Ankur Goyal & Associates
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of **K World Estate Private Limited**

Report on Audit of Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **K World Estate Private Limited ("the Company")**, which comprise the Balance Sheet as at 31st March, 2020, and 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 (Collectively " Ind AS Financial Statement").

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 its profit, Other Comprehensive Income, its Cash Flow and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). 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 independent requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS Financial Statements.

Emphasis of Matter

We draw our attention to in the financial statements, which indicates that the Company has accumulated losses and its net worth has been fully eroded, further and, the Company's current liabilities exceeded its current assets by 2036.11 Lacs as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the company has earned the operating profit in current year and the management has its view that, the Company is making the continuous efforts to continue its operations.

Our report is not modified is respect of this matter.

Information Other Than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other Information. The Other Information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholders Information, but does not include the standalone Financial Statements and our auditors Report thereon.

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ANKUR GOYAL & ASSOCIATES FIRM NO. 027994N Chartered Accountants

Our opinion on the Ind AS Financial Statements does not cover the other Information and we don't express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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- 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143 (3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and statement of change in equity 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.
   e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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**". Our Report Expresses Unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
   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:

ANKUR GOYAL & ASSOCIATES
FIRM NO. 027994N
Chartered Accountants

i. The Company does not have any pending litigations which would impact 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.

iv. With respect to the matter to be included in the Auditors 'Report under section 197(16) of the Act as amended:

In our opinion and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

For Ankur Goyal & Associates
Chartered Accountants
Firm registration number: 027994N

ANKUR GOYAL & ASSOCIATES
FIRM NO. 027994N
Chartered Accountants

Ankur Goyal
Proprietor
Membership no.: 524378

UDIN No. 21524378AAAAAI4141
Place: New Delhi
Date: 25-12-2020

Annexure A to Independent Auditors' Report
(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

(i) (a) As per information and explanation given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information & explanation given to us and on the basis of our examination of records of the company, company does not own any immovable property. Accordingly, this para is not applicable.

(ii) The management has conducted physical verification of Inventory at reasonable intervals during the year & no material discrepancies were noticed on such physical verification. However as at March 31, 2020 Company doesn't hold any physical inventories.

(iii) According to the information & explanation given to us, the Company has not granted any secured/ unsecured loan to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence, para 3(iii) is not applicable to the Company.

(iv) In our opinion and according to the information & explanation given to us, the company has not complied with the provisions of section 185 & 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public; therefore, reporting under clause 3 (v) of the order is not applicable to the Company.

Cost Audit conducted

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(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, Employees' state insurance, income tax, Goods & Service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases.

(b) According to the information and explanations given to us, no undisputed dues in respect of provident Fund, Employees' State Insurance, Income tax, Goods & service tax, cess and other material statutory dues were in arrear as at the 31 March 2020 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales tax, Duty of customs, Duty of excise, and value added tax which have been deposited with the appropriate authorities on account of any dispute.

ANKUR GOYAL & ASSOCIATES
FIRM NO. 027094N
Chartered Accountants

(viii) In our opinion and according to the information and explanations provided by management, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and Government or dues to debenture holders.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanation given to us, the term loans obtained have been applied for the purpose for which they were obtained.

(x) According to the information and explanations give to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of audit.

(xi) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of section 197 read with Schedule V to the act are not applicable to the company. Accordingly, paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of section 177 of the act are not applicable to the company. According to the information and explanations given to us, transactions with the related parties are in compliance with section 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) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the order is not applicable to the Company.

For Ankur Goyal & Associates
Chartered Accountants
Firm Reg. No. 027994N

ANKUR GOYAL & ASSOCIATES
FIRM NO.
027994N
Chartered Accountants

Ankur Goyal
Proprietor
Membership No. 524378

UDIN No. 21524378AAAAAI4141
Place: New Delhi
Dated: 25-12-2020

Annexure - B to Independent Auditor's 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 **K World Estate Private Limited** ("the Company") as of 31 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; 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 Ind AS Financial Statements.

ANKUR GOYAL & ASSOCIATES
FIRM NO. 027914N
Chartered Accountants

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 31 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 Ankur Goyal & Associates
Chartered Accountants
Firm registration number: 027994N

ANKUR GOYAL & ASSOCIATES
FIRM NO. 027994N
Chartered Accountants

Ankur Goyal
Proprietor
Membership no.: 524378

UDIN No. 21524378AAAAAI4141

Place: New Delhi
Date: 25-12-2020

K World Estate Private Limited
B-2/4, Karol Bagh, Plot no. 2, Ashok Nagar, D.B. Gupta Road, New Delhi 110005
(CIN : U70109DL2010PTC206336)
Balance Sheet as at March 31, 2020
(Amounts in Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
a) Property, plant and equipment	3	1,28,70,458	1,66,00,339
b) Capital work-in-progress		-	-
c) Intangible assets	3a	6,244	15,442
d) Financial Assets			
- Investments	4	14,07,70,500	14,07,70,500
- Loans	5	3,61,02,835	2,59,59,954
e) Deferred tax assets (net)	6	35,68,107	34,73,330
f) Other non-current assets	7	3,52,151	3,39,823
		19,36,70,295	**18,71,59,388**
Current assets			
a) Inventories			
b) Financial Assets			
- Cash and Bank Balances	8	27,32,823	3,67,81,516
- Loans & advances	9	10,55,67,994	2,94,13,519
c) Other current assets	10	4,97,527	1,87,098
		10,87,98,344	**6,63,82,133**
Total Assets		**30,24,68,639**	**25,35,41,521**
Equity and liabilities			
Equity			
a) Equity share capital	11	1,02,44,000	1,02,44,000
b) Other equity	12	(5,91,11,891)	(32,21,13,440)
Total Equity		**(4,88,67,891)**	**(31,18,69,440)**
Non-current liabilities			
a) Financial liabilities			
- Borrowings	13	3,60,34,538	6,00,00,000
b) Provisions	14	23,54,863	16,24,565
c) Other non current liabilities	15	5,37,733	5,37,733
		3,89,27,134	**6,21,62,298**
Current liabilities			
a) Financial liabilities			
- Trade payables	16	3,09,40,625	4,02,73,130
b) Other current liabilities	17	28,13,26,099	46,28,51,807
c) Provisions	18	1,42,672	1,23,726
		31,24,09,396	**50,32,48,663**
Total Equity and Liabilities		**30,24,68,639**	**25,35,41,521**

