



**Independent auditors report  
To the members of D. S. Kulkarni Developers Limited**

**1. Report on the audit of standalone Ind AS financial statements**

We were engaged to audit the accompanying standalone Ind AS financial statements of D. S. Kulkarni Developers Limited (the Company), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss, the statement of changes in equity and the statement of cash flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

**2. Management's responsibility for the standalone Ind AS financial statements**

D. S. Kulkarni Developers Limited is under Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code (the Code). Its affairs, business and assets are being managed by the Resolution Professional appointed by the Hon'ble NCLT Mumbai vide its Order dated 26th September 2019 under the provisions of the Code as Interim Resolution Professional and subsequently as per section 22 of the Code as Resolution Professional of D. S. Kulkarni Developers Limited. The matter against the Corporate Insolvency Resolution Process is pending for admission before the Hon'ble NCLT vide CP 1633/2019. Under provisions of section 17 of the Code, the powers of Board of Directors of D. S. Kulkarni Developers Limited are currently under suspension and the same are being exercised by the Resolution Professional of D. S. Kulkarni Developers Limited.

In view of ongoing Corporate Insolvency Resolution Process, the Resolution Professional 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements 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. Under section 20 of Code, it is incumbent upon

Resolution Professional to manage the operations of the Company as a going concern and the financial statements have been prepared on going concern basis.

The written representations with regard to these financial statements provided to us during the course of our audit, have been signed by the Resolution Professional appointed by the Hon'ble NCLT Mumbai vide its Order dated 26<sup>th</sup> September, 2019.

### **3. Auditor's responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

The Financial Statements provided to us for review have been signed only by the RP. Section 134(1) of the Companies Act, 2013 requires such signature to be undertaken by (a) the chairperson of the company where he is authorized by the board, or by two directors out of which one shall be managing director; and (b) the chief executive officer, the Chief Financial officer and the Company Secretary, wherever they are appointed. Since the CIRP has been initiated, the RP, pursuant to his appointment, has been vested with the management of the Company and the powers of the board of directors of the Company stand suspended. Therefore, the Financial

Statements have been signed by the RP alone. Though the powers of the Board of directors are Suspended, none of such directors of the Company were available/ agreeable to sign the said Financial Statements.

The positions of Chief Financial Officer and Company Secretary of the Company, as on the date of Signing of the Financial Statements, were vacant. We understand that the office of the Chief Finance Officer and the Company Secretary of the Company is vacant before the start of the year under audit. The Company has not appointed such key managerial personnel as required under section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointments and Remuneration of Managerial Personnel) Rules, 2014. As such, the Financial Statements may suffer from issues of accuracy, veracity, sufficiency, completeness and reliability, as none of the key managerial personnel of the Company other than RP has signed the Financial Statements.

For the purpose of this audit review, we have relied upon the Financial Statements provided to us by the RP. It is observed that the RP has inserted a note as part of notes to accounts, set out in Note 2.32 of financial statements, as per which he has assumed that the data/information provided by the officials of the Company and the records of the Company made available to him are in conformity with the applicable laws and present a true and fair view of the position of the Company and has not personally verified such information; and that he should be absolved from the accuracy, veracity and sufficiency or completeness of information provided to him by the officials of the Company based on which the Financial Statements of the Company have been prepared. As per the said note, the RP has signed the financial statements only to facilitate the CIRP process without any liability of the same. To the extent to which the RP has disclaimed his liability with respect to accuracy, veracity, and sufficiency or completeness of information provided to him by the officials of the Company, the Financial Statements may suffer from issues of accuracy, veracity, sufficiency, completeness or reliability. Relevant observations upon the extent of veracity of the Financial Statements have been made in the below paragraphs.

Our objectives are:

- a. to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error
- b. to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 the users taken on the basis of these financial statements.

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

- a. identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- b. obtained 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
- c. evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. considered the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, we concluded that a material uncertainty does exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. Hence, we drew attention in our auditor's report to the related disclosures in the financial statements. 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 entity to cease to continue as a going concern or vice versa.
- e. evaluated 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.
- f. communicated 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 identified during our audit.

