



**GARG NAVIN & CO.**

Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

**To the Members of KW Homes Private Limited,**

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

### **Opinion**

We have audited the accompanying standalone financial statements of **KW Homes Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("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, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our



report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

#### **1. Ind AS 115- Revenue from Contracts with Customers (as described in Note no. 2.2(c) of Standalone Financial Statements)**

##### **Key Audit Matter**

Revenue from real-estate contracts is recognised over a period of time in accordance with the requirements of Ind AS 115 using the percentage of completion method. This determination is based on the proportion that contract





costs actually incurred, bear to the estimated total contract costs, and requires significant judgements, including estimate of balance costs to complete, identification of contractual obligations, the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price. Revenue recognition is significant to the financial statements based on the quantitative materiality. The application of percentage of completion method involves significant judgements as explained above. Accordingly, we regard these as key audit matter

### **How our audit addressed the key audit matter**

Our audit procedures included, among others:

- We read the accounting policy for revenue recognition of the Company and assessed compliance with the requirements of Ind AS 115.
- We assessed the management evaluation of recognising revenue from real estate contracts over a period of time in accordance with the requirements under Ind AS 115.
- We tested controls over revenue recognition with specific focus on determination of percentage of completion, recording of costs incurred and estimation of costs to complete the remaining contract obligations.
- We inspected a sample of underlying customer contracts, performed retrospective assessment of costs incurred with estimated costs to identify significant variations and assess whether those variations have been considered in estimating the remaining costs-to-complete and consequential determination of stage of completion.
- We tested controls and management processes pertaining to recognition of revenue over a period of time in case of real estate projects.
- We performed test of details, on a sample basis, and inspected the underlying customer contracts/agreements evidencing the transfer of control of the asset to the customer based on which revenue is recognised over a period of time.



- We assessed the disclosures included in financial statements, as specified in Ind AS 115.

## **2. Assessing the carrying value of Inventory (as described in note no. 6 of the standalone financial statements)**

### **Key Audit matter**

As at March 31, 2021, the carrying value of the inventory of ongoing and completed real-estate projects is Rs. 1343385031/- (Previous Year Rs. 1150570803/-). The inventories are held at the lower of the cost and net realisable value ("NRV"). The determination of NRV involves estimates based on prevailing market conditions and taking into account the stage of completion of the inventory, the estimated future selling price, cost to complete projects and selling costs.

### **Our audit procedures included, among others:**

- We evaluated the design and operation of internal controls related to testing recoverable amounts with carrying amount of inventory and advances, including evaluating management processes for estimating future costs to complete projects.
- As regards NRV, for a sample of selected projects, compared costs incurred and estimates of future cost to complete the project with costs of similar projects and compared NRV to recent sales or to the estimated selling price, including effects of COVID-19 pandemic, applied in assessing the NRV.

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with





our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 standalone 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public



disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit, we give in the "Annexure 1" 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 purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of the written representations received from the Directors as on March 31, 2021 taken on record by the Board of Directors, none





of the Directors is disqualified as on March 31, 2021 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which may have impact on its financial position in its standalone financial statements .
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has not been any amount which may be required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Garg Navin and Company**  
**Chartered Accountants**  
**(FRNo.500094N)**

**(Navin Kumar Garg)FCA**  
**Partner**  
**M.No. 073332**



**Place: Noida**

**Date : 02-12-2021**

**Annexure-1 referred to in Paragraph 1 under the heading “Report on other Legal and Regulatory Requirements” of our report of Even date on the Financials Statements of KW Homes Private Limited**

- i. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/investment properties are held in the name of the Company.

- ii. Inventories

The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.

- iii. According to the information and explanation provided to us and on the basis of the examination of the books of accounts and relevant registers, the company has not given any loans to any parties required to be registered under sec. 189 of the Income tax Act, 1961.

However, it has made payments of Rs.35202583/- to third parties, for and on behalf of the related parties. These payments have been shown as advances in note no. 4 & 7 and also are interest free as receivable on demand.

- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, investments, guarantees or securities





in terms of sec. 185 and 186 of the Companies Act, 2013 and hence the clause is not applicable to it.

- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture or service of construction activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution or bank or dues to debenture holders.



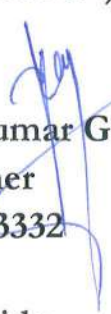
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised in the nature of term loans for the purposes for which they were raised.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the provision of Sec.197 read with schedule V of the Act is not applicable to the company and hence the clause is not applicable to company for reporting thereon.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.





- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with Directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For Garg Navin and Company**  
**Chartered Accountants**  
**(FRNo.500094N)**

  
**(Navin Kumar Garg) FCA**  
**Partner**  
**M.No. 073332**



**Place: Noida**

**Date : 02-12-2021**

**Annexure-2 to the Independent Auditors report of Even date on the Financials Statements of KW Homes Private Limited.**

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

We have audited the internal financial controls with reference to financial statements of KW Homes Private Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control 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 the 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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these standalone financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 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 with reference to these financial statements.