Summary of significant accounting policies

The accompanying notes are an integral part of the standalone financial statements

For Ankur Goyal & Associates
ICAI Firm Registeration no : 027994N
Chartered Accountants

Ankur Goyal
Proprietor
M.No. 524378
Place : New Delhi
Date:- 25/12/2020

For and on behalf of the Board of Directors of
K World Estate Private Limited

Savita Kesarwani
Chairperson
DIN: 02237455
Place : New Delhi
Date:- 25/12/2020

Pankaj Kumar Jain
Managing Director
DIN: 5217677
Place : New Delhi
Date:- 25/12/2020

K World Estate Private Limited
B-2/4, Karol Bagh, Plot no. 2, Ashok Nagar, D.B. Gupta Road, New Delhi 110005
(CIN : U70109DL2010PTC206336)
Statement of Profit & Loss for the year ended March 31, 2020
(Amounts in Rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from Operations			
a) Revenue from Operations	19	33,46,25,689	73,25,05,627
b) Other Income	20	57,38,546	2,10,48,659
Total Income (I)		**34,03,64,235**	**75,35,54,286**
Expenses			
a) Cost of Construction	21	5,71,77,936	12,14,76,879
b) Depreciation and amortization expense	22	22,58,709	33,67,738
c) Employee benefits expenses	23	52,91,430	89,51,250
d) Other expenses	24	1,25,26,311	1,42,21,551
e) Finance costs	25	-	-
Total expenses (II)		**7,72,54,387**	**14,80,17,418**
Profit before exceptional items and tax (I-II)		**26,31,09,848**	**60,55,36,868**
Exceptional items (net)			-
Profit before tax		**26,31,09,848**	**60,55,36,868**
Tax Expenses	26		
a) Current Tax		-	13,21,202
b) Adjustment of tax related to earlier period		-	20,77,242
c) Deferred Tax		(38,281)	(2,55,114)
		(38,281)	31,43,330
Profit for the period		**26,31,48,129**	**60,23,93,538**
Other comprehensive income(OCI)			
a) Items that will not be reclassified to profit and loss			
Remeasurements gains/(losses) of the defined benefit obligation		(2,03,076)	6,63,981
b) Income tax relating to items that will not be reclassified to profit and loss			
-Income tax on remeasurements of (gains)/losses of the defined benefit		56,496	(1,84,720)
Other comprehensive income, net of tax		**(1,46,580)**	**4,79,261**
Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the Period), net of tax		**26,30,01,549**	**60,28,72,799**
Paid-up equity shares		10,24,400	10,24,400
Other equity			
Earning Per equity share (Face value of Rs. 10/- per Share)			
Basic (in Rs.)		**256.74**	**588.51**
Diluted (in Rs.)		**256.74**	**588.51**

Summary of significant accounting policies

The accompanying notes are an integral part of the standalone financial statements

For Ankur Goyal & Associates
ICAI Firm Registeration no : 027994N
Chartered Accountants

Ankur Goyal
Proprietor
M.No. 524378
Place : New Delhi
Date:- 25/12/2020

For and on behalf of the Board of Directors of
K World Estate Private Limited

Savita Kesarwani
Chairperson
DIN: 02237455
Place : New Delhi
Date: 25/12/2020

Pankaj Kumar Jain
Managing Director
DIN: 5217677
Place : New Delhi
Date: 25/12/2020

K WORLD ESTATE PVT. LTD.

K World Estate Private Limited
B-2/4, Karol Bagh, Plot no. 2, Ashok Nagar, D.B. Gupta Road, New Delhi 110005
(CIN : U70109DL2010PTC206336)
Cash Flow Statement for the year ended March 31, 2020
(Amounts in Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Operating activities		
Profit before tax	26,31,09,848	60,62,00,849
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	37,39,078	51,81,549
Loss/(Profit) on sale of fixed assets		(7,134)
Liability written off	(8,711)	-
Interest expense	-	6,82,26,985
Interest income	(52,94,621)	(1,99,82,592)
Working capital adjustments:		
(Increase)/ decrease in other assets	(3,22,757)	(69,47,35,640)
(Increase)/ decrease in loans and advances	(8,62,97,355)	4,76,46,840
(Decrease)/ increase in trade payables, other current liabilities and provisions	(19,01,08,970)	41,98,65,422
Cash generated from operations	**(1,51,83,488)**	**43,23,96,278**
Direct taxes paid (net of refunds)	(1,94,364)	(35,83,164)
Net (used in)/ cash generated from operating activities	**(1,53,77,852)**	**42,88,13,115**
B. Investing activities		
Purchase of property, plant and equipment (including capital work in progress)	-	-
Proceeds from sale of property, plant and equipment and intangibles		60,000
Purchase of Investment		(3,80,000)
Interest received	52,94,621	1,99,82,592
Net (used in)/ cash generated from Investing activities	**52,94,621**	**1,96,62,592**
C. Financing activities		
Repayment of borrowings	(2,39,65,462)	(43,89,77,791)
Interest paid	-	(6,82,26,985)
Net (used in)/ cash generated from Financing activities	**(2,39,65,462)**	**(50,72,04,776)**
Net increase in cash and cash equivalents (A+B+C)	(3,40,48,693)	(5,87,29,069)
Cash and cash equivalents at the beginning of the year	3,67,81,516	9,55,10,585
Cash and cash equivalents as at the end of the year	**27,32,823**	**3,67,81,516**
Components of cash and cash equivalents		
Cash and cheques on hand	1,57,405	2,29,588
Balances with scheduled banks:		
- on current accounts	25,75,418	3,65,51,928
	27,32,823	**3,67,81,516**