Because of the matters described in the Basis for disclaimer of opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

**4. Basis for disclaimer of opinion**

- (i) In view of irregularities and suspected fraudulent transactions and defaults under 'Insolvency Bankruptcy Code 2016', the Company is under 'Corporate Insolvency Resolution Process'. As at the date of this report, we are not in receipt of any litigation/investigation reports conducted by investigative authorities.
- (ii) In view of the fact that matters relating to abovementioned financial irregularities are sub-judice and litigations/investigations by respective authorities are yet to be completed, we are unable comment on the consequential impact, if any, on the financial statements of the outcome of such litigations/investigations / enquiry by law enforcement agencies and outcome of related litigation and claims.
- (iii) In view of the ongoing Corporate Insolvency Resolution Process, the outcome of which cannot be presently ascertained on the matters listed below, we are unable to comment whether the Company will be able to continue as a going concern. Consequently, we are unable to comment as to whether the going concern basis for preparation of these financial statements taken by the Company is appropriate.
- (iv) There are proceedings going on against the company under various laws such as The Maharashtra Protection of Interest of Depositors Act (MPID), Economic Offences Wing (EOW) – Pune, Insolvency and Bankruptcy Code, 2016 and other economic laws. Various agencies have moved against the Assessee Company and its directors, viz. Directorate of Enforcement (ED), Serious Fraud Investigation Office (SFIO) and other agencies. The original documents/agreements has been seized by ED and are not available for carrying out necessary audit.
- (v) Other matters [including those listed in paragraph 4(iv) above], limitations with regard to availability of necessary audit evidences including original documents and information, satisfactory explanations and justifications required for audit for the years ended 31 March 2018. In view of the limitations and uncertainties involved, we had expressed our inability to express an opinion on the financial statements for the audited period. Our disclaimer of opinion on the financial statements is also because of the possible effects of the above matters on the figures for the current year and on the corresponding figures for the year ended 31 March 2017 and balances as at 1 April 2016 (including the adjustments required, if any on transition to Indian Accounting Standards prescribed under section 133 of the Act), which also affects their comparability with current year figures.
- (vi) We are unable to comment on the necessary adjustments / disclosures in these financial statements in relation to the following items, in view of non-availability of certain necessary information / documentation / satisfactory explanations relevant to the current year audit -
  - (a) Lack of reconciliation of consumables and spares consumed (included under purchases of stock in trade) with related sales; and
  - (b) Sale of few finished flats but not recognized due to non-availability of agreements for which the closing stock shall show and inflated cost value;

- (c) Lease rental agreements for various land given on lease on which rental expenses are recognized for the current year, are not provided and hence without sufficient appropriate audit evidence we are unable to comment on accuracy of rental expenses so recognized;
  - (d) Employee details / Salary register on which salary expenses are recognized for the current year, are not provided and hence without sufficient appropriate audit evidence we are unable to comment on accuracy of employee cost so recognized;
  - (e) Bank statement/Interest statements of few Banks accounts/Fixed deposits taken from the banks, based on which recognition have been made, were not made available by the banking authorities inspite of many representations;
  - (f) Debenture statements and Loan statements from few banks based on which interest expenses have been recognized were not made available, for which we have taken the base of previous year in case of Non-Convertible debentures.
  - (g) Statutory liabilities due as at 31<sup>st</sup> Mar' 2018 are verified based on the tally data maintained and provided by the management. Various representations to Government authorities for the login credentials or data available of the said company, have been made based on which the said recognition shall be verified for its accuracy but the same was not available;
  - (h) Ledger confirmations from various parties including related parties had not been made available based on which inter balances shall be verified;
  - (i) Original documents / agreements were not made available in most cases and hence we had to carry out our audit procedures on the tally data provided and management representations. As explained to us by the management, all the original documents had been seized by Directorate of Enforcement (ED).
  - (j) Report from EOW for its investigation done and report of forensic audit conducted have not been provided to us based on which our opinion shall have a material impact.
- (vii) Attention is drawn to Note 9 of the financial statements i.e. unsecured loans to related parties where provision has been made for bad and doubtful debts of Rs. 4,173.84 Lakhs, out of Rs. 6,576 Lakhs which are loans given to subsidiary company, M/s. DSK Developers Corporation. Out of total 4,173.84 lakhs, Rs. 229 Lakhs is doubtful Interest component. The basis of the provision of doubtful debts is not provided to us.
- (viii) As part of the Corporate Insolvency Resolution Process, the Company has received certain claims aggregating to Rs. 2,79,561 lakhs till 27<sup>th</sup> March 2020 from certain vendors and customers. As informed to us by the management, the Company has terminated most of the contracts with the said customers / vendors.
- (ix) Attention is invited to note 11 of the financial statements wherein it is stated that Inventory is not physically verified. We have relied on management for the figures provided in respect of inventory. Current year changes in Work in Progress are not supported by any evidences except the data entered by the management. Accordingly, we are unable to comment on the impact of the above on the financial statements.
- (x) Trade receivables include receivables of Rs. 83 lakhs in respect of related party (Nikhil Kulkarni & Co.) for the purpose of sale of assets which is outstanding since March 2016. It also includes Vat receivable from Flat holders of Rs. 219 Lakhs since long which is not backed by any evidences.