### **Meaning of Internal financial controls with reference to these Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the



company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal financial controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 issued by the Institute of Chartered Accountants of India.

**For Garg Navin and Company**  
**Chartered Accountants**  
**(FRNo.500094N)**

  
**(Navin Kumar Garg) FCA**  
**Partner**  
**M.No. 073332**



**Place: Noida**  
**Date: 02-12-2021**



**KW Homes Private Limited**

(CIN: U45400DL2012PTC244339)

B-2/ 9, Plot No.- 2 DB Gupta Road, Ashok Nagar, Near Faiz Chowk, Karol Bagh , New Delhi - 110005

**Balance Sheet as at March 31, 2021**

(Amounts in Rupees, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,900,819	6,039,747
Financial assets			
- Loans and advances	4	49,900,079	17,285,648
- Other financial assets	5	37,145,542	40,090,046
Deferred tax assets (net)		2,177,713	2,298,498
<b>Total Non Current Assets</b>		<b>94,124,153</b>	<b>65,713,939</b>
<b>Current assets</b>			
Inventories	6	1,343,385,031	1,150,570,803
Financial assets			
- Loans and advances	7	771,553	8,246,557
- Trade receivables	8	291,274,465	125,156,656
- Cash and cash equivalents	9	77,869,016	13,606,233
Other Current Financial Assets	10	9,327,382	118,204,883
<b>Total Current Assets</b>		<b>1,722,627,448</b>	<b>1,415,785,133</b>
<b>Total Assets</b>		<b>1,816,751,601</b>	<b>1,481,499,072</b>
<b>Equities and Liabilities</b>			
Equity share capital	11	23,195,000	23,195,000
Other equity	12		
- Share premium		146,380,000	146,380,000
- Retained earnings		8,231,520	6,700,131
<b>Total Equity</b>		<b>177,806,520</b>	<b>176,275,131</b>
<b>Non-current liabilities</b>			
Financial liabilities			
i) Borrowings	13	678,581,781	612,883,092
Long Term Provisions	14	9,716,606	5,303,769
Other non-current liabilities	15	602,023,811	538,199,190
<b>Total Non Current Liabilities</b>		<b>1,290,322,198</b>	<b>1,156,386,051</b>



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**Balance Sheet as at March 31, 2021**

(Amounts in Rupees, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
<b>Current Liabilities</b>			
Financial liabilities			
- Borrowings	16	112,097,388	10,154,129
- Trade payables	17	23,089,848	49,737,546
- Other financial liabilities		-	-
Provisions	18	2,056,390	1,270,200
Other current liabilities	19	211,379,258	87,676,015
<b>Total Current Liabilities</b>		<b>348,622,883</b>	<b>148,837,890</b>
<b>Total equity and liabilities</b>		<b>1,816,751,601</b>	<b>1,481,499,072</b>

The accompanying notes 1 to 40 form an integral part of the Standalone financial statements.

As per our separate report of even date attached

For Garg Navin &amp; Company

Chartered Accountants

FRN : 500094N

(Navin Kumar Garg) FCA

Partner

M.No. 073332

Place : Noida

Date:- 02/12/2021

For and on behalf of the Board of Directors of  
KW Homes Private Limited

Savita Kesarwani  
Director  
DIN: 02237455

Pankaj Kumar Jain  
Managing Director  
DIN: 05217677

G.B. Padhi  
Company Secretary

**KW Homes Private Limited**

(CIN: U45400DL2012PTC244339)

B-2/ 9, Plot No.- 2 DB Gupta Road, Ashok Nagar, Near Faiz Chowk, Karol Bagh , New Delhi - 110005

**Statement of Profit and Loss for the year ended March 31,2021**

(Amounts in Rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	20	439,936,806	478,431,813
Other Income	21	2,454,719	1,703,026
<b>Total Revenue</b>		<b>442,391,525</b>	<b>480,134,839</b>
<b>Expenses</b>			
Cost of Construction	22	362,816,214	272,260,023
Employee Benefit Expenses	23	21,513,451	53,771,583
Depreciation and amortization expense	24	2,654,305	4,089,920
Finance costs	25	300,431	420,203
Other expenses	26	48,229,188	77,426,513
<b>Total expenses</b>		<b>435,513,590</b>	<b>407,968,242</b>
<b>Profit before tax</b>		<b>6,877,935</b>	<b>72,166,598</b>
<b>Income tax expense</b>			
Current tax		2,936,360	5,073,240
Deferred Tax		697,027	(799,733)
<b>Total tax Expense</b>		<b>3,633,387</b>	<b>4,273,507</b>
<b>Profit/(Loss) for the year</b>		<b>3,244,548</b>	<b>67,893,091</b>
<b>Other comprehensive income</b>			
A. Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
B. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		(2,289,401)	(123,949)
Income tax effect		576,242	31,195
<b>Other comprehensive income, net of tax</b>		<b>(1,713,159)</b>	<b>(92,754)</b>
<b>Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the year), net of tax</b>		<b>1,531,389</b>	<b>67,800,337</b>
<b>Earnings per equity share</b> (nominal value of share Rs. 10)			
Basic and diluted	27	0.66	29.23

The accompanying notes 1 to 40 form an integral part of the Standalone financial statements.

