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Present value of the obligation as at the end of the year | 43.45 | 36.22 |
| Fair value of plan assets as at the end of the year | 5.88 | 5.31 |
| Net liability recognised in the Balance Sheet | 37.57 | 30.91 |

D) Expenses recognised in Statement of Profit and loss during the year:

(₹ in Lacs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Current service cost | 5.53 | 4.60 |
| Interest cost | 2.59 | 0.38 |
| Expected return on plan assets | (0.39) | (0.37) |
| Expenses recognised in Statement of Profit and loss during the year | 7.43 | 4.61 |

E) Expenses recognised in Other Comprehensive Income during the year:

(₹ in Lacs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Actuarial loss / (Gain) | 9.34 | 25.03 |
| Expenses recognised in Other Comprehensive Income during the year | 9.34 | 25.03 |

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a) Composition of the plan assets is as follows:

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Government bonds | | |
| Corporate bonds | | |
| Infrastructure bonds | | |
| Reverse repos | | |
| Others | 100.00% | 100.00% |
| | 100.00% | 100.00% |

b) Actuarial assumptions - Gratuity:

| Date of Valuation | Refer note below | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| Discount rate | 1 | 6.50% | 7.55% |
| Rate of salary increase | 2 | 7.00% | 7.00% |
| Rate of return | 3 | 7.00% | 7.50% |
| Retirement age | | 60 years | 60 years |
| Attrition rate | | 21.50% | 15.00% |
| Mortality table | | Indian Assured Lives Mortality (2012-2014) | Indian Assured Lives Mortality (2006-2008) |
| Contribution expected to be paid to the plan during next financial year | | 42.94 | 36.24 |

**Notes:**

1. The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.

2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

3. The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**Risk analysis**

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

Investment risk
Defined benefit plans are funded with Life Insurance Corporation of India (LIC). Company does not have any liberty to manage the fund provided to LIC.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds for Company's Indian operations. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk
A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk/Life expectancy
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

**32.3 Actuarial Assumptions for unfunded compensated absences:**

| Particulars | Refer note below | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| Compensated absences | | | |
| Discount rate | 1 | 6.50% | 7.55% |
| Future salary increase | 2 | 7.00% | 7.00% |
| Retirement age | | 60 years | 60 years |
| Mortality table | | Indian Assured Lives Mortality (2012-2014) | Indian Assured Lives Mortality (2006-2008) |

**Notes:**

1. The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.

2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 33: Related Party Transactions

33.1 List of Related Parties and relationship

| Sr. No. | Related parties |
|---|---|
| 1 | **Ultimate Holding Company**<br>TATA Housing Development Company Limited |
| 2 | **Parent of Holding company**<br>TATA Value Homes Limited |
| 3 | **Holding company**<br>HLT Residency Private Limited |
| 4 | **Company which holds substantial interest**<br>SAS Realtech LLP |

33.2 Transactions with the Related Parties

(₹ in Lacs)

| Sr. No. | Particulars | Related Parties | |
|---|---|---|---|
| | | 31 March 2020 | 31 March 2019 |
| 1 | **Receiving of services (expenses)** | | |
| | Interest on borrowings<br>HLT Residency Private Limited | 5,074.92 | 3,374.34 |
| | SAS Realtech LLP | 156.31 | 155.72 |
| | Project management fees<br>Tata Value Homes Limited | 93.53 | 200.45 |
| | Marketing fees<br>Tata Value Homes Limited | - | 89.68 |
| 2 | **Reimbursement of interest expenses paid**<br>HLT Residency Private Limited | - | 245.01 |
| 3 | **JD Share**<br>HLT Residency Private Limited | - | 273.73 |
| | SAS Realtech LLP | - | 362.90 |
| 4 | **Reimbursement of interest expenses (Received)**<br>SAS Realtech LLP | - | 246.53 |
| 5 | **Loans taken**<br>HLT Residency Private Limited | 2,342.65 | 3,095.00 |
| 6 | **Assets**<br>Outstanding Receivable<br>SAS Realtech LLP | 563.56 | 560.56 |
| 7 | **Liabilities** | | |
| | Loans<br>HLT Residency Private Limited | 48,799.66 | 45,457.69 |
| | SAS Realtech LLP | 1,290.75 | 1,298.70 |
| | Trade payables<br>Tata Value Homes Limited<br>HLT Residency Private Limited | 2,957.58<br>509.45 | 2,876.67<br>655.15 |
| | JD Share Payable<br>HLT Residency Private Limited | 1,300.71 | 1,300.71 |
| | SAS Realtech LLP | 1,349.70 | 1,349.70 |
| | Interest accrued but not due on borrowings<br>HLT Residency Private Limited | 3,912.27 | 2,134.65 |
| | SAS Realtech LLP | 790.71 | 540.17 |

