

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of HCC Realty Limited**  
**Report on the Audit of the Standalone Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Standalone Ind AS financial statements of **HCC Realty Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss(including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 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, 2022, and its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

*Certificates/Confirmations were not available from Banks for Bank Balances amounting to Rs.2.69 (Previous Year Rs.2.69) lakhs as on 31st March, 2022.*





*Our opinion is not modified in respect of these matters.*

### **Information other than the Ind AS Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

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

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### **Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

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





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

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

Our objectives are to obtain reasonable assurance about whether the 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 it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our





conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

1. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. 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, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.





e)

- a. On the basis of the written representations received from the management as on March 31, 2022, no funds have been **advanced or loaned or invested** by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
- b. On the basis of the written representations received from the management as on March 31, 2022, no funds have been **received by the company** from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
- c. Based on the audit procedures performed, nothing has come to our notice that has caused us to believe that the below representations given by the management contain any material mis-statement.
- f) No dividend were declared/paid during the year by the Company, therefore question of compliance of section 123 of the Act does not arise.
- g) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its 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 an occasion in case of the company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year so the provisions of section 197 of the Act are not applicable.

*(Note: Due to COVID-19 Pandemic Lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out **based on the remote access to the extent available/feasible and necessary records made available by the management through digital medium**, without physically verifying at their office.)*

**FOR U B G & Company**  
**CHARTERED ACCOUNTANTS**  
**FRN: 141076W**



**CA Gaurav J. Parekh**  
**Partner**

**Membership No.: 140694**  
**Mumbai, Dated: 02 May 2022**  
**UDIN: 22140694AILMNC3131**





**Annexure 'A' to the Independent Auditor's Report of HCC Realty Limited for the Year ended as on 31<sup>st</sup> March 2022**

***Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-***

- i. (a) A. The Company does not have any Property, Plant and Equipment. Therefore the paragraph 3(i)(A) of the Order is not applicable to the Company.  
  
B. The Company has no intangible assets as on 31st March 2022. Therefore the paragraph 3(i)(B) of the Order is not applicable to the Company.
- ii. The Company does not have any Inventory. Accordingly, the provision of clause 3(ii) of the Order are not applicable.
- iii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made investments in, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liabilities partnership or any other parties. Hence, reporting under clause (a) to (c) of Para 3(iii) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- vi. We have been informed that the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the Goods provided and Services rendered by the Company, which has been relied upon.
- vii.
  - a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including goods & service tax, provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2022, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.





- b) According to the information and explanation given to us, there are no cases of statutory dues referred to in sub-clause (a) which have not been deposited on account of dispute are as follows
- viii. There are no transactions being not recorded in the books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. The Company has not taken term loans from any lender during the year, hence paragraph 3(ix) of the order is not applicable to the Company.
- x. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and the term loan during the year. Hence reporting under this clause 3(x) of the order is not applicable to the Company.
- xi. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the Company noticed or reported during the period under audit.
- xii. The Company is not a Nidhi Company and hence clause 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute an audit committee under Section 177 of the Act.
- xiv. Internal audit is not applicable to the Company, therefore reporting under this clause is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- xvii. The company has incurred any cash losses amounting to Rs. 0.23 Lakhs (Previous Year: Rs. 0.28 Lakhs) in the financial year.
- xviii. There has been no resignation of the statutory auditors during the year therefore, reporting under the said clause is not applicable.





xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Section 135 of the Companies Act, 2013 regarding spending on CSR is not applicable to the Company. Therefore, reporting under this clause is not applicable.

**FOR U B G & Company**  
**CHARTERED ACCOUNTANTS**  
**FRN: 141076W**



**CA Gaurav J. Parekh**  
**Partner**

**Membership No.: 140694**

**Mumbai, Dated: 02 May 2022**

**UDIN: 22140694AILMNC3131**



**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in our Report of even date)**

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

We have audited the internal financial controls over financial reporting of **HCC Realty Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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





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

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

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

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls



over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR U B G & Company**  
**CHARTERED ACCOUNTANTS**  
**FRN: 141076W**



**CA Gaurav J. Parekh**  
**Partner**

**Membership No.: 140694**

**Mumbai, Dated: 02 May 2022**

**UDIN: 22140694AILMNC3131**





HCC Realty Limited  
Balance Sheet as at 31 March 2022

Particulars	Note No.	As at 31 March 2022 (Rs. in lakhs)	As at 31 March 2021 (Rs. in lakhs)
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	3	2.69	2.69
<b>Total Current assets</b>		<b>2.69</b>	<b>2.69</b>
<b>TOTAL ASSETS</b>		<b>2.69</b>	<b>2.69</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	4	5.00	5.00
Other equity		(4.99)	(4.76)
<b>Total equity</b>		<b>0.01</b>	<b>0.24</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	5	2.29	2.29
Trade payables	6	-	-
Dues of micro and small enterprises		-	-
Dues of creditors other than micro and small enterprises		0.12	0.16
Other current liabilities		-	-
Other financial liabilities	7	0.27	-
<b>Total current liabilities</b>		<b>2.68</b>	<b>2.45</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2.69</b>	<b>2.69</b>

Notes 1 to 20 form an integral part of the financial statements

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

For U B G & Company  
Chartered Accountants  
Firm's Registration No: 141076W



Gaurav J. Parekh  
Partner  
Membership No.: 140694



Place: Mumbai  
Date: 2nd May 2022

For and on behalf of the Board of Directors



Rahul Shukla  
Director  
DIN No.: 07835056



Dattatray Mengde  
Director  
DIN No.: 02874705

Place: Mumbai  
Date: 2nd May 2022

Place: Mumbai  
Date: 2nd May 2022



HCC Realty Limited  
Statement of Profit and Loss account for the year ended 31 March 2022

Particulars	Note No.	Year ended 31 March 2022 (Rs. in lakhs)	Year ended 31 March 2021 (Rs. in lakhs)
<b>Income</b>			
Revenue from operations			-
<b>Total income</b>			-
<b>Expenses</b>			
Other expenses	8	0.23	0.28
<b>Total expenses</b>		<b>0.23</b>	<b>0.28</b>
<b>Loss before tax</b>		<b>(0.23)</b>	<b>(0.28)</b>
Tax expense			
- Current tax		-	-
- Deferred tax		-	-
<b>Loss after tax (A)</b>		<b>(0.23)</b>	<b>(0.28)</b>
<b>Other comprehensive income/ (loss) for the year, net of tax (B)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year, net of tax (A+B)</b>		<b>(0.23)</b>	<b>(0.28)</b>
<b>Loss per equity share having face value of Rs.10 each</b>			
Basic and diluted (in Rs.)	11	(0.46)	(0.56)

Notes 1 to 20 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 U B G & Company  
Chartered Accountants  
Firm's Registration No: 141076W

  
Gaurav J. Parekh

Partner  
Membership No.: 140694  
Membership No.:

Place: Mumbai  
Date: 2nd May 2022



For and on behalf of the Board of Directors

  
Rahul Shukla  
Director  
DIN No.: 07835056

Place: Mumbai  
Date: 2nd May 2022

  
Dattatray Mengde  
Director  
DIN No.: 02874705

Place: Mumbai  
Date: 2nd May 2022



**HCC Realty Limited**  
**Cash Flow Statement for the year ended 31 March 2022**

Particulars	Year ended 31 March 2022 (Rs. in lakhs)	Year ended 31 March 2021 (Rs. in lakhs)
Cash flow from operating activities		
Loss before tax	(0.23)	(0.28)
<b>Operating loss before working capital changes</b>	<b>(0.23)</b>	<b>(0.28)</b>
<b>Changes in working capital:</b>		
Increase / (decrease) in trade payables	0.23	0.10
Increase/ (decrease) in other current liabilities	-	(0.01)
<b>Operating loss after working capital changes</b>	<b>-</b>	<b>(0.19)</b>
Taxes paid (net of refund)	-	-
<b>Net cash used in operating activities (A)</b>	<b>-</b>	<b>(0.19)</b>
Cash flow from investing activities	-	-
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>-</b>	<b>-</b>
Cash flow from financing activities		
Proceeds from borrowings	-	0.20
<b>Net cash generated from financing activities (C)</b>	<b>-</b>	<b>0.20</b>
<b>Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>-</b>	<b>0.01</b>
Cash and cash equivalents at the beginning of the year	2.69	2.69
<b>Cash and cash equivalents at the end of the year (Refer note 3)</b>	<b>2.69</b>	<b>2.70</b>

**Note:**

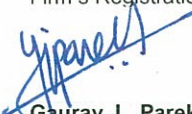
The cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

Notes 1 to 20 form an integral part of the financial statements

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

**For U B G & Company**  
Chartered Accountants  
Firm's Registration No: 141076W

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


  
**Gaurav J. Parekh**  
Partner  
Membership No.: 140694

Place: Mumbai  
Date: 2nd May 2022



  
**Rahul Shukla**  
Director  
DIN No.: 07835056

Place: Mumbai  
Date: 2nd May 2022

  
**Dattatray Menade**  
Director  
DIN No.: 02874705

Place: Mumbai  
Date: 2nd May 2022

HCC Realty Limited  
Statement of Changes in Equity for the year ended 31 March 2022

A) Equity share capital

Particulars	Number	Rs. in lakhs
Equity shares of Rs.10 each, issued, subscribed and paid up		
As at 31 March 2020	50,000	5.00
Changes in equity share capital during the year	-	-
As at 31 March 2021	50,000	5.00
Changes in equity share capital during the year	-	-
As at 31 March 2022	50,000	5.00

B) Other equity

Particulars	Reserve and Surplus	(Rs. in lakhs)
	Retained earnings	Total equity attributable to equity holders
Balance as at 31 March 2020	(4.48)	(4.48)
Total comprehensive loss for the year	(0.28)	(0.28)
As at 31 March 2021	(4.76)	(4.76)
Total comprehensive loss for the year	(0.23)	(0.23)
As at 31 March 2022	(4.99)	(4.99)

Nature and purpose of reserves

Retained earnings

Retained earnings represents the profits/ losses that the Company has earned/ incurred till date as reduced by dividends or other distributions paid to the shareholders.

Notes 1 to 20 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 U B G & Company  
Chartered Accountants  
Firm's Registration No: 141076W

For and on behalf of the Board of Directors

Gaurav J. Parekh  
Partner  
Membership No.: 140694

Rahul Shukla  
Director  
DIN No.: 07835056

Dattatray Mengde  
Director  
DIN No.:02874705

Place: Mumbai  
Date: 2nd May 2022

Place: Mumbai  
Date: 2nd May 2022

Place: Mumbai  
Date:2nd May 2022





**1 Corporate information**

HCC Realty Limited ('the Company') a public limited company domiciled in India. The Company was incorporated on 18 February 2010 (CIN : U70102MH2010PLC200209). The company is in Real estate activities with own or leased property. It includes buying, selling, renting and operating of self-owned or leased real estate such as apartment building and dwellings, non-residential buildings, developing and subdividing real estate into lots etc. The registered office of the Company is located at Hincan House, LBS Marg, Vikhroli (West), Mumbai - 400 083, India.

**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 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.

**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.

**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 statement of profit and loss.

**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.

**(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.

### 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 operations**

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled when a performance obligation is satisfied, which occurs when control of goods or services gets transfer to the customer.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

(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.

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 asset is recognised where the economic benefits are 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.

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





**HCC Realty Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

**x) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

**xi) Segment Reporting**

The Company's operation is considered under one segment "Real-Estate Development" for internal reporting provided to the chief operating decision maker. Therefore, the Company's business does not fall under different operational segments as defined by Ind AS 108 - "Operating Segments" referred to in Section 133 of the Companies Act, 2013.

**xii) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.



HCC Realty Limited  
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

	As at 31 March 2022 (Rs. in lakhs)	As at 31 March 2021 (Rs. in lakhs)
3 Cash and cash equivalents		
Balances with banks		
On current accounts	2.69	2.69
Total cash and cash equivalents	2.69	2.69





	As at 31 March 2022 (Rs. in lakhs)	As at 31 March 2021 (Rs. in lakhs)
<b>4 Equity share capital</b>		
<b>A) Authorised share capital</b>		
50,000 (Previous Year: 50,000) equity shares of Rs.10 each	5.00	5.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>
<b>Issued, subscribed and paid-Up</b>		
50,000 (Previous Year: 50,000) equity shares of Rs.10 each fully paid up	5.00	5.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Rs. in lakhs	No. of shares	Rs. in lakhs
At the beginning of the year	50,000	5.00	50,000	5.00
Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>50,000</b>	<b>5.00</b>	<b>50,000</b>	<b>5.00</b>

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

Particulars	31 March 2022		31 March 2021	
	No. of shares	% Holding	No. of shares	% Holding
<b>Equity shares of Rs.10 each fully paid</b>				
HREL Real Estate Limited	50,000	100%	50,000	100%

**D) Rights and restriction attached to equity shareholders**

The Company has only one class of equity shares having face value as Rs.10 per share. 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 the 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.

**F) Shareholding of Promoters**

Name of Promoters	31 March 2022		31 March 2021		% Change during the year
	No. of shares held	% Holding	No. of shares held	% Holding	
HREL Real Estate Limited (Holding Company)	50,000	100.00%	50,000	100.00%	Nil

**5 Borrowings****Current****Unsecured**

Inter corporate deposits from related parties\* (Refer note 9) 2.29 2.29

**Total current borrowings** 2.29 2.29

\* Inter corporate deposits carried 12.5% effective interest rate per annum and was repayable on 1 April 2022. These have further been extended for a period of another 12 months by the lender.

**6 Trade payables**

Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 13) - -

Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises

- Related parties (Refer note 9) -

- Others 0.12 0.16

**Total trade payables** 0.12 0.16

Trade payables are non interest bearing and are normally settled as per the payment terms attached in the contract.

**Vendor Ageing**

Unbilled & not due

Outstanding for following periods from due date of payment



HCC Realty Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

Particulars		As at				As at
		31 March 2022				31 March 2021
		(Rs. in lakhs)				(Rs. in lakhs)
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>At the Beginning of the year</b>	<b>0.11</b>	<b>0.05</b>	-	-	-	<b>0.16</b>
(i) MSME						-
(ii) Others	0.11	0.05				0.16
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others						-
<b>At the end of the year</b>	<b>0.08</b>	<b>0.04</b>	-	-	-	<b>0.12</b>
(i) MSME						-
(ii) Others	0.08	0.04				0.12
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others						-
<b>Total trade payables</b>					<b>0.12</b>	<b>0.16</b>

7 Other financial liabilities

Due to related party	0.27	-
	<b>0.27</b>	<b>-</b>





**HCC Realty Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

	Year ended 31 March 2022 (Rs. in lakhs)	Year ended 31 March 2021 (Rs. in lakhs)
<b>8 Other expenses</b>		
Rent	-	-
Rates and taxes	0.06	0.05
Payment to auditors		
Statutory audit fees	0.05	0.05
Legal and professional fees	0.12	0.19
Miscellaneous expenses	-	-
<b>Total other expenses</b>	<b>0.23</b>	<b>0.28</b>



**HCC Realty Limited**
**Summary of significant accounting policies and other explanatory information for the quarter ended 31 March 2022**
**9 Contingencies and commitments**

There are no contingencies and commitments as at 31 March 2022 (Previous Year: Nil).

**10 Disclosure in accordance with IND AS 24 Related party transactions**
**A) Name of related parties and nature of transaction:**
**i) Holding company**

HREL Real Estate Limited

**ii) Ultimate holding Company**

Hindustan Construction Company Limited

**iii) Fellow subsidiaries**

HCC Aviation Limited

HRL Township Developers Ltd.

Western Securities Limited

**iii) Key managerial personnel**

Dattatray Mendge - Director (from 28 April 2018)

Rahul Shukla - Director (from 15 March 2019)

Inderpal Singh Chilotre - Director (from 8 June 2021)

**B) Transactions and balances with related parties**

(Rs. in lakhs)

Particulars	31-Mar-2022	31 March 2021
<b>Transactions during the year</b>		
<b>Inter corporate deposits received</b>		
HREL Real Estate Limited	-	0.06
HCC Aviation Limited	-	0.06
HRL Township Developers Ltd.	-	0.07
<b>Payment made on behalf of Company</b>		
Western Securities Limited	0.27	-
<b>Balances at the year end</b>		
<b>Inter corporate deposits payable</b>		
HREL Real Estate Limited	2.16	2.16
HCC Aviation Limited	0.06	0.06
HRL Township Developers Ltd.	0.07	0.07
<b>Other financial liabilities</b>		
Western Securities Limited	0.27	-

**11 Loss per share:**

Particulars	31-Mar-2022	31 March 2021
Loss after tax as per statement of profit and loss (Rs. in lakhs)	(0.23)	(0.28)
Weighted average number of equity shares	50,000	50,000
Loss per share (Basic and diluted) (in Rs.)	(0.46)	(0.56)

**12 Financial instruments by category**

The carrying value and the fair value of financial instruments by each category as at 31 March 2022

(Rs. in lakhs)

Particulars	Financial assets / liabilities at amortized costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
<b>Assets</b>					
Cash and cash equivalents	2.69	-	-	2.69	2.69
<b>Liabilities</b>					
Current borrowings	2.29	-	-	2.29	2.29
Trade payables	0.12	-	-	0.12	0.12
Other financial liabilities	0.27	-	-	0.27	0.27

The carrying value and the fair value of financial instruments by each category as at 31 March 2021

(Rs. in lakhs)

Particulars	Financial assets / liabilities at amortized costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
<b>Assets</b>					
Cash and cash equivalents	2.69	-	-	2.69	2.69
<b>Liabilities</b>					
Current borrowings	2.29	-	-	2.29	2.29
Trade payables	0.16	-	-	0.16	0.16



**13 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.

**(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.

**(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 instruments:****As at 31 March 2022**

Particulars	Carrying amount	Contractual Cash flow			Total
		On demand	0-12 Months	Above 1 years	
Trade payables	0.12	-	0.12	-	0.12
Current borrowings	2.29	-	2.29	-	2.29

**As at 31 March 2021**

Particulars	Carrying amount	Contractual Cash flow			Total
		On demand	0-12 Months	Above 1 years	
Trade payables	0.16	-	0.16	-	0.16
Current borrowings	2.29	-	2.29	-	2.29

**14 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 2022. 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.

**15 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	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Total borrowings	2.29	2.29
Total equity	0.01	0.24
<b>Total debt to equity ratio (Gearing ratio)</b>	<b>398.26</b>	<b>9.73</b>

**16 Income Tax**

As per local tax regulations and returns filed with the tax authorities, unabsorbed depreciation can be carried forward indefinitely and has no expiry date. However, business losses can be carried forward for eight years and has the expiry date as follows:

Assessment year	Expiry in financial year	As at 31 March 2022 In Rs. Lakhs	As at 31 March 2021 In Rs. Lakhs
2013-14	2020-21	-	0.46
2014-15	2021-22	0.25	0.25
2015-16	2022-23	0.44	0.44
2016-17	2023-24	0.25	0.25
2017-18	2024-25	0.32	0.32
2018-19	2025-26	0.82	0.82
2019-20	2026-27	0.80	0.80
2020-21	2027-28	0.40	0.40
2021-22	2028-29	0.28	-
		<b>3.57</b>	<b>3.75</b>



**HCC Realty Limited****Summary of significant accounting policies and other explanatory information for the quarter ended 31 March 2022**

The Company had evaluated and not elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance 2019. Based on Management assessment, there is no impact of the new tax rate on the financial statements for the current year.

**17 Covid 19 Impact**

The outbreak of COVID-19 had disrupted regular business operations of the Company due to the lock down restrictions and other emergency measures imposed by the Government from time to time. The operations of the Company have started recovering from the economic slowdown caused by COVID-19 pandemic and reaching normalcy. The management has taken into account the possible impacts of known events, upto the date of the approval of these financial statements, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31 March 2022. While the Company continues to closely monitor the impact of COVID-19 pandemic, there exists uncertainty in estimating the future impact of COVID-19 pandemic on the Company and, accordingly, the actual impact in the future may be different from those presently estimated.

18 The Company is principally engaged in a single business segment i.e. Real estate activity, with owned or leased property.

**19 Analysis of Financial Ratios**

Nature of Ratio	Parameters	31-Mar-22	31-Mar-21	% of change in Ratio*
(a) Current Ratio	Current Assets	1.00	1.09	-8.40%
	Current Liabilities			
(b) Debt-Equity Ratio*	Total Debt	398.26	9.73	3991.51%
	Shareholders Equity			
(c) Debt Service Coverage Ratio				
(1) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Earnings available for Debt services(1)	0.00	0.00	0.00%
(2) Debt service = Interest & Lease Payments + Principal Repayments.	Debt Service cost (2)			
"Net Profit after tax" means reported amount of "Profit / (loss) for the year" and it does not include items of other				
(d) Return on Equity Ratio*	PAT- Dividend to Pref. shareholders	-1.86	-0.57	224.48%
(Average shareholders equity is derived from opening & closing equity shares)	Average Shareholders Equity			
(e) Inventory turnover ratio	Cost of goods sold	0.00	0.00	0.00%
	Average Inventory			
(f) Trade Receivables turnover ratio	Net Credit Sales	0.00	0.00	0.00%
	Average Trade Receivables			
(g) Trade payables turnover ratio	Net Credit Purchases	0.00	0.00	0.00%
	Average Trade Payables			
(h) Net capital turnover ratio	Net Sales	0.00	0.00	0.00%
	Working Capital			
(i) Net profit ratio	Net Profit	0.00	0.00	0.00%
	Net Sales			
(j) Return on Capital employed*	EBIT	-4000.00%	-120.57%	3217.50%
	Capital Employed			
(k) Return on investment*	Net Income	-4000.00%	-120.57%	3217.50%
	Investment			

\* Since equity amount is 0.01 being nominal amount, change of 0.05 in expenses shows higher variance in ratio (More than 25%)

**20 Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from 1 April 2022.

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

**For U B G & Company**  
Chartered Accountants  
Firm's Registration No: 141076W

**Gautav J. Parekh**  
Partner  
Membership No.: 140694

Place: Mumbai  
Date: 2nd May 2022

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

**Rahul Shukla**  
Director  
DIN No.: 07835056

Place: Mumbai  
Date: 2nd May 2022

**Dattatray Mengde**  
Director  
DIN No.:02874705

Place: Mumbai  
Date: 2nd May 2022



To,  
U B G & Company,  
Chartered Accountants  
404, Skyline Wealth Space,  
Above D Mart, Premier Road,  
Vidyavihar West, Mumbai - 86

Dear Sir,

**Sub: Management Representations Letters**

This representation letter is provided in connection with your audit of the financial statements of our Company **HCC Realty Limited** for the year ended for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of our company as of **31st March, 2022** and of the results of the operations for the year ended.

We acknowledge our responsibility for the fair representation of the financial statements in accordance with accounting standards and other recognized accounting practices and policies generally accepted in India.

We acknowledge our responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error.

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the concern internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving any other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of our firm.

There has been no non-compliance with laws and regulations which could have a material impact on the financial statements.

There are no unadjusted audit differences identified during the current audit. We confirm, to the best of our knowledge and belief, the following representations:

### **ACCOUNTING POLICIES:**

The accounting policies are in accordance with the generally accepted accounting standards in India. The accounting policies and practices which are material or critical in determining the results of operations for the year or financial position are disclosed in the financial statements. The financial statements are prepared on accrual basis.

### **COMPLIANCE WITH LAWS & REGULATIONS:**

1. We are not aware of any actual or suspected noncompliance with laws and regulations which can have a material impact in the preparation of the financial statements.
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance or deficiencies in financial reporting practices.
3. To the best of our knowledge and belief, the Company has not made any improper payments or payments which are illegal or against any regulations.
4. The Company has complied with all aspects of contractual agreements which could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

### **INFORMATION PROVIDED AND COMPLETENESS OF INFORMATION AND TRANSACTIONS:**

We have provided you with:

1. Access to all information, on a timely basis, of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
2. Additional information that you have requested from us for the purpose of the audit and
3. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and
4. All the required support to discharge your duties as auditors.