Significant accounting policies
The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For Ankur Goyal & Associates
ICAI Firm Registeration no : 027994N
Chartered Accountants

Ankur Goyal
Proprietor
M.No. 524378
Place : New Delhi
Date:- 25/12/2020

For and on behalf of the Board of Directors of
K World Estate Private Limited

Savita Kesarwani
Chairperson
DIN: 02237455
Place : New Delhi
Date:- 25/12/2020

Pankaj Kumar Jain
Managing Director
DIN :-5217677
Place : New Delhi
Date:- 25/12/2020

K World Estate Private Limited
B-2/4, Karol Bagh, Plot no. 2, Ashok Nagar, D.B. Gupta Road, New Delhi 110005
(CIN : U70109DL2010PTC206336)
Statement of Changes in equity for the year ended March 31, 2020
(Amounts in Rupees, unless otherwise stated)

Particulars

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	Number	Amount in Rs.
As at 31, March 2019	10,24,400	1,02,44,000
As at 31, March 2020	10,24,400	1,02,44,000

B. Other Equity

For the year ended 31 March 2020

	Reserve and surplus			Other	
	Security premium	Retained earnings	Debenture Redemption Reserve	comprehensive income	Total
Balance as at 1 April 2019	3,63,61,000	(35,84,74,440)	-	-	(32,21,13,440)
Profit for the year	-	26,30,01,549	11,25,00,000	-	37,55,01,549
Other comprehensive income	-	-	(11,25,00,000)	-	(11,25,00,000)
Total comprehensive income	-	26,30,01,549	-	-	26,30,01,549
Balance as at 31 March 2020	**3,63,61,000**	**(9,54,72,891)**	-	-	**(5,91,11,891)**

For the year ended 31 March 2019

	Reserve and surplus			Other	
	Security premium	Retained earnings	Debenture Redemption Reserve	comprehensive income	Total
Balance as at 1 April 2018	3,63,61,000	4,60,68,751	-	-	8,24,29,751
Profit for the year	-	(40,45,43,191)	11,25,00,000	-	(29,20,43,191)
Other comprehensive income	-	-	(11,25,00,000)	-	(11,25,00,000)
Total comprehensive income	-	(40,45,43,191)	-	-	(40,45,43,191)
Balance as at 31 March 2019	**3,63,61,000**	**(35,84,74,440)**	-	-	**(32,21,13,440)**

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For Ankur Goyal & Associates
ICAI Firm Registeration no : 027994N
Chartered Accountants

Ankur Goyal
Proprietor
M.No. 524378
Place : New Delhi
Date: 30/12/2020

For and on behalf of the Board of Directors of
K World Estate Private Limited

Savita Kesarwani
Director
DIN: 02237455
Place : New Delhi
Date:

Pankaj Kumar Jain
Managing Director
DIN :-5217677
Place : New Delhi
Date:

K World Estate Private Limited
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(CIN : U70109DL2010PTC206336)
Notes to financial statements for the year ended March 31, 2020

4 **Investments**

Particulars	As at March 31, 2020	As at March 31, 2019
KW Buildcons Pvt Ltd	68,74,000	68,74,000
- 687400 equity shares of Rs. 10/- each		
Kw Home Pvt Ltd	8,55,18,750	8,55,18,750
- 11,59,750 equity shares of Rs. 10/- each		
KW Infrabuild Pvt Ltd	8,00,000	8,00,000
- 80000 equity shares of Rs. 10/- each		
KW Power Pvt Ltd	1,58,85,000	1,58,85,000
- 2,11,800 equity shares of Rs. 10/- each		
KW Security & Services Pvt Ltd	1,07,12,750	1,07,12,750
- 2,14,255 equity shares of Rs. 10/- each		
K World Developers Pvt Ltd	2,00,00,000	2,00,00,000
- 8,00,000 equity shares of Rs. 10/- each		
KW Dream Home Consurtium Pvt Ltd	4,80,000	4,80,000
- 60,000 equity shares of Rs. 10/- each		
Hot Entertainment and Media Pvt Ltd	5,00,000	5,00,000
- 5,000 equity shares of Rs. 10/- each		
	14,07,70,500	**14,07,70,500**

5 **Long term loans and advances**

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current/Long term		
Other Loan and advances	3,17,99,707	1,93,01,130
Deferred Expenditure for Long Term Advance	43,03,128	66,58,824
	3,61,02,835	**2,59,59,954**

Break up of financial assets carried at amortized cost

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Investments	14,07,70,500	-	14,07,70,500	-
Loans	3,61,02,835	10,55,67,994	2,59,59,954	2,94,13,519
Cash and cash equivalent	3,52,151	27,32,823	3,39,823	3,67,81,516
	17,72,25,486	**10,83,00,817**	**16,70,70,277**	**6,61,95,035**

6 **Deferred Tax**

Particulars	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax assets/(liablity)		
Fixed Assets: Impact of difference between tax depreciation charged for the financia	29,37,719	30,37,746
Other timing difference	6,30,388	4,35,584
Tax effect of items constituting deferred tax assets	**35,68,107**	**34,73,330**
Net deferred tax (liability) / asset	**35,68,107**	**34,73,330**

Reflected in balance sheet as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	35,68,107	34,73,330

Reconciliation of deferred tax assets/ (liabilities) (net):

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	34,73,330	34,02,936
Tax income /(expense) during the year recognised in profit/loss	94,777	70,394
Balance at the end of the year	**35,68,107**	**34,73,330**

7 **Other non current assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Non current/Long term		
Non current bank balances (Refer note 8)	3,52,151	3,39,823
	3,52,151	**3,39,823**

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8 Cash and bank balances

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Balances with banks		
On current accounts	25,75,418	3,65,51,929
Cash in hand	1,57,405	2,29,588
	27,32,823	**3,67,81,516**
Other bank balances		
Deposits with original maturity of less than 3 months	-	-
Deposits with original maturity of more than 12 months	3,52,151	3,39,823
	3,52,151	3,39,823
Amount disclosed under other current assets (note no. 7)	3,52,151	3,39,823
	-	-
	27,32,823	**3,67,81,516**

9 Short term Loans and Advances

Particulars	As at March 31, 2020	As at March 31, 2019
Advances recoverable in Cash or Kind	9,27,86,246	1,52,70,814
Advance Salary to Employees	32,000	1,91,000
Prepaid expenses	2,44,739	4,02,394
Imprest Account	8,938	4,132
Balances with statutory / government authorities	1,23,99,293	1,35,45,180
Tax Deposit of Inter Companies	96,778	-
	10,55,67,994	**2,94,13,519**

10 Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advance to Vendors	4,97,527	1,87,098
	4,97,527	**1,87,098**

11 Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised share Capital		
70,00,000 equity shares (previous year 70,00,000 equity shares) of Rs. 10/- each	7,00,00,000	7,00,00,000
Issued, subscribed & fully paid share capital		
10,24,400 equity shares (10,24,400 equity shares in previous year) of Rs. 10/- each	1,02,44,000	1,02,44,000

a. Reconciliation of equity shares outstanding at the beginning and at the end of reporting year

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	1,02,44,000	1,02,44,000
10,24,400 shares (10,24,400 shares in previous year) of Rs 10 each/-)		
Issue during the year - Equity Shares	-	-
Outstanding at the year end	**1,02,44,000**	**1,02,44,000**
10,24,400 shares (10,24,400 shares in previous year) of Rs 10 each/-)		

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity share is entitled to vote in proportion to his share of the paid up capital of the company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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Notes to financial statements for the year ended March 31, 2020

c. Details of shareholders (as per the register of shareholders) holding more than 5% shares in the company

Particulars	March 31, 2020 % holding in the class	March 31, 2020 Number of shares	March 31, 2019 % holding in the class	March 31, 2019 Number of shares
Equity shares of Rs. 10 each fully paid up				
Pankaj Kumar Jain	34.00%	3,48,300	34.00%	3,48,300
Savita Kesarwani	65.99%	6,76,000	65.99%	6,76,000

12 Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
Surplus-Balance in Statement of Profit & Loss		
Balance as per the last financial statements	(37,34,74,440)	(8,14,31,249)
Profit for the year	26,30,01,549	60,28,72,799
Ind AS Impact Opening	-	-
Transition Impact due to Revised IND AS 115	-	(1,00,74,15,990)
Tranfer to debenture redemption reserve	1,50,00,000	-
Tranfer from debenture redemption reserve- Adjustments to be matched	-	11,25,00,000
Net Surplus in the statement of profit and loss	**(9,54,72,891)**	**(37,34,74,440)**
Securities Premium Account		
Balance as per the last financial statements	3,63,61,000	3,63,61,000
Add: Received During the Year	-	-
Closing Balance	**3,63,61,000**	**3,63,61,000**
Debenture Redemption Reserve		
Balance as per the last financial statements	1,50,00,000	12,75,00,000
Created during the year	-	-
Transfer to Surplus- Profit & Loss	1,50,00,000	11,25,00,000
Closing Balance	-	**1,50,00,000**
	(5,91,11,891)	**(32,21,13,440)**

13 Long term borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loan		
Debentures		
6 (Six) (31 March 2018: 51 (Fifity one))	-	6,00,00,000
Usha Financial Services Pvt Ltd (Refer Note 13.2 to Note 13.5)	3,60,34,538	-
	3,60,34,538	**6,00,00,000**

13.1 -68 Non-Convertible Debentures ("NCDs") of the face value of Rs. 1,00,00,000 each aggregating to Rs.68,00,00,000 was issued on June 30, 2016.Till Septmber 30,2019 company has redeemed debentures of Rs 68,00,00,000.
- The NCDs carries interest of 16.4 % per annum accrued and compunded quarterly. The interest shall reduce to 16% p.a. from the beginning of the 5th(fifth) calendar quarter from the listing date. Further it is agreed upon the Company having recieved, the occupancy certificates from the relevant Government Authorities for the Initial Towers, the applicable Interest rate, from such date as notified by Subscriber wilstand reduced to 15.65% p.a. accrued and compounded quarterly.Once the Final CC is obtained by the company , the applicable interest rate , from such date as notified by the subscriber will be reduced to 15.5% p.a accured and compounded quarterly , payable on the outstanding Debentures.

13.2 The company has taken unsecured loan of Rs. 1,00,00,000 from Usha Finnancial Services Pvt. Ltd on dated 12 August 2019. The loan carry interest @ 24% and loan is repayable in 24 months installments beginning from September 2019. The monthly EMI Payable is Rs. 5,28,711.

13.3 The company has taken unsecured loan of Rs. 1,50,00,000 from Usha Finnancial Services Pvt. Ltd on dated 12 August 2019. The loan carry interest @ 24% and loan is repayable in 12 months installments beginning from August 2019. The monthly EMI payable is Rs. 14,18,394.

13.4 The company has taken unsecured loan of Rs. 2,00,00,000 from Usha Finnancial Services Pvt. Ltd on dated 10 October 2019. The loan carry interest @ 24% and loan is repayable in 24 months installments beginning from September 2019. The monthly EMI Payable is Rs. 10,57,422.

13.5 The company has taken unsecured loan of Rs. 1,00,00,000 from Usha Finnancial Services Pvt. Ltd on dated 13 December 2019. The loan carry interest @ 24% and loan is repayable in 24 months installments beginning from September 2019. The monthly EMI Payable is Rs. 5,28,711.

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K World Estate Private Limited
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Notes to financial statements for the year ended March 31, 2020

14 Long Term Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for Gratuity	22,22,874	15,57,991
Provision for Leave Benefits	1,31,989	66,574
	23,54,863	**16,24,565**

15 Other Non Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Deposit from employees	5,37,733	5,37,733
	5,37,733	**5,37,733**

16 Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables	3,09,40,625	4,02,73,130
	3,09,40,625	**4,02,73,130**

17 Other current Liabilties

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on borrowings	-	-
Other payables	7,84,82,434	3,54,00,985
Security deposits / Retention money	79,10,239	1,04,33,716
Payable to employees	16,19,026	16,44,152
Advance from customers	19,09,79,879	41,38,06,124
Expenses Payable	6,47,597	6,07,169
TDS Payable	7,96,513	4,93,755
VAT and CST payable	4,17,120	4,17,120
GST Payable	2,214	41,724
ESI and EPF Payable	6,098	7,062
Interest Accrued but not due	4,64,979	-
	28,13,26,099	**46,28,51,807**

18 Short Term Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity	63,783	46,862
Provision for Leave Benefits	5,922	3,897
Provision for Bonus	72,967	72,967
	1,42,672	**1,23,726**

ANKUR GOYAL & ASSOCIATES
FIRM NO. 027994N
Chartered Accountants

K WORLD ESTATE PVT. LTD.
NEW DELHI

19 Revenue from Operations

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Revenue from Operations		
Revenue Receipts	33,31,09,258	73,24,05,850
Revenue from operations (gross)	33,31,09,258	73,24,05,850
Other operating revenue	15,16,431	99,777
Revenue from operations (net)	33,46,25,689	73,25,05,627

20 Other Income

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Interest Income	52,94,621	1,99,82,592
Other non operting Income	4,35,214	4,04,273
Liablity no longer required	8,711	6,54,660
Profit on sale of fixed asset	-	7,134
	57,38,546	2,10,48,659

21 Cost of Construction

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Freight And Cartage	570	12,050
Job Charges	68,08,156	2,69,47,221
Depreciation on Plant and Machinery	14,80,368	18,13,811
Repair & Maintenance	1,70,669	51,622
Salary	1,38,46,288	1,38,69,171
Site Exp.	88,380	17,57,446
Staff Walfare	2,794	68,905
Purchases	-	95,310
Interest on Debentures/Loan	98,79,181	5,33,53,061
Consultancy Charges	1,02,00,000	
Discount paid	10,86,588	13,83,450
Rates and Tax	1,02,051	1,13,553
Legal & Professional Fees	6,30,200	25,21,158
Interest Expense	79,28,199	1,48,73,924
Amortisation of Processing fees	9,50,000	78,99,927
Bank Charges	11,881	21,775
Rate & Tax	38,25,480	
Rent Plant and Machinery	-	32,620
Insurance-Projects	1,67,131	5,96,784
UP Building & Construction Workers Welfare Cess	-	(39,34,909)
	5,71,77,936	12,14,76,879

22 Depreciation and amortization expense

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Depreciation of tangible assets	22,58,709	33,67,738
	22,58,709	33,67,738

23 Employee Benefits Expense

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Salaries, wages and bonus	46,87,507	82,58,828
Contribution to provident and other fund	44,113	69,945
Gratuity expense	5,08,121	5,15,385
Leave Encashment expense	38,047	24,051
Staff welfare expenses	13,642	83,041
	52,91,430	89,51,250

ANKUR ... & ASSOCIATES FIRM NO. 027994N Chartered Accountants

K WORLD ESTATE PVT. LTD. NEW DELHI

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Notes to financial statements for the year ended March 31, 2020

24 Other Expenses

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Communication Expenses	5,05,995	7,71,357
Business & Sales Promotion	3,36,181	1,08,298
Commission & Brokerage Charges	51,82,690	68,92,832
Legal & Professional Exp	2,46,712	2,45,262
Site exp. (Delhi-6 & MHPL)	-	1,42,620
Electricity Expenses	-	7,46,491
Rate & Tax	-	16,67,208
Insurance	2,37,050	2,83,587
Office Expenses	2,54,816	3,62,918
Printing And Stationary	31,570	-
Repair And Maintenance	5,24,850	17,20,716
Travelling and Conveyance	4,66,417	3,65,830
Vehicle And Running Maintenance	-	1,414
Audit Fees	3,75,000	7,36,500
Filling Fees	-	47,100
Amortisation of Deferred Expenditure of long term advance	43,03,128	-
Miscellaneous Expenses	54,702	1,11,623
Balance W/Off	7,200	17,794
	1,25,26,311	**1,42,21,551**
Payment to auditor		
As auditor:		
Audit fee	3,75,000	5,60,000
Tax audit fee	-	25,000
Limited review	-	1,50,000
In other capacity		
Reimbursement of expenses	-	1,500
	3,75,000	**7,36,500**

25 Finance Costs

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Interest Expense	-	-
	-	-

26 Income Tax

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Profit or loss section :

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Income tax expense		
Current income tax charge	-	13,21,202
Adjustment of tax relating to earlier periods	-	20,77,242
Deferred tax		
Relating to origination and reversal of temporary differences	(38,281)	(2,55,114)
Income tax expense reported in the statement of profit or loss	(38,281)	**31,43,330**

OCI section

Deferred tax related to items recognized in OCI during the year:

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Net loss/profit on remeasurement of defined benefit plans		
Income tax charged to OCI	56,496	-1,84,720

Reconciliation of tax expense and the accounting profit

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Accounting profit before tax	26,31,09,848	60,55,36,868
At income tax rate of 26% (31 March 2019: 26%)	6,84,08,560	15,74,39,586
Other non deductible expenses	(6,85,03,337)	(15,41,11,536)
At the effective Income Tax Rate of 0.03% (31 March 2019: 0.01%)	**-94,777**	**33,28,050**
Income tax expense reported in the statement of Profit and loss and OCI	-94,777	33,28,050

FIRM NO. 027994N

1 Corporate information

K World Estate Private Limited ('the Company') was incorporated on 28th July 2010. The Company has been incorporated to carry on the business of developing, buying, selling, renting, operating & marketing of land, real estate such as apartment building & dwellings, non-residential buildings, developing & sub dividing real estate into lots etc.

2 Significant accounting policies

2.1 Basis of preparation

The standalone financial statements has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These standalone financial statements have been prepared on a historical cost basis.
The financial statements are presented in Indian Rupees (Rs.) except otherwise stated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is treated as current when it is expected to be realised within twelve months after the reporting period.
All other assets are classified as non-current.

A liability is current when it is due to be settled within twelve months after the reporting period.
The Company classifies all other liabilities as non current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ► Disclosures for valuation methods, significant estimates and assumptions (note 27)
- ► Quantitative disclosures of fair value measurement hierarchy (note 33)

c. Revenue recognition

Rendering of services

i) Revenue and related expenditures in respect of short term works contracts that are entered into and completed during the year are accounted for on accrual basis as they are earned or incurred though revenue and related expenditures in respect of Long term works contracts are accounted for on the basis of "Percentage of Completion Method".

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

d. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

ANKUR GOYAL & ASSOCIATES
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GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

e. Property, plant and equipment

Under the previous GAAP (Indian GAAP), Property, plant and equipment including capital work in progress were stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. On the date of transition to Ind AS, all items of Property, plant & equipment have been considered at previous GAAP cost as deemed cost as at 1 April 2016.

Property, plant and equipment including capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of GST credit availed wherever applicable. Any trade discounts and rebates are deducted in arriving at the purchase price.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation on property, plant and equipment is calculated on a written down value basis using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The company has used the following rates to provide depreciation on its property, plant and equipment.

Property, plant and equipment	Useful lives estimated by the management (years)	Indicative life as given in schedule II of Companies Act 2013 (years)
Leasehold Improvements	10	Not specified in Schedule II
Plant and machinery	15	15
Motor cars	8	8
Computers	3	3
Furniture and fixtures	10	10
Office equipment and electrical appliances	5	5

Depreciation on assets costing less than Rs. 5,000 are charged @ 100% in the year of purchase.

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

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Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The Company amortises software on a straight-line basis over their useful life of 2-3 years.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

g. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h. Inventories

a) Land other than that transferred to real estate projects under development is valued at lower of cost or net realizablale value. Cost includes cost of acquisition of land and internal and external development costs, construction costs, and development/construction materials. Real estate projects under development represents land under development, cost incurred directly in respect of construction activity and indirect construction cost to the extent to which the expenditure is indirectly related to the construction or incidental thereto on unsold real estate projects is valued at cost.

b) Construction materials, stores and spares, tools and consumable are valued at lower of cost or net realizable value, whichever is lower on the basis of first-in first-out method.

i. Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, if any, are recognised in the statement of profit and loss.

j. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

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k. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates two defined benefit plan for its employees, viz., gratuity and leave encashment. The cost of providing benefits under these plans are determined on the basis of actuarial valuation at each reporting period. Separate actuarial valuation is carried out for each of the plans using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss : Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income.

Accumulated leave, which is expected to be utilized within the next 12 months is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

l. Financial instruments

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

i) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTOCI

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

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

ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when ;

i) The rights to receive cash flows from the asset have expired, or

ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risk and rewards of the ownership of the financial asset, in such cases, the financial asset is derecognised. When the Company has not transferred substantially all the risk and rewards of the ownership of the financial asset, the financial asset is not derecognised.

When the Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial assets. Where the Company retains control of the financial assets, the assets continue to be recognised to the extent of continuing involvement in the financial assets.

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Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

e) Loan commitments which are not measured as at FVTPL

f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

	Current	1-180 days past due	180-365 days past due	More than 365 days past due
Default rate	0.00%	0.00%	50.00%	100.00%

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

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ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.
This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification of financial assets

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

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m. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

n. Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

Inter Segment transfers

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

o. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions and contingents liabilities are reviewed at each balance sheet date.

p. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the company by the weighted average number of equity shares outstanding during the year.

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

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27 Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claim against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future event occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of the future events.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

ii) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

28 Gratuity and leave encashment

The Company has defined benefit plan, viz. gratuity and leave encashment.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Net employee benefit expense (recognized in the profit or loss)

	Gratuity		Leave Encashment	
Particulars	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Current service cost	3,95,781	3,79,493	22,143	22,143
Interest cost on benefit obligation	1,12,340	1,35,892	3,598	3,598
Net benefit expense	**5,08,121**	**5,15,385**	**25,741**	**25,741**

Benefit asset / liability

	Gratuity		Leave encashment	
Particulars	31 March 2020	31 March 2019	31 March 2019	31 March 2019
Present value of defined benefit obligation	22,86,657	16,04,853	70,471	46,420
Fair value of plan assets	-	-		
Plan asset / (liability)	(22,86,657)	(16,04,853)	(70,471)	(46,420)

Changes in the present value of the defined benefit obligation

	Gratuity		Leave encashment	
Particulars	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening defined benefit obligation	16,04,853	17,53,449	46,420	85,738
Current service cost	3,95,781	3,79,493	22,143	23,678
Interest cost	1,12,340	1,35,892	3,598	6,645
Actuarial (gain)/ loss on obligation	1,73,683	(6,63,981)	(1,690)	(69,641)
Closing defined benefit obligation	**22,86,657**	**16,04,853**	**70,471**	**46,420**

Changes in the fair value of plan assets

	Gratuity	
Particulars	31 March 2020	31 March 2019
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gain / (loss) on plan assets	-	-
Closing fair value of plan assets	-	-

Remeasurement (gain)/loss recognised in other comprehensive income

Particulars	Gratuity		Leave encashment	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Actuarial changes arising from changes in financial assumptions	-	-	-	(139)
Actuarial (Gain)/Loss on arising from experience adjustment	1,73,683	(6,63,981)	(1,690)	(69,502)
Actuarial (gain)/loss on obligation (A)	**1,73,683**	**(6,63,981)**	**(1,690)**	**(69,641)**
Actuarial gain/(loss) on plan asset (B)	-	-	-	-
Total (A-B)	**1,73,683**	**(6,63,981)**	**(1,690)**	**(69,641)**

The principal assumptions used to determine benefit obligations are as follows:

Particulars	31 March 2020	31 March 2019
Mortality table	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Discount rate (p.a)	7.00%	7.75%
Normal retirement age (years)	60	60
Future salary increases	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

Assumptions	Gratuity	
	31 March 2020	31 March 2019
Discount rate	1% increase	1% decrease
	(62,459)	(62,459)
Future Salary	(2,73,823)	4,07,981

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	Gratuity 31 March 2020
01 Apr 2020 to 31 Mar 2021	63,783
01 Apr 2021 to 31 Mar 2022	23,342
01 Apr 2022 to 31 Mar 2023	25,157
01 Apr 2023 to 31 Mar 2024	25,137
01 Apr 2024 to 31 Mar 2025	64,224
01 Apr 2024 onwards	20,85,014

29 Commitments and contingencies

a. Capital and other commitments

At 31 March 2020, the Company has commitments (net of capital advance) of Rs. Nil

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b. Contingent liabilities

Claims against the Company not acknowledged as debt

Particulars	As on March 31, 2020	As on March 31, 2019
Contingent liabilities		
Claim against the company not acknowledged as debts:		
- Sales Tax (Amount Deposited under protest deposited, Input tax credit adjusted, Relief in appeal etc is Rs.13,22,29,035 (March 31, 2018 is Rs 19,60,30,614 /-)	13,88,30,476	13,88,30,476
- Entry Tax (Amount Deposited under protest deposited, Input tax credit adjusted, Relief in appeal etc is Rs. 10,279 (March 31,2018 is Rs 34,27,940/-)	2,71,659	2,71,659
- Income Tax	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

30 Related party disclosures

Name of related parties

(i) Key Management Personnel

1) Shri J.L. Kesarwani
2) Smt. Savita Kesarwani
3) Shri. Pankaj Kumar Jain

(ii) Other related Parties

a) Entities where control exist - subsidiary/subsidiaries of subsidiary

1) KW Dream Homes Consortium Private Limited
2) K World Developers Private Limited

b) Associates / associates of subsidiary

1) KW Security & Services Private Limited
2) KW Buildcons Private Limited
3) KW Infrabuild Private Limited
4) KW Power Private Limited
5) KW Home Private Limited

c) Entities where Key Management Personnel and their relatives exercise significant influence:

1) KW Agro Private Limited
2) Dingle Buildcons Private Limited
3) Madhyam Housing Private Limited
4) Accurate Infra Developers Private Limited
5) Becon Construction Private Limited

FIRM NO. 027904N

NEW DELHI

K World Estate Private Limited
B-2/4, Karol Bagh, Plot no. 2, Ashok Nagar, D.B. Gupta Road, New Delhi 110005
(CIN : U70109DL2010PTC206336)
Notes to standalone financial statements for the year ended March 31, 2020
(Amounts in Rupees, unless otherwise stated)

Transactions/ outstanding balances with related parties

Particulars	Subsidiary company & Key management personnel	
	31 March 2020	**31 March 2019**
I. Transactions during the year		
a) Job work income		
KW Homes Pvt Ltd	-	-
Total	-	-
b) Rent income		
KW Security & Services Pvt. Ltd	30,000	2,950
KW Dream Homes Consortium Pvt Ltd	60,000	11,800
Total	**90,000**	**14,750**
c) Payment of Rent		
Madhyam Housing Pvt Ltd	96,000	1,08,960
KW Homes Pvt Ltd	50,000	-
Total	**1,46,000**	**1,08,960**
d) Consultancy Charges		
Madhyam Housing Pvt Ltd	1,02,00,000	-
Total	1,02,00,000	-
e) Reimbursement of expenses (Tax paid on behalf of other companies)		
Dingle Buildcons Pvt. Ltd	1,64,040	15,66,137
Madhyam Housing Pvt Ltd	59,990	17,05,433
K World Developers Private Limited	16,98,513	-
Madhyam Construction Co. Pvt Ltd	50,203	48,658
Kw Power Pvt. Ltd.	-	3,271
KW Security & Services Pvt Ltd	54,660	92,294
KW Homes Pvt Ltd	75,883	63,33,990
KW Buildcons Pvt Ltd	-	1,770
KW Infrabuild Pvt Ltd	-	1,390
Total	**21,03,289**	**97,52,943**
f) Managerial remuneration		
Key Management Person		
Mr Pankaj Kumar Jain	22,25,000	15,60,000
Mrs Savita Kesarwani	-	8,40,000
Total	**22,25,000**	**24,00,000**

g) Investments purchased during the year		
Hot Entertainment and Media Pvt. Ltd.	-	5,00,000
KW Home Private Limited	-	-
Total	-	**5,00,000**
h) Investments sold during the year		
KW Dream Homes Consortium Private Limited	-	1,20,000
Total	-	**1,20,000**
II. Outstanding balances at year end		
b) Loans/advances receivable		
KW Dream Homes Consortium Pvt Ltd	1,53,95,633	1,53,95,633
Eeshan Corporation Ltd	8,23,14,733	1,36,00,000
Madhyam Construction Company Pvt. Ltd	20,00,000	20,00,000
Hot Entertainment and Media Pvt. Ltd.	1,39,26,516	39,05,497
Total	**11,36,36,882**	**3,49,01,130**
c) Loans/advances payable		
Eeshan Corporation Ltd	-	75,89,625
Total	-	**75,89,625**
c) Investments		
Hot Entertainment and Media Pvt. Ltd.	5,00,000	5,00,000
KW Buildcons Private Limited	68,74,000	68,74,000
KW Home Private Limited	8,55,18,750	8,55,18,750
KW Infrabuild Private Limited	8,00,000	8,00,000
KW Power Private Limited	1,58,85,000	1,58,85,000
KW Security & Services Private Limited	1,07,12,750	1,07,12,750
K World Developers Private Limited	2,00,00,000	2,00,00,000
KW Dream Home Consurtium Pvt Ltd	4,80,000	4,80,000
d) Managerial remuneration payable		
Mr Pankaj Kumar Jain	1,74,000	1,10,000
Mrs Savita Kesarwani	-	
Total	**1,74,000**	**1,10,000**

Note: a) Related party transactions includes Ind AS impact.

31 Financial risk management objectives and policies

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

a. **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits and FVTPL investments.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

i) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk. The Company manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio. 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.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on profit before tax
March 31, 2020		
INR Borrowings	+50	(20,39,998)
INR Borrowings	-50	20,39,998
March 31, 2019		
INR Borrowings	+50	(20,39,998)
INR Borrowings	-50	20,39,998

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) **Price risk**

Commodity price risk:

As the Company is not engaged in business of commodities which are traded in recognized commodity exchanges, commodity risk is not applicable.

Equity price risk:

Since the Company has not made any investment in any listed/ unlisted securities during the year or at the year end, equity price risk is not applicable.

b. **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including balances lying with banks and financial institutions, foreign exchange transactions and other financial instruments.

ANKUR ... & ASSOCIATES * Chartered Accountants * FIRM NO. 027994N

K WORLD ESTATE PVT. LTD. NEW DELHI

Capital Components		
Equity	1,02,44,000	1,02,44,000
General reserve	-	-
Reserve and Surplus	(5,91,11,891)	(32,21,13,440)
Total Capital	**(4,88,67,891)**	**(31,18,69,440)**
Capital and Net debts	**29,67,00,547**	**21,44,73,980**
Gearing Ratio	**(7.07)**	**(1.69)**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2020

33 **(i) Fair value**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable

	Carrying Value		Fair value	
	31 March 2020	**31 March 2019**	**31 March 2020**	**31 March 2019**
Financial assets				
Investment (Fair value though profit & loss)	14,07,70,500	14,07,70,500	14,07,70,500	14,07,70,500
Total	**14,07,70,500**	**14,07,70,500**	**14,07,70,500**	**14,07,70,500**

The management assessed that cash and cash equivalent, trade receivables, trade payables, other liabilities, other assets and borrowings approximates their carrying amount at fair value.

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

The fair value of quoted investments are based on market price as on the reporting

ii) Fair hierarchy

			Fair value measurement using		
Particular	**Date of valuation**	**Total**	**Quoted in active market**	**Significant observable inputs**	**Significant unobservable inputs**
			(Level 1)	**(Level 2)**	**(Level 3)**
Financial asset					
Investments	31 March 2020	14,07,70,500		**14,07,70,500**	-
Investments	31 March 2019	14,07,70,500		**14,07,70,500**	-

34 Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which come into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of terms agreed with the suppliers. The Company has issued the confirmation letter to all its suppliers at the year end, to identify the supplier registered with the above act. Management has informed us that none of the supplier has confirmed that they have registered with the Act. In view of this, the liability of interest has not been provided nor is required disclosure.

35 **Segment information**

Based on the guiding principles given in Indian Accounting Standard on 'Operating Segments' (Ind AS-108), the Company's primary business segment is developing, buying, selling, renting, operating & marketing of land, real estate such as apartment building & dwellings, non-residential buildings, developing & sub dividing real estate into lots etc. The Company operates only in India i.e. only one business and geographical segment and thus, no further disclosures are required to be made as per Accounting Standard (Ind AS-108).

37 Expenditure in foreign currency for the year ended March 31, 2020 is NIL (March 31, 2019 is NIL).

38 Earnings in Foreign exchange for the year ended March 31, 2020 is NIL (March 31, 2019 is NIL).

39 CIF value of Imports for the year ended March 31, 2020 is NIL (March 31, 2019 is NIL).

40 As at March 31, 2020, there are no unhedged foreign currency exposures and outstanding derivative contracts (March 31, 2019 is NIL)

41 Previous year figures have been regrouped or rearranged wherever considered necessary to make them comparable with current year figure.

The accompanying notes are an integral part of the standalone financial statements.

For Ankur Goyal & Associates
ICAI Firm Registeration no : 027994N
Chartered Accountants

FIRM NO. 027994N

Ankur Goyal
Proprietor
M.No. 524378
Place : New Delhi
Date:- 25/12/2020

For and on behalf of the Board of Directors of
K World Estate Private Limited

Savita Kesarwani	**Pankaj Kumar Jain**
Chairperson	**Managing Director**
DIN: 02237455	**DIN :-5217677**
Place : New Delhi	**Place : New Delhi**
Date:- 25/12/2020	**Date:- 25/12/2020**