**Note 34 : Micro, Small and Medium Enterprises**

34.1 Sundry creditors include principal amount of ₹ Nil (As at 31st March, 2019 ₹ Nil) due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006

34.2 No interest was paid during the current year as well as during the previous year by the Company to such suppliers.

34.3 No interest is due and payable for the period of delay in making payment, if any, at the end of the current year as well as previous year by the Company to such suppliers.

34.4 No interest was accrued and remains unpaid at the end of the current year as well as previous year by the Company to such suppliers.

The above information has been determined to the extent such suppliers have been identified on the basis of information available with the Company.

**Note 35: Going concern**

During the year the company has incurred a loss of Rs 9,129.09 lakhs and has a negative networth of Rs 15,518.21 lakhs as at 31st March, 2020. The management has assessed the company's ability to continue as a going concern over a period of not less than 12 months from the date of the financial statements. This assessment is based on certain judgements and estimates and also on future cash flow prepared for such evaluation which according to the management is reasonable. Further, the intercorporate loans provided by the holding company is to be considered long term not repayable within period of 12 months since the holding company has given an undertaking not to call back/demand repayment within a period of 12 months from the date of the financial statement. Under such circumstances, the Management is confident of continuation of the company and hence the financial statements are prepared on going concern basis

**Note 36: Pending litigation**

There are no pending litigations against the company as at 31st March 2020, which will impact it's financial position.

**Note 37: Foreseeable losses**

The Company does not have any long-term contracts nor derivatives contracts, which require a provision for any foreseeable losses.

**Note 38: Investor Education and Protection Fund**

There were no amounts which were required to be transferred to the above fund as at 31st March, 2020.

HL PROMOTERS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 39 : Income tax**

The major components of income tax expense for the year ended March 31, 2020 are indicated below :

| Particulars | 31 March 2020 (Rupees) | 31 March 2019 (Rupees) |
|---|---|---|
| Current tax on profits for the year | - | - |
| Deferred tax expense for the year | (1.35) | 473.6[illegible] |
| | (1.35) | 473.6[illegible] |

A reconciliation of income tax expense applicable to accounting profits / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Accounting profit before tax | (5,130.44) | (6,526.41) |
| Statutory tax rate | 26.00% | 26.00% |
| Tax on profit at statutory tax rate | (1,372.91) | (1,578.87) |
| Deferred tax on brought forward losses not recognised | 1,373.51 | 1,792.55 |
| Deferred tax on reversal as per Ind AS 115 | - | (142.99) |
| Deferred tax on defined benefit obligation recognised in OCI | 2.13 | 4.95 |
| Tax charge for the year | 2.33 | 577.65 |

**Note 40 :** World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 25, 2020 and the Company suspended its operations in all ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in project execution, supply chain disruption, unavailability of personnel, closure of hospitality facilities during the lockdown period.

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, investments, inventory, advances, trade receivables, Deferred taxes, other financial and non-financial assets etc. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of these financial statements.

The Central and State Governments have initiated steps to lift the lockdown and the Company will adhere to the same as it resumes its activities. Construction at sites has already restarted. Since it is only about thirteen weeks into the pandemic, the Company will continue to closely observe the evolving scenario and take into account any future developments arising out of the same.

**Note 41 : Previous year's figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached

**For T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 124444W/W100150)

ANIL ANANTRAI MEHTA

**Anil A. Mehta**
Partner
Membership No: 30529

Place: Mumbai
Date: 29/12/2020

**For and on behalf of the Board of Directors**

KHIRODA CHANDRA JENA

**Khiroda Jena**
Director
DIN No : 06926525

**Atul Narang**
Director
DIN No : 02677071

Place:
Date:

Place:
Date: