

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP

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India

Independent Auditor's Report

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To the Members of HRL Township Developers Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



HRL Township Developers Limited Independent Auditor's Report on the Financial Statements

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Material uncertainty related to going concern

9. We draw attention to note no. 20 to the accompanying financial statements which indicates that the Company has incurred a net loss of Rs. 4.62 lakhs during the year ended 31 March 2018, and as of that date, the Company's current liabilities have exceeded its current assets by Rs. 2.79 lakhs and has accumulated losses amounting Rs. 60.96 lakhs which have resulted in complete erosion of the net-worth of the Company. The above factors indicate a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, basis the support of the holding company and other factors mentioned in aforesaid note to the financial statements, management is of the view that going concern basis of accounting is appropriate. Our opinion is not modified in respect of this matter.

Other Matter

10. The audit of the financial statements for the year ended 31 March 2017 was carried out and reported by another auditor, Messrs. G. D. Apte & Co, Chartered Accountants, who had expressed an unmodified opinion on those financial statements; vide their audit report dated 24 April 2017.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



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HRL Township Developers Limited Independent Auditor's Report on the Financial Statements

- c) the financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
- e) the going concern matter described in paragraph 9 under the Material uncertainty related to going concern paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 2 May 2018 as per Annexure B expressed an unmodified opinion;
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

Walker Chandiook & Co LLP

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay D. Jain

per **Vijay D. Jain**
Partner
Membership No.: 117961

Place: Mumbai
Date: 2 May 2018

Walker ChandioK & Co LLP

HRL Township Developers Limited Independent Auditor's Report on the Financial Statements

Annexure to the Independent Auditor's Report of even date to the members of HRL Township Developers Limited, on the financial statements for the year ended 31 March 2018

Annexure A

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

- (i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, 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) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax service tax, duty of customs, duty of excise duty, value added tax, cess have not generally been regularly deposited to the appropriate authorities though the delays in deposit have not been significant. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
 - (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.



Walker Chandiook & Co LLP

HRL Township Developers Limited
Independent Auditor's Report on the Financial Statements

Annexure A (Contd)

- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Walker Chandiook & Co LLP

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Vijay D Jain

per **Vijay D. Jain**

Partner

Membership No.: 117961

Place: Mumbai

Date: 2 May 2018

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of HRL Township Developers Limited ("the Company") as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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.



Walker Chandiook & Co LLP

HRL Township Developers Limited
Independent Auditor's Report on the Financial Statements

Annexure B (Contd)

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Walker Chandiook & Co LLP
For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay D. Jain
per **Vijay D. Jain**
Partner
Membership No.: 117961

Place: Mumbai
Date: 2 May 2018

HRL Township Developers Limited
Balance Sheet as at 31 March 2018

Particulars	Note No.	As at 31 March 2018 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	3	0.14	0.14
Other current assets	4	0.11	-
Total current assets		0.25	0.14
TOTAL ASSETS		0.25	0.14
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	10.00	10.00
Other equity		(43.01)	(38.39)
Total equity		(33.01)	(28.39)
Liabilities			
Non current liabilities			
Financial liabilities			
Borrowings	6	30.22	27.99
Total non current liabilities		30.22	27.99
Current liabilities			
Financial liabilities			
Borrowings	6	2.41	-
Trade payables	7	0.24	0.38
Other financial liabilities	8	0.32	0.15
Other current liabilities	9	0.07	0.01
Total current liabilities		3.04	0.54
TOTAL EQUITY AND LIABILITIES		0.25	0.14

Notes 1 to 21 form an integral part of the financial statements

This is the Balance Sheet referred to in our audit report of even date

For Walker ChandioK & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013



Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date : 2 May 2018



For and on behalf of the Board of Directors



Devendra Manchekar
Director
DIN.: 02464008



Shirpad Gaitonde
Director
DIN No.: 06981627

Place: Mumbai
Date : 2 May 2018




HRL Township Developers Limited
Statement of Profit and Loss account for the year ended 31 March 2018

Particulars	Note No.	Year ended 31 March 2018 (Rs. in lakhs)	Year ended 31 March 2017 (Rs. in lakhs)
Income			
Other income	10	0.26	-
Total income		0.26	-
Expenses			
Finance costs	11	3.55	3.93
Other expenses	12	1.33	0.80
Total expenses		4.88	4.73
Loss before tax		(4.62)	(4.73)
Tax expense			
- Current tax		-	-
- Deferred tax		-	-
Loss after tax (A)		(4.62)	(4.73)
Other comprehensive income/(loss) for the year, net of tax (B)		-	-
Total comprehensive loss for the year, net of tax (A+B)		(4.62)	(4.73)
Loss per equity share having face value of Rs. 10 each Basic and diluted (in Rs.)	14	(4.62)	(4.73)

Notes 1 to 21 form an integral part of the financial statements

This is the statement of profit and loss referred to in our audit report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013


Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date : 2 May 2018



For and on behalf of the Board of Directors

 
Devendra Manchekar **Shirpad Gaitonde**
Director Director
DIN.: 02464008 DIN No.: 06981627

Place: Mumbai
Date : 2 May 2018



HRL Township Developers Limited
Cash Flow Statement for the year ended 31 March 2018

Particulars	Year ended 31 March 2018 (Rs. in lakhs)	Year ended 31 March 2017 (Rs. in lakhs)
Cash flow from operating activities		
Loss before tax	(4.62)	(4.73)
Adjustment for		
Excess provision no longer required written back	(0.26)	-
Finance cost	3.55	3.93
Operating loss before working capital changes	(1.33)	(0.80)
Changes in working capital:		
(Increase) / decrease in other current assets	(0.11)	0.43
(Decrease) in trade payables	(0.14)	-
Increase in other current liabilities	0.31	0.02
Cash generated from operations	(1.27)	(0.35)
Income taxes paid (net of refund)	-	-
Net cash used in operating activities (A)	(1.27)	(0.35)
Cash flow from investing activities	-	-
Net cash used in investing activities (B)	-	-
Cash flow from financing activities		
Finance costs	(3.37)	(3.83)
Proceeds from non current borrowings	2.23	4.18
Proceeds from current borrowings	2.41	-
Net cash from financing activities (C)	1.27	0.35
Net increase in cash and cash equivalents (A+B+C)	-	-
Cash and cash equivalents at the beginning of the year	0.14	0.14
Cash and cash equivalents at the end of the year (Refer note 3)	0.14	0.14


Note:

The cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows". Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable the users of financial statements to evaluate the changes in liabilities arising from financing activities, including both the changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirements. The adoption of amendment did not have any material impact on the financial statements.



Notes 1 to 21 form an integral part of the financial statements

This is the Cash Flow Statement referred to in our audit report of even date

For Walker Chandio & Co. LLP
Chartered Accountants
Firm Registration No.001076N/N500013


Vijay D. Jain
Partner
Membership No.: 117961

For and on behalf of the Board of Directors

 
Devendra Manchekar **Shirpad Gaitonde**
Director Director
DIN.: 02464008 DIN No.: 06981627

Place: Mumbai
Date : 2 May 2018

Place: Mumbai
Date : 2 May 2018



HRL Township Developers Limited
Statement of Changes in Equity for the year ended 31 March 2018

A) Equity share capital

Particulars	Number	Rs. in lakhs
Equity shares of Rs. 10 each issued, subscribed and paid As at 31 March 2016	100,000	10.00
Changes in equity share capital during 2016-17 As at 31 March 2017	-	-
Changes in equity share capital during 2017-18 As at 31 March 2018	100,000	10.00

B) Other equity

Particulars	Deemed equity investment by holding company	(Rs. in lakhs)	
		Reserve and Surplus Retained earnings	Total equity attributable to equity holders
As at 31 March 2016	17.94	(51.60)	(33.66)
Total comprehensive loss for the year 2016-17 As at 31 March 2017	-	(4.73)	(4.73)
Total comprehensive loss for the year 2017-18 As at 31 March 2018	17.94	(56.33)	(38.39)
	-	(4.62)	(4.62)
	17.94	(60.96)	(43.01)

Nature and purpose of deemed equity investment

The holding Company when transfers benefit to the Company in the form of interest free inter corporate deposits, a deemed equity investment account is created. This will be derecognised on disposal of control in the Company.

Notes 1 to 21 form an integral part of the financial statements

This is the statement of changes in equity referred to in our audit report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013



Vijay D. Jain
Partner
Membership No.: 117961

For and on behalf of the Board of Directors



Devendra Manchekar
Director
DIN : 02464008



Shirpad Gaitonde
Director
DIN No.: 06981627

Place: Mumbai
Date : 2 May 2018

Place: Mumbai
Date : 2 May 2018



HRL Township Developers Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

1 Corporate information

HRL Township Developers Limited ('the Company') a public limited company domiciled in India. The Company is principally engaged into alteration / additions to residential buildings, own account, alterations/ additions on residential buildings, on a fee or contract basis, construction of residential buildings, on a fee or contract basis. The registered office of the Company is located at Hincan House, LBS Marg, Vikhroli (West), Mumbai - 400 083, India. The Company was incorporated on 19 May 2008 (CIN : U45201MH2006PLC163478). The financial statements were authorised for issue in accordance with resolution of the Board of Director on 2 May 2018.

2 Significant Accounting Policies

i) Basis of preparation of financial statements

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified by the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and contingent consideration that are measured at fair values, on an accrual basis of accounting.

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

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Companies Act, 2013 ("the Act"). Operating cycle for the business activities of the Company covers the duration of the project/ contract, and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

These financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (00,000), except when otherwise indicated.

ii) Accounting estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

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 has 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 financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Contract estimates

The Company prepares budgets in respect of projects to compute project profitability. The major components of contract estimate is budgeted costs to complete the contract'. While estimating the component various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Deferred tax assets

In assessing the realisability of deferred income tax assets including Minimum Alternate Tax, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term, if estimates of future taxable income during the carry forward period are reduced.



HRL Township Developers Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

iii) Financial instruments

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

(a) Financial Assets

Initial recognition:

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

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

Financial assets measured at amortised cost :

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate (EIR) method. Impairment gains or losses arising on these assets are recognised in the statements of profit and losses.

Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI) :

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial assets measured at Fair Value Through Profit or Loss (FVTPL) :

Financial assets are measured at fair value through profit and loss if these does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL 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.

ECL is the difference between all contractual cash flows that are due to the group 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. 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 impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.



HRL Township Developers Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(b) Equity instruments and financial liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables 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.

Subsequent measurement:

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

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

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.

Where the terms of a financial liability is re-negotiated and the company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss, measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

Financial Liabilities at fair value through Profit or Loss (FVPL)

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. 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 Statement of Profit and Loss.

De-recognition of financial liabilities

Financial liabilities are de-recognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/ (losses).

Offsetting 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.

iv) Income tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a) Current income tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. 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.



HRL Township Developers Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

b) Deferred income tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

v) Revenue recognition

(a) Revenue from real estate projects

Revenue from constructed properties for all projects is recognized in accordance with the "Guidance Note on Accounting for Real Estate Transactions" ("Guidance Note"). As per this Guidance Note, the revenue has been recognized on percentage of completion method and on the percentage of actual project costs incurred thereon to total estimated project cost, provided the conditions specified in Guidance Note are satisfied.

(b) Interest and Other income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable. Other income is accounted for on accrual basis. Where the receipt of income is uncertain it is accounted for on receipt basis.

vi) Provisions, Contingent liabilities and Contingent assets

a A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. When appropriate, 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. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

b Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

c Contingent assets are disclosed where an inflow of economic benefits is probable.

vii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity shareholders and weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

viii) Foreign exchange translation and accounting of foreign exchange transactions

(a) Initial recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

(b) Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) Treatment of exchange difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.



HRL Township Developers Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

ix) Impairment of non-financial assets

As at each Balance Sheet date, the company assesses whether there is any indication that a non-financial asset may be impaired and also whether there is any indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for any asset is required, the company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of assets' fair value less cost to sell and value in use; and
- in case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction re taken account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment of inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the company considers there is no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

x) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at bank 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 values.

xi) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Real Estate Development". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

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HRL Township Developers Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

	As at 31 March 2018 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
3 Cash and cash equivalents		
Balances with banks		✓
- On current accounts	0.14	0.14
Total cash and cash equivalents	<u>0.14</u>	<u>0.14</u>
4 Other current assets		
Balance with tax authorities	0.11	-
	<u>0.11</u>	<u>-</u>

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HRL Township Developers Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

	As at 31 March 2018 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
5 Equity share capital		
A) Authorised share capital		
1,000,000 (31 March 2017: 1,000,000) equity shares of Rs. 10 each	100.00	100.00
Total	100.00	100.00
Issued, subscribed and paid-Up		
100,000 (31 March 2017: 100,000) equity shares of Rs.10 each fully paid up	10.00	10.00
Total	10.00	10.00

B) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
At the beginning of the year	100,000	10.00	100,000	10.00
Issued during the year	-	-	-	-
At the end of the year	100,000	10.00	100,000	10.00

C) Details of Shareholders holding more than 5% shares of the Company and shares held by Holding Company

Particulars	31 March 2018		31 March 2017	
	Number of shares	% Holding	Number of shares	% Holding
Equity shares of Rs. 10 each fully paid				
HCC Real Estate Limited (Holding Company)	100,000	100%	100,000	100%

D) Rights and restriction attached to equity shareholders.

The Company has only one class of equity shares having face value as Rs. 10 each. Every holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company. Any Dividend proposed by Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting.

E) Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

The Company has neither issued any bonus shares, shares issued for consideration other than cash nor has there been any buy back of shares during past 5 years from reporting date.

	As at 31 March 2018 (Rs. in lakhs)	As at 31 March 2017 (Rs. in lakhs)
6 Borrowings		
(Unsecured)		
Non-current		
Inter corporate deposit from holding company* (Refer note 15)	30.22	27.99
Total non-current borrowings	30.22	27.99
* Inter corporate deposits carries 12.50% effective interest rate per annum and repayable on 31 March 2020.		
Current		
Inter corporate deposit from holding company* (Refer note 15)	2.41	-
Total current borrowings	2.41	-
* Inter corporate deposits carries 12.50% effective interest rate per annum and repayable on 1 April 2018.		
7 Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 19)	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	0.24	0.38
Total trade payables	0.24	0.38
Trade payables are non interest bearing and are normally settled as per the payment terms attached in the contract.		
8 Other current financial liabilities		
Interest payable on inter corporate deposit (Refer Note 15)	0.32	0.15
Total other current financial liabilities	0.32	0.15
9 Other current liabilities		
Statutory dues payable	0.07	0.01
Total other current liabilities	0.07	0.01



HRL Township Developers Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

	Year ended 31 March 2018 (Rs. in lakhs)	Year ended 31 March 2017 (Rs. in lakhs)
10 Other Income		
Excess provision written back	0.26	-
Total other income	0.26	
11 Finance costs		
Interest expense		
- Inter corporate deposits (Refer note 15)	3.55	3.93
Total finance costs	3.55	3.93
12 Other expenses		
Rates and taxes	0.03	0.02
Travel expenses	0.24	-
Payment to auditors		
- Statutory audit fees	0.50	0.55
Legal and professional fees	0.56	0.23
Total other expenses	1.33	0.80

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HRL Township Developers Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

13 Contingencies and commitments

There are no contingencies and commitments as at 31 March 2018 (31 March 2017: Nil).

14 Loss per share

Particulars	31 March 2018	31 March 2017
Loss after tax as per statement of profit and loss (Rs. in lakhs)	(4.62)	(4.73)
Weighted average number of equity shares	100,000	100,000
Loss per share (Basic and diluted) (in Rs.)	(4.62)	(4.73)

15 Disclosure in accordance with IND AS 24 Related Party Transactions

i) Holding Company

HCC Real Estate Limited (HREL)

ii) Ultimate holding company

Hindustan Construction Company Limited

iii) Key managerial personnel

1. Devendra Yashwant Manchekar - Director
2. Shripad Waman Gailonde - Director
3. A.K. Singh - Director

iv) Transactions and balances with related parties

Particulars	(Rs. in lakhs)	
	31 March 2018	31 March 2017
Transaction during the year		
Interest on inter corporate deposits		
HCC Real Estate Limited	3.55	3.93
Inter corporate deposits received		
HCC Real Estate Limited	1.28	0.37
Balances at the year end		
Included in non current borrowings		
HCC Real Estate Limited	32.63	27.99
Included in other financial liability		
Interest payable to HCC Real Estate Limited	0.32	0.15