- (xi) Attention is invited to note 8 of financial statements wherein Long-term investment in equity instruments of subsidiaries amounts to Rs. 200 lakhs. The total amount of investment in subsidiary companies amounting to Rs. 1909.73 lakhs has been provided for diminution of investments in previous years itself which has not been backed by the explanation and hence, we are unable to comment on the completeness, existence and accuracy of this amount.
- (xii) The Company needs to strengthen its internal control systems, in particular its IT controls and those relating to existence of contract work-in-progress; reconciliation of consumables and spares consumed with related sales; accounts receivables including periodic reconciliations with customers, age wise analysis and application of receipts from customers; physical verification of inventories; accounts payables including vendor selection process and periodic reconciliations with vendors; classification of costs relating to items of purchase of traded goods including costs incurred towards warranty and certain contract expenses; and disposal of property, plant and equipment. We are unable to determine consequential impact, if any, of these aforesaid weaknesses on these financial statements.
- (xiii) Attention is drawn to the Note 14 of the Financial Statements wherein the advances made to the relatives and third parties are doubtful in nature. The same has been recorded based on the accounting and books maintained by the management.
- (xiv) Attention is invited to Note 17 of financial statements wherein various Project Loans, Corporate Loans, Vehicle Loans and other loans have been verified by the statements as much were provided to us by the management. Since the statements for Debentures loans were not available or provided to us, the amount outstanding has been derived by recording the similar amount of accrued interest expense as that of previous year.
- (xv) As per the provisions of Sec 124 of the Companies Act, 2013, post the transfer of dividend declared to an unpaid dividend account, if still remains unpaid for a period of 7 years from the date of such transfer shall then be transferred to Investor Education and Protection Fund and the company shall send a statement of the details of such transfer to the authority which administers the said Fund. Attention is invited to Note 23 of financial statement wherein the unclaimed dividend outstanding in the books of company comprises from the FY 2009-10 till FY 2014-15.
- (xvi) Various representations and reminders have been made to government authorities for the login credentials or the data available with themselves pertaining to the Company. Since the required data was not available to us, the statutory compliances and dues outstanding have not been verified to its accuracy. We are unable to determine consequential impact, if any, of these aforesaid weaknesses on these financial statements.
- (xvii) Contingent Liabilities disclosed under Note 25 have been continued to be similar as that of previous year. In addition to the same, Cenvat Credit availed in non-current assets and income tax dues as extracted from the claims made by the authority has been disclosed as a contingent liability as there is a contingency and estimated value needs to be recorded.

(xviii) The Company has not complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that are as follows:

- (a) Failed to file its financial results for the periods ended 30 September 2017 and subsequent periods till date.
- (b) Governance report have been submitted latest till Dec' 17.
- (c) Annual reports have been timely submitted only upto FY 2015-16.

Consequently, we are unable to comment on the impact, if any, of this non-compliance on the financial statements.

In view of our observations in paras 4(i) to 4(xv) above, we are unable to determine the adjustments, that are necessary in respect of the Company's assets, liabilities as on balance sheet date, income and expenses for the year, the elements making up the statement of changes in equity and cash flow statement and related presentation and disclosures in the financial statements.

#### **5. Disclaimer of opinion**

Because of the significance of the matters described in the Basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the standalone financial statements.

#### **Material uncertainty related to "going concern"**

We invite attention to 'Annexure A' to our report which expatiates the facts and circumstances that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Having regard to the totality of the facts and circumstances stated in the said Annexure, it is our considered opinion that the Company will be able to continue as a going concern only if it is able to raise funds for payment of staff salaries, payment of statutory liabilities and for servicing its debts on the due date and if it is able to comply with the provisions of the Real Estate Regulation Act, 2016. Our opinion about the financial statements for the year under review is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters listed in 'Annexure B' to this report have been communicated to the management and discussed with the management.

#### **6. Report on other legal and regulatory requirements**

- (i) As required by the Companies (Auditor's Report) Order, 2016 (the Order), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and except for the effects, if

any, of the matters described in the basis for disclaimer of opinion paragraph, we enclose in the "Annexure C", a statement on the matters specified in paragraphs 3 and 4 of the Order.

- (ii) As required by Section 143(3) of the Act, we report that:
- (a) described in the basis for disclaimer of opinion paragraph, we were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) due to the possible effects of the matters described in the basis for disclaimer of opinion paragraph, we are unable to state whether proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss, the cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account as maintained;
  - (d) due to the effect of the related matters described in the basis for disclaimer of opinion paragraph, we state as below-
    - (i) the financial statements do not comply with IND AS 8, IND AS 16, IND AS 17 and IND AS 113 as specified under Section 133 of the Act;
    - (ii) we are unable to state whether the financial statements comply with the Indian Accounting Standards (other than those referred to in paragraph 6(ii)(d)(i) above) specified under Section 133 of the Act;
  - (e) the matters described in the basis for disclaimer of opinion paragraph above may have an adverse effect on the functioning of the Company;
  - (f) the basis of written representations received from the directors as on 31 March 2018, 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 except that the then Managing Director (no longer with the Company) has not provided such representation to the Company. Accordingly, we are unable to comment as to whether the aforesaid individual was disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (g) the reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the basis for disclaimer of opinion paragraph above;
  - (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 D', and
  - (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. view of the related matters described in paragraph 4, basis for disclaimer of opinion, we are unable to state whether note 25 to the standalone financial statements discloses the complete impact of pending litigations on the financial position in the standalone financial statements of the Company;
- ii. view of the related matters described in paragraph 4, basis for disclaimer of opinion, we are unable to state whether the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts (the Company does not have any derivative contracts); and
- iii. there has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For R C Jain & Associates LLP  
Chartered Accountants  
FRN: 103952W/W100156

  
Meera Joisher  
(Partner)  
Membership No. 115080  
Date: 21<sup>st</sup> Sept, 2020



UDIN: 20115080AAAAAI6985

**Independent Auditors' Report of Even Date**  
**To the Members of D. S. Kulkarni Developers Ltd.**

**On standalone Ind AS financial statements**  
**Annexure A - Material uncertainty related to "going concern"**

The Directors' Responsibility Statement in the Board's Report states that the accounts have been prepared on a "going concern" basis. However, whether the Company is a "going concern" as at the balance sheet date is a question of opinion which must be answered having regard to the totality of the facts and circumstances of the case. Accordingly, we state below the facts and circumstances which may have a material impact on this issue.