As per our separate report of even date

For Garg Navin &amp; Company

Chartered Accountants

FRN : 500094N

(Navin Kumar Garg) FCA

Partner

M.No. 073332

Place : Noida

Date:- 02/12/2021

For and on behalf of the Board of Directors of  
KW Homes Private Limited

Savita Kesarwani

Director

DIN: 02237455

G.B.Padhi

Company Secretary

Pankaj Kumar Jain

Managing Director

DIN: 05217677



**KW Homes Private Limited**

(CIN: U45400DL2012PTC244339)

B-2/ 9, Plot No.- 2 DB Gupta Road, Ashok Nagar, Near Faiz Chowk, Karol Bagh, New Delhi - 110005

**Statement of Changes in equity for the year ended March 31, 2021**

(Amounts in Rupees, unless otherwise stated)

**A. Equity Share Capital**

Equity shares of INR 10 each issued, subscribed and fully paid	Number	Amount in Rs.
As at 31, March 2019	2,319,500	23,195,000
As at 31, March 2020	2,319,500	23,195,000
As at 31, March 2021	2,319,500	23,195,000

**B. Other Equity****For the year ended 31 March 2021**

	Reserve and surplus		Other comprehensive income	Total
	Security premium	Retained earnings		
Balance as at 1 April 2020	146,380,000	8,596,638	(1,896,506)	153,080,132
Profit for the year	-	3,244,548	-	3,244,548
Other comprehensive income	-	-	(1,713,159)	(1,713,159)
<b>Total comprehensive income</b>	-	<b>3,244,548</b>	<b>(1,713,159)</b>	<b>1,531,389</b>
Balance as at 31 March 2021	146,380,000	11,841,186	(3,609,665)	154,611,521

**For the year ended 31 March 2020**

	Reserve and surplus		Other comprehensive income	Total
	Security premium	Retained earnings		
Balance as at 1 April 2019	146,380,000	(59,203,699)	(1,896,506)	85,279,795
Profit for the year	-	67,800,337	-	67,800,337
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	<b>67,800,337</b>	-	<b>67,800,337</b>
Balance as at 31 March 2020	146,380,000	8,596,638	(1,896,506)	153,080,132

**i. Securities Premium**

Securities Premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013

**ii. General Reserve**

The General Reserve is created from time to time to transfer profits from retained earnings for appropriation purposes.

**iii. Retained Earnings**

Retained Earnings are the profits that the Company has earned till the balance sheet date, less any transfers to general reserve, debenture redemption reserve, dividends or other distributions paid to shareholders

The accompanying notes 1 to 40 form an integral part of the Standalone financial statements.

**As per our separate report of even date****For Garg Navin & Company****Chartered Accountants****FRN : 500094N****(Navin Kumar Garg) FCA****Partner****M.No. 073332****Place : Noida****Date:- 02/12/2021****For and on behalf of the Board of Directors of  
KW Homes Private Limited****Savita Kesarwani****Director****DIN: 02237455****G.B. Padhi****Company Secretary****Pankaj Kumar Jain****Managing Director****DIN: 05217677**

**KW Homes Private Limited**

(CIN: U45400DL2012PTC244339)

B-2/ 9, Plot No.- 2 DB Gupta Road, Ashok Nagar, Near Faiz Chowk, Karol Bagh , New Delhi - 110005

**Cash Flow Statement for the year ended March 31, 2021**

(Amounts in Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Operating activities</b>		
Profit/ (Loss) before tax	6,877,935	72,166,598
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	2,654,305	4,089,920
Interest Income	(2,232,515)	(1,644,026)
Working capital adjustments:		
(Increase)/ decrease in inventories	(192,814,228)	(84,677,013)
(Increase)/ decrease in trade receivables	(166,117,810)	(24,943,376)
(Increase)/ decrease in Other Current Assets	108,877,501	(464,110,006)
Decrease / (increase) in short term loans and advances	7,475,004	(31,438,491)
(Decrease)/ Increase in trade payable, other current liabilities / non current & provisions	199,784,994	(79,182,427)
Cash (used in)/generated from operations	(35,494,814)	(609,738,821)
Direct taxes paid (net of refunds)	5,346,546	4,366,261
Net (used in)/ cash from operating activities	(40,841,360)	(614,105,082)
<b>B. Investing activities</b>		
Purchase of fixed assets	(1,515,376)	479,858
Interest Income	2,232,515	1,644,026
Decrease / (increase) in Long term loans and advances	(29,549,142)	21,816,371
Net (used in)/ cash from investing activities	(28,832,003)	23,940,255
<b>C. Financing activities</b>		
Proceed from Loans	133,936,146	598,176,397
Net cash from/(used) in financing activities	133,936,146	598,176,397
Increase/(decrease) in cash and cash equivalents (A+B+C)	64,262,784	8,011,570
Cash and cash equivalents at the beginning of the year	13,606,233	5,594,663
Cash and cash equivalents as at the end of the year	77,869,016	13,606,233

The accompanying notes 1 to 40 form an integral part of the Standalone financial statements.

For Garg Navin &amp; Company

Chartered Accountants

FRN : 500094N

(Navin Kumar Garg) FCA

Partner

M.No. 073332

Place : Noida

Date:- 02/12/2021

For and on behalf of the Board of Directors of  
KW Homes Private Limited

Savita Kesarwani

Director

DIN: 02237455

Pankaj Kumar Jain

Managing Director

DIN: 05217677

G.B.Padhi

Company Secretary



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**Notes to financial statements for the year ended March 31, 2021**

**1 Corporate information**

KW Homes Private Limited ('the Company') was incorporated on 1st November 2012. 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).

For all periods up to and including the year ended 31 March 2017, the Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**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.

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 20)
- ▶ Quantitative disclosures of fair value measurement hierarchy (note 26)

**c. Revenue recognition**

The revenue have been recognized on percentage of completion method provided all of the following conditions are met at the reporting date.

- i) atleast 25% of estimated construction and development costs (excluding land cost) has been incurred;
- ii) atleast 25% of the saleable project area is secured by the Agreements to sell/ application forms (containing salient terms of the agreement to sell); and
- iii) atleast 10% of the total revenue as per agreement to sell are realised in respect of these agreements.

**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 finance 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.



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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.

#### **Goods and Service Tax paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of Goods and Service Tax 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 VAT/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.

<b>Property, plant and equipment</b>	<b>Useful lives estimated by the management (years)</b>	<b>Indicative life as given in schedule II of Companies Act 2013 (years)</b>
Motor Vehicle	8	8
Furniture and fixtures	10	10
Plant & Machinery	12	15
Computer & Software	3	3
Office equipment and electrical appliances	5	5

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





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**f. Intangible assets**

**(i) Recognition and initial measurement**

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the acquisition price, development cost and any attributable/allocable incidental cost of bringing the asset to its working condition for its intended use.

**(ii) Subsequent measurement (amortisation)**

All intangible assets with definite useful life are amortized on a straight line basis over the estimated useful lives.

**Computer Software 5 years**

The carrying amount of intangible asset is reviewed periodically for impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

Gain 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 and Loss when the asset is derecognised.

**g. 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.

**i. 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.



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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.

**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	0	0.5	1





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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.

**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.





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**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.

**j. 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.

**k. 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.

**l. Provisions and Contingent liabilities**

(i) A provision is recognised when:

- (a) The Company has a present obligation (legal or constructive) as a result of a past event;
- (b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) A reliable estimate can be made of the amount of the obligation.

(ii) 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.

(iii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably may not, require an outflow of resources. A contingent liability also arises in extreme cases where there is a probable liability that cannot be recognised because it cannot be measured reliably.

(iv) Where there is a possible obligation or a present obligation such that the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

**m. 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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Notes to the financial statements for the year ended 31 March 2021

**3. Property, Plant and Equipment**

(Amounts in Rupees, unless otherwise stated)

Particulars	Gross Block		Accumulated Depreciation				Net Block	
	Balance as at 01 April 2020	Addition/ (Disposals)/ Transfer	Balance as at 31 March 2021	Balance as at 01 April 2020	Depreciation charge for the year	On disposals	Profit /Loss on disposal	Balance as at 31 March 2021
Office Equipments	1,513,330	110,481	1,623,811	974,610	251,570	-	-	538,720
Furniture & Fixtures	1,188,305	-	1,188,305	335,890	221,333	-	-	852,415
Motor Vehicle	6,524,616	1,293,972	7,818,588	3,306,081	1,328,434	-	-	3,218,535
Plant & Machinery	237,850	-	237,850	118,662	26,329	-	-	119,188
Computer & Software	3,527,210	110,923	3,638,133	2,216,321	826,639	-	-	1,310,889
	<b>12,991,311</b>	<b>1,515,376</b>	<b>14,506,687</b>	<b>6,951,564</b>	<b>2,654,305</b>			<b>6,039,747</b>
								<b>4,900,818</b>

Particulars	Gross Block		Accumulated Depreciation				Net Block	
	Balance as at 01 April 2019	Addition/ (Disposals)/ Transfer	Balance as at 31 March 2020	Balance as at 01 April 2019	Depreciation charge for the year	On disposals	Profit /Loss on disposal	Balance as at 31 March 2020
Office Equipments	990,550	522,780	1,513,330	624,889	349,721	-	-	538,720
Furniture & Fixtures	467,498	720,807	1,188,305	106,440	229,450	-	-	852,415
Motor Vehicle	11,393,595	(4,868,979)	6,524,616	3,019,277	2,150,663	(1,863,859)	-	3,218,535
Plant & Machinery	237,850	-	237,850	84,868	33,794	-	-	119,188
Computer & Software	2,245,534	1,281,676	3,527,210	890,029	1,326,292	-	-	1,310,889
	<b>15,335,027</b>	<b>(2,343,716)</b>	<b>12,991,311</b>	<b>4,725,503</b>	<b>4,089,920</b>			<b>6,039,747</b>

For Garg Navin & Company

Chartered Accountants

FRN: 500094N

For and on behalf of the Board of Directors of

KW Homes Private Limited

*[Signature]*

Savita Kesarwani

Director

DIN: 02237455

Pankaj Kumar Jain

Managing Director

DIN: 05217677



(Navin Kumar Garg)

Partner

M.No. 073332

Place: Noida

Date:- 02/12/2021

G.B. Padhi

Company Secretary



**KW Homes Private Limited**

(CIN: U45400DL2012PTC244339)

B-2/ 9, Plot No.- 2 DB Gupta Road, Ashok Nagar, Near Faiz Chowk, Karol Bagh, New Delhi - 110005

Notes to the financial statements for the year ended 31 March 2021

(Amounts in Rupees, unless otherwise stated)

**4 Loans & Advances (Non Current)**

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
- Related Parties *	35,068,100	8,836,298
- Others	8,176,930	8,176,930
Security deposits	6,655,049	272,420
<b>Total</b>	<b>49,900,079</b>	<b>17,285,648</b>

\* Refer Note No. 30

**5 Other Financial Assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits (with original maturity of more than 12 months)	37,145,542	40,090,046
<b>Total</b>	<b>37,145,542</b>	<b>40,090,046</b>

Fixed deposits stated above includes the FDR amounting to Rs. 3,28,00,000/- (previous year Rs. 2,77,50,000/-) being under the lien with DMI Finance Pvt. Ltd. against the Term Loan Facility extended by them to the Company.

**6 Inventories**

Particulars	As at March 31, 2021	As at March 31, 2020
Work in Progress	1,343,385,031	1,150,570,803
<b>Total</b>	<b>1,343,385,031</b>	<b>1,150,570,803</b>

The Work in Progress includes the Cost of Land purchased, Stamp duty paid on registration & Construction and Site Expenses.

**7 Short term loans and advances**

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured Considered Goods		
- Related Parties	134,483	-
- Other Advances	637,070	8,246,557
<b>Total</b>	<b>771,553</b>	<b>8,246,557</b>

**8 Trade Receivable**

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	95,124,809	37,574,353
Others receivables		
Unsecured, Considered good	196,149,657	87,582,303
<b>Total</b>	<b>291,274,465</b>	<b>125,156,656</b>





**KW Homes Private Limited**  
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B-2/ 9, Plot No.- 2 DB Gupta Road, Ashok Nagar, Near Faiz Chowk, Karol Bagh , New Delhi - 110005  
Notes to the financial statements for the year ended 31 March 2021

**9 Cash & cash equivalents**

Particulars	As at March 31, 2021	As at March 31, 2020
Cash In Hand	385,695	203,756
Balances with banks	77,483,320	13,402,476
<b>Total</b>	<b>77,869,016</b>	<b>13,606,233</b>

**10 Other current Assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Contract Assets - Revenue recognition in excess of billings to Customers	2,326,265	73,265,481
Prepaid Expense	1,333,558	1,773,911
Balance with Statutory Authorities	5,667,560	43,165,492
<b>Total</b>	<b>9,327,382</b>	<b>118,204,883</b>

**11 Share Capital**

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised share capital 50,00,000 equity shares (50,00,000 equity shares in previous year) of Rs. 10/- each	50,000,000	50,000,000
Issued, subscribed & fully paid share capital 23,19,500 Equity Shares (23,19,500 equity shares in previous year) of Rs. 10/- each	23,195,000	23,195,000
<b>Total issued, subscribed and fully paid up share capital</b>	<b>23,195,000</b>	<b>23,195,000</b>

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

Particulars	March 31, 2021		March 31, 2020	
	Number of share	Amount (Rs.)	Number of sh	Amount (Rs.)
Equity Shares				
At the beginning of the year	2,319,500	23,195,000	2,319,500	23,195,000
Issue during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>2,319,500</b>	<b>23,195,000</b>	<b>2,319,500</b>	<b>23,195,000</b>

**b. Terms/rights attached to equity shares**

The company has only one class of equity shares having a par 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.

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.

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

Particulars	March 31, 2021		March 31, 2020	
	Number of share	% holding	Number of sh	% holding
Equity shares of Rs. 10 each fully paid up				
K World Estate Pvt. Ltd.	1,159,750	50%	1,159,750	50%
Dingle Buildcons Pvt Ltd	1,159,750	50%	1,159,750	50%



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Notes to the financial statements for the year ended 31 March 2021

**12 Other Equity**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a. Securities Premium Account</b>		
Opening Balance	146,380,000	146,380,000
Additions during the year	-	-
Closing Balance	<u>146,380,000</u>	<u>146,380,000</u>
<b>b. (Deficit) in the Statement of Profit &amp; Loss</b>		
Opening Balance	6,700,131	(61,100,205)
Add: Profit / (Loss) for the year	1,531,389	67,800,337
Net deficit in the statement of profit and loss	<u>8,231,520</u>	<u>6,700,131</u>
<b>Total</b>	<u>154,611,520</u>	<u>153,080,131</u>

**13 Borrowings (Long Term)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured Loan</b>		
DMI Finance Pvt. Ltd.	653,591,370	596,843,710
HDFC Bank	-	1,049,954
<b>Unsecured loan</b>		
- Corporate Loans	24,990,411	14,989,428
<b>Total</b>	<u>678,581,781</u>	<u>612,883,092</u>

**14 Long Term Provision**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefit		
- Gratuity	9,716,606	5,303,769
<b>Total</b>	<u>9,716,606</u>	<u>5,303,769</u>

**15 Other non-current liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposit - Leasing	2,931,832	2,686,232
Security deposit - IFMS	10,913,243	-
Security deposit - Others	588,178,736	535,512,959
<b>Total</b>	<u>602,023,811</u>	<u>538,199,191</u>

**16 Borrowings (Short term)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured Loan</b>		
DMI Finance Pvt. Ltd.	98,910,627	-
HDFC Bank	1,049,955	1,682,204
<b>Unsecured loan</b>		
- Corporate Loans	12,136,806	8,471,925
<b>Total</b>	<u>112,097,387.50</u>	<u>10,154,129.00</u>





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Notes to the financial statements for the year ended 31 March 2021

**17 Trade payables**

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables (MSMEs)*	55,370	2,333,864
Trade Payables (Others)	23,034,478	47,403,682
<b>Total</b>	<b>23,089,848</b>	<b>49,737,546</b>

\* Trade payables to MSMEs are non-interest bearing and are settled in accordance with the contract terms with the vendors.

**18 Short-term provisions**

Particulars	As at	As at
Provision for income tax (net of advance tax)	2,056,390	1,270,200
<b>Total</b>	<b>2,056,390</b>	<b>1,270,200</b>

**19 Other Current Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customer	196,602,608	74,806,600
Other payables		
- Interest Provision but not due	580,802	755,580
- Retention Amount	4,889,058	1,677,383
- Salary Payable	6,511,282	5,460,877
Statutory dues payable		
- TDS Payable	2,581,011	4,449,666
- EPF Payable	185,117	223,051
- ESI Payable	28,258	42,227
- Other Payable	1,122	260,631
<b>Total</b>	<b>211,379,258</b>	<b>87,676,015</b>

**20 Revenue from Operations**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue From Operations		
<b>Revenue Receipts</b>	<b>419,579,215</b>	<b>478,431,813</b>
Revenue from operations (gross)	419,579,215	478,431,813
Other operating revenue	20,357,591	-
<b>Revenue from operations (net)</b>	<b>439,936,806</b>	<b>478,431,813</b>

**21 Other income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest accrued on term deposits	2,232,515	1,644,026
Interest Received From Customers	126,204	-
Rent Income	96,000	59,000
<b>Total</b>	<b>2,454,719</b>	<b>1,703,026</b>



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Notes to the financial statements for the year ended 31 March 2021

**22 Cost of Construction**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock	1,150,570,803	1,065,893,791
Purchases	137,929,765	83,801,045
Finance Costs	179,086,425	155,211,455
Job Charges	104,929,281	43,075,903
Rate & Taxes ( Project)	62,863,609	34,294,282
Rent	4,825,949	3,012,972
Repair & Maintenance Expense	797,409	1,111,046
Consultancy and Legal Charges	6,686,800	6,418,403
Diesel Expenses	1,798,281	1,516,921
Electricity Eepenses-Site	7,554,523	4,063,196
Lift	39,448,559	10,131,776
Insurance	1,113,618	53,515
Site expenses	8,534,223	13,725,973
Miscellaneous	62,000	520,548
Closing Stock	(1,343,385,031)	(1,150,570,803)
	<b>362,816,214</b>	<b>272,260,023</b>

**23 Employee Benefit Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salary, wages and bonus	18,167,609	50,550,660
Contribution to provident fund and other funds	1,222,406	1,525,173
Gratuity Expenses*	2,123,436	1,695,750
Total	<b>21,513,451</b>	<b>53,771,583</b>

**24 Depreciation expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of tangible assets	2,654,305	4,089,920
Total	<b>2,654,305</b>	<b>4,089,920</b>

**25 Finance Cost**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest & Bank Charges	300,431	420,203
Total	<b>300,431</b>	<b>420,203</b>





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Notes to the financial statements for the year ended 31 March 2021

**26 Other Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Filing fees	12,190	27,600
Advertising Expenses	20,208,240	28,195,244
Rates & Taxes	2,254,272	1,865,476
Legal & Professional Exp.	2,989,707	8,410,952
Misc. Exp	113,040	31,357
Printing & Stationary	933,496	1,726,389
Repair & Maintenance Exp.	721,885	1,124,084
Communication Expenses	981,003	1,333,385
Donation	494,112	650,005
Tour & travelling Expense	245,048	2,060,406
Business & Sales Promotion	2,772,292	11,970,449
Commission & Brokerage expense	8,580,789	9,493,305
Office Expenses	7,148,582	9,591,492
Server Hosting (ERP)	644,532	411,250
Loss on sale of assets	-	405,120
Payment to auditor -as Statutory audit	130,000	130,000
<b>Total</b>	<b>48,229,188</b>	<b>77,426,513</b>
Payment to auditor		
Audit fee	130,000	130,000
<b>Total</b>	<b>130,000</b>	<b>130,000</b>

**27 Earnings per share (EPS)**

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total operations for the year		
Nominal Value of Shares	23,195,000	23,195,000
Profit attributable to equity share holders (A)	1,531,389	67,800,337
Weighted average number of equity shares outstanding during the year ( E	2,319,500	2,319,500
Basic /diluted earnings per share (A/B)	0.66	29.23



## 28 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) 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.

## 29 Commitments and contingencies

### a. Contingent liabilities

Claims against the Company not acknowledged as debt  
Income Tax

31-Mar-21

31-Mar-20





# KW Homes Private Limited

Notes to standalone financial statements for the year ended March 31, 2021

(Amounts in Rupees, unless otherwise stated)

## 30 Related party disclosures

Name of related party and related party relationships

### i) Key Management Personnel

- 1) Smt. Savita Kesarwani - Executive Director
- 2) Shri Pankaj Kumar Jain - Managing Director
- 3) Shri G.B. Padhi - Company Secretary

### ii) Other Related parties

- a) Associates / associates of subsidiary
- b) Relatives of Key management
- c) Entities where Key Management Personnel and their relatives exercise significant influence:

- 1) Dingle Buildcons Pvt. Ltd.
- 2) KW Infrabuild Pvt. Ltd.
- 3) KW Buildcons Pvt. Ltd.
- 4) K World Developers Pvt. Ltd.
- 5) Madhyam Construction Co. Pvt Ltd
- 6) Madhyam Housing Pvt. Ltd.
- 7) Becon Construction Pvt. Ltd.
- 8) Accurate Infra Dev. Pvt. Ltd.
- 9) KW Agro Pvt. Ltd.
- 10) KW Power Pvt. Ltd.
- 11) KW Security & Services Pvt. Ltd.

### Transactions with related parties

Related Party Transactions		(Amounts in Rupees, unless otherwise stated)	
		Year Ended 31-03-2021	Year Ended 31-03-2021
a) Rent Paid			
Madhyam Housing Pvt. Ltd.		60,000	60,000
b) Consultancy Charges			
K World Developers Pvt. Ltd.		-	150,000
KW Buildcons Pvt. Ltd.		-	50,000
KW Dream Homes Consortium Pvt Ltd		225,000	160,000
KW Infrabuild Pvt Ltd		-	50,000
KW Security & Services Pvt Ltd		-	-



# KW Homes Private Limited

Notes to standalone financial statements for the year ended March 31, 2021  
(Amounts in Rupees, unless otherwise stated)

Accurate Infra Developers Pvt. Ltd.				100,000	60,000
Madhyam Construction Company Pvt. Ltd.				125,000	125,000
Dingle Buildcon Pvt. Ltd.				-	250,000
g) Remuneration					
Mr. Pankaj Kumar Jain				2,733,750	-
Smt. Savita Kesarwani				3,101,437	2,520,000
Mr. G.B. Padhi				867,330	-
Deepti Singh				-	374,754
Advance Given (Payments on behalf of the Co.)					
KW Dream Homes Consortium Pvt Ltd				12,641,509	280,800
Madhyam Housing Pvt. Ltd.				69,630,257	883,6298
Observerdawn Media & Ent. Pvt. Ltd.				6,892	-
K World Estate Pvt Ltd.				2,012,293	75,883
KW Security & Services Pvt. Ltd.				307,365	130
Smt. Savita Kesarwani				26,000	-
Outstanding Balances with the related parties				As at 31-03-2021	As at 31-03-2020
KW Dream Homes Consortium Pvt Ltd				12,392,884.00	-
Madhyam Housing Pvt. Ltd.				22,675,216.00	883,6298
Observerdawn Media & Ent. Pvt. Ltd.				6892	-
K World Estate Pvt Ltd.				10002	-
KW Security & Services Pvt. Ltd.				91,589	-

Note: Related party transactions includes Ind AS impact.