### **INTERNAL FINANCIAL CONTROL STRUCTURE:**

1. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
2. As required under section 134(5) of the Act, we are responsible for establishing and maintaining adequate and effective internal financial controls and the preparation and presentation of the financial statements and, in particular, the assertions to you on the internal financial controls in accordance with the Indian GAAP.



3. There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is no failure to correct any major weakness in internal control system.
4. We have disclosed to you all changes/deficiencies in the design or operation of internal controls over financial reporting identified as part of our assessment, including separately disclosing to you all such deficiencies that we believe to be significant deficiencies or material weaknesses in internal controls over financial reporting.

**REGISTERS, MINUTES AND CONTRACTS:**

1. The Minutes of the meetings of the Shareholders and Directors and the Registers required to be maintained under the Companies Act are complete and authentic.
2. We have made available to you all significant registers, contracts and agreements. Further, we have made available to you all minutes of the meetings of shareholders, directors and committees of directors.
3. All matters required to be recorded in the registers and minute books of the Company have been, and are, recorded correctly.

**RELATED PARTY TRANSACTIONS:**

Transaction with the related parties and related amounts receivable or payable, including sales, purchase, loans, interest, remuneration, transfers, leasing arrangements, and guarantees, have been properly recorded and disclosed in the financial statements.

We confirm the completeness of the list of related parties and relationships as stated in Notes to financial statements, and information provided regarding the identification of such related parties.

**PROPERTY, PLANT AND EQUIPMENT:**

The Company does not own any fixed asset during the year.

**CASH & BANK BALANCES:**

*Balances in Current account and shown amounting to Rs. 2.69 lakhs (Previous Year Rs.2.69) as on 31st March, 2022 held with IDBI Bank Limited are locked as the banks had freezed the accounts. We confirm that the balances are considered good and will be realizable in normal course of business.*

**OTHER CURRENT ASSETS, LOANS AND ADVANCES:**

The Current Assets, Loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.

The Inter-Corporate Deposits given to the Group Companies as per Related Party Disclosures in Financial Statements have a value on realization and will be realized in the due course of time.

**CURRENT LIABILITIES:**

There are no disputed amounts of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess for more than 6 months as on 31st March, 2022.

Also, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess, Goods and Services Tax and other material statutory dues in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

**CONTINGENT LIABILITY:**

There are no contingent liabilities as at year end other than those disclosed in the Financial Statements.

**STATEMENT OF PROFIT & LOSS:**

All material transactions have been adequately disclosed and full provision has been made in the financial statements for all claims and losses of material amount which have resulted or maybe expected to result from events which occurred or from commitments which were entered into on or before the date of balance sheet.

No personal expenses have been charged to revenue accounts. Except as disclosed in the financial statements, the results for the period were not materially affected by:

- Transactions of a nature not usually undertaken by the Company;
- Circumstances of an exceptional or non-recurring nature;
- Changes in accounting policies.

**DUES TO MICRO, SMALL AND ENTERPRISES:**

We certify that no amount of interest is due to micro, small and medium enterprises.

**GENERAL:**

We have complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

The financial statements are free of material mis-statements, including omissions.



### **DEFERRED TAX:**

Deferred tax assets have not been recognised because it is not probable future taxable profit will be available against which the company can use the benefits there from.

### **SUBSEQUENT EVENTS:**

The COVID-19 pandemic has severely disrupted business operations due to lockdown and other emergency measures imposed by the various governments. The Company has evaluated the impact of this pandemic on its business operations, liquidity and the recoverability and carrying values of its assets as at the Balance Sheet date and based on the management's review of current indicators and economic conditions there is no material impact on the profit for the year ended 31st March, 2022.

Other than above no events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements at that date or for the period then ended, other than those reflected or fully disclosed in the books of account.

### **AUDIT REPORT & CARO Related:**

1. No funds have been **advanced or loaned or invested** by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
2. No funds have been **received by the company** from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
3. No dividend were declared/paid during the year by the Company, therefore question of compliance of section 123 of the Act does not arise.
4. None of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
5. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
6. The Company is not a Nidhi Company and hence clause 3 (xii) of the Order is not applicable to the Company.

For HCC Realty Limited

()

Director

Mumbai, Dated: 02.05.2022