16 Financial Asset

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

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

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Financial instruments by category

The carrying value and the fair value of financial instruments by each category as at 31 March 2018 :

Particulars	(Rs. in lakhs)			
	Financial assets / liabilities at amortized costs	Financial assets / liabilities at FVTPL	Financial assets / liabilities at FVTOCI	Total carrying value
Assets				
Cash and cash equivalents	0.14	-	-	0.14
Liabilities				
Non current Borrowings	30.22	-	-	30.22
Current Borrowings	2.41	-	-	2.41
Trade payables	0.24	-	-	0.24
Other financial liabilities	0.32	-	-	0.32



HRL Township Developers Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

The carrying value and the fair value of financial instruments by each category as at 31 March 2017 :

Particulars	Financial assets / liabilities at amortized costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	(Rs. in lakhs)
				Total carrying value
Assets				
Cash and cash equivalents	0.14	-	-	0.14
Liabilities				
Non current Borrowings	27.99	-	-	27.99
Current Borrowings	-	-	-	-
Trade payables	0.38	-	-	0.38
Other financial liabilities	0.15	-	-	0.15

17 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk. There are no such instruments in the Company which will be affected by market risk.

a Interest rate risk

Interest rate risk is a risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company.

Particulars	31 March 2018	31 March 2017
	Rs. in lakhs	Rs. in lakhs
Increase in basis points	50 basis points	50 basis points
Effect on loss before tax, increase by	0.14	0.16
Decrease in basis points	50 basis points	50 basis points
Effect on loss before tax, decrease by	0.14	0.16

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

b Foreign currency risk

The Company has no balance in foreign currency and thus consequently the Company is not exposed to foreign exchange risk.

ii Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by cash and cash equivalents. Bank balances are held with only high rated banks.

Particulars	(Rs. in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	0.14	0.14
Total	0.14	0.14

iii Liquidity Risks

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity analysis of financial instrument

As at 31 March 2018

Particulars	Carrying amount	Contractual Cash flow			(Rs. in lakhs)
		On demand	0-12 Months	Above 1 years	Total
Non current borrowings	30.22	-	-	30.22	30.22
Current borrowings	2.41	-	2.41	-	2.41
Trade payables	0.24	-	0.24	-	0.24
Other financial liabilities	0.32	-	0.32	-	0.32



HRL Township Developers Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

As at 31 March 2017

Particulars	Carrying amount	Contractual Cash flow			(Rs. in lakhs)
		On demand	0-12 Months	Above 1 years	Total
Non current borrowings	27.99	-	-	27.99	27.99
Current borrowings	-	-	-	-	-
Trade payables	0.38	-	0.38	-	0.38
Other financial liabilities	0.15	-	0.15	-	0.15

18 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 Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimise cost of capital.

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 return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted).

Particulars	As at 31 March 2018 In Rs. lakhs	As at 31 March 2017 In Rs. lakhs
Total borrowings (non current and current)	32.63	27.99
Total equity	(33.01)	(28.39)
Total debt to equity ratio (Gearing ratio)	(0.99)	(0.99)

19 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

There are no micro and small enterprises to whom the company owes dues and which are outstanding as at 31 March 2018. This information as required to be disclosed under the Micro Small and Medium Enterprises Development Act (MSMED) Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There is no interest paid or payable during the year.

20 The Company has incurred net loss of Rs. 4.62 lakhs during the year ended 31 March 2018 and as at that date, it's current liabilities have exceeded its current assets by Rs. 2.79 lakhs and has accumulated losses amounting Rs. 60.96 lakhs which have resulted in complete erosion of the net-worth of the Company. The business of the Company is dependent on the business of holding company and group entities as a whole. The Company is in the process of reassessing its business plan in view of expected growth opportunities and intends to expand its business operations going forward. The management of the Company, considering the continuous financial support from the holding company, have prepared the above financial statements on a 'Going Concern' basis.

21 Recent accounting update

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. The new revenue standard is applicable to the Company from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandio & Co. LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date : 2 May 2018



For and on behalf of Board of Directors

Devendra Manchekar
Director
DIN No.: 02464008

Shirpad Gaitonde
Director
DIN No.: 06981627

Place: Mumbai
Date : 2 May 2018