## 31 Financial risk management objectives and policies

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





Notes to standalone financial statements for the year ended March 31, 2021  
(Amounts in Rupees, unless otherwise stated)

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 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 2021 and 31 March 2020.

### Interest rate sensitivity

ii) **Price risk**

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

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.

The Company's objective is to maintain a balance of continuity of funding and flexibility through the use of short term and long term loans and borrowings. The Company's management reviews the liquidity position on an ongoing basis.

The below table summarized the maturity profiles of the Companies financial liabilities based on the contractual undiscounted payments:

# KW Homes Private Limited

## Notes to standalone financial statements for the year ended March 31, 2021

(Amounts in Rupees, unless otherwise stated)

As at 31 March 2020							
Particulars	Borrowing Current	Borrowing non-current	Trade payables	Other Financial Liabilities - Current	Other financial liabilities	Total	
Carrying Amount	10,154,129	612,883,092	49,737,546	-	538,199,191	1,210,973,958	
Contractual cash flows	10,154,129	612,883,092	49,737,546	-	538,199,191	1,210,973,958	
Maturity profile							
On Demand	-	-	-	-	-	-	
6 months or less	10,154,129	-	49,737,546	-	-	59,891,675	
6-12 months	-	-	-	-	-	-	
1-2 years	-	612,883,092	-	-	-	612,883,092	
2-5 years	-	-	-	-	538,199,191	538,199,191	

### 32 Capital management

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

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

#### Particulars

Long term borrowings  
Short term borrowings  
Other non-current liabilities  
Trade Payables  
Provisions  
Other financial liability  
Other Payables  
Less : Cash and cash equivalent  
Net debts

As at 31-03-2021	As at 31-03-2020
678,581,781	612,883,092
112,097,388	10,154,129
602,023,811	538,199,191
23,089,848	49,737,546
11,772,996	6,573,969
-	-
211,379,258	87,676,015
(77,869,016)	(13,606,233)
1,561,076,066	1,291,617,709





**KW Homes Private Limited****Notes to standalone financial statements for the year ended March 31, 2021**  
**(Amounts in Rupees, unless otherwise stated)**

Capital Components		
Equity	23,195,000	23,195,000
General reserve		
Reserve and Surplus	154,611,520	153,080,131
<b>Total Capital</b>	<b>177,806,520</b>	<b>176,275,131</b>
Capital and Net debts	1,738,882,586	1,467,892,840
Gearing Ratio	8.78	7.33

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2021.

33 The Company's operations were impacted by the Covid 19 pandemic. In preparation of these financials, the Group has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to assessment of liquidity and going concern, recoverable values of its financial and non-financial assets, impact on revenues and estimates of residual costs to complete ongoing projects. The Company has observed the increase in cost of projects and accounted the same in the subsequent year 2021-22. Based on current indicators of future economic conditions, the Company has sufficient liquidity and expects to fully recover the carrying amount of its assets. Considering the evolving nature of the pandemic, its actual impact in future could be different from that estimated as at the date of approval of these financials. The Company will revise the estimates in the year 2021-22 based on the increase in cost during that year only.

34 The Company has exercised the option of Taxation under Section 115BAA of the Income Tax Act, 1961, for the Assessment Year 2020-21 and onwards. Accordingly the tax effect for the current Financial Year 2020-21 corresponding to Assessment Year 2021-22, has been given under section 115BAA of the Act.

**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).



**KW Homes Private Limited**

**Notes to standalone financial statements for the year ended March 31, 2021**

**(Amounts in Rupees, unless otherwise stated)**

36 Expenditure in foreign currency for the year ended March 31, 2021 is NIL (March 31, 2020 is NIL).

37 Earnings in Foreign exchange for the year ended March 31, 2021 is NIL (March 31, 2020 is NIL).

38 CIF value of Imports for the year ended March 31, 2021 is NIL (March 31, 2020 is NIL).

Foreign currency exposures and outstanding derivative contracts for the year ended March 31, 2021 is Nil ( March 31, 2020 is  
39 NIL)

40 Previous year figures have been regrouped, reclassified and rearranged wherever considered necessary to make them comparable with current year figure.

As per our separate report of even date

For Garg Navin & Company

Chartered Accountants

FRN : 500094N

(Navin Kumar Garg) FCA

Partner

M.No. 073332

Place : Noida

Date:- 02/12/2021



For and on behalf of the Board of Directors of  
KW Homes Private Limited

A handwritten signature in blue ink, likely belonging to Savita Kesarwani.

Savita Kesarwani

Director

DIN: 02237455

A handwritten signature in blue ink, likely belonging to Pankaj Kumar Jain.

Pankaj Kumar Jain

Managing Director

DIN: 05217677

A handwritten signature in blue ink, likely belonging to G.B. Padhi.

G.B. Padhi

Company Secretary