**A. Financial facts & circumstances**

**1. Default in repayment of instalments of loans obtained from banks & financial institutions and in payment of interest on such loans:**

During the year under review, the Company has been generally unable to service the loans obtained from banks & financial institutions in accordance with the contractual terms contained in the sanction letters issued by such banks & financial institutions i.e. the Company has been generally unable to repay instalments and pay interest on the due date. We wrote a letter to each bank / financial institution in order to obtain information about delay in payment of interest & repayment of loan instalment, status of the account as at the balance sheet date & the overdue instalments / interest as at the balance sheet date. The amount of overdue instalments / interest as stated in the Annexure C to the statutory audit report is derived from the replies we received from the banks / financial institutions, if any, or, in the absence of such replies, from the information available in the Company's records.

**2. Default in repayment of fixed deposits obtained from the public and in payment of interest thereon:**

The Company has defaulted in repayment of fixed deposits and in payment of interest thereon. Please refer Para (v) of Annexure C to our statutory audit report for details.

**3. Default in payment of statutory dues on account of tax deducted at source, self-assessment tax, Maharashtra Value-added tax, service tax, employees' provident fund dues etc.:**

The Company filed its return of income under the Income Tax Act for Assessment Year 2016-17 (FY 2015-16) on 30/11/2016. As per the said return, an amount of Rs.1251.68 lacs are payable by the Company on account of self-assessment tax and interest. However, till the date of this report the Company has paid Rs. 45 lacs only and the balance Rs.1206.68 lacs are still unpaid. The Income Tax Department has treated the said return as invalid u/s 139(9) of the Income-tax Act, 1961, on the ground that self-assessment tax has not been paid and has asked the Company to show cause why prosecution should not be initiated for such default.

The Company has not paid as required by law the tax deducted at source in the year under review under various sections of the Income Tax Act, 1961.

The Company has also not paid as required by law the amounts payable on account of service tax, employees' provident fund dues, ESIC dues, employees' profession tax, Maharashtra Value added tax, and contribution to gratuity fund managed by LIC.

The details of these statutory liabilities are stated in Annexure C to our statutory audit report.

**4. Dishonour of cheques issued by the Company and consequent criminal cases against the Company under Section 138 of the Negotiable Instruments Act**

Based on the information available from previous year, we are informed that during the previous year under review, 1,220 cheques issued by the Company were returned unpaid for want of adequate balance in the Company's accounts. The aggregate amount of such cheques is Rs.70.14 crores. Out of the 1220 cases of dishonour, complaints u/s 138, NIA 1938 were filed in 51 cases of which the aggregate amount is Rs.11.41 crores. The Company subsequently paid Rs.21.04 crores against some dishonoured cheques before or after filing of complaints.

**5. Rejection of dividend proposed by the Board of Directors for FY 2015-16 at the Company's Annual General Meeting:**

When the Company's financial statements for FY 2015-16 were finalized in May 2016, the Board of Directors recommended to the Annual General Meeting to be held in September 2016 that a dividend of Re. 1.25 per share be paid to the holders of the Company's equity shares. The total outflow on account of dividend and additional tax thereon would have been Rs. 388.17 lakhs. However, the resolution at the Company's Annual General Meeting held on 29/09/2016 was not passed and the proposed dividend was not declared.

**6. Delay in payment of salaries to staff:**

As at the date of this report, the Company has been unable to pay some of its staff for full year in addition to four months of previous year. The unpaid employee remuneration as at the balance sheet date is Rs. 531.46 lakhs.

**B. Other facts & circumstances**

**7. Resignation of staff and delay in appointment of replacements:**

According to the statistics provided by the HR Department for previous year, the Company had 514 employees on 01/04/2016. During the FY 2016-17, 259 employees resigned whereas only 54 new employees joined the Company. Consequently, the Company had 309 employees as at 31/03/2017. No new data of the current employees available to us.

**8. Progress of incomplete construction projects**

Relying on the management representations, the construction activity in all the major construction sites in and around Pune had slowed down considerably.

**9. Rating by credit rating agency**

The credit rating of the Company has been down-graded by CARE from BBB+ to D in respect of long-term bank facilities and to C Negative in respect of Fixed Deposit Programme and to C Negative in respect of non-convertible debentures as per their communications dated 22/03/2017.

**10. Pending litigations**

The Company and its promoters face and are likely to face litigations on account of dishonour of cheques and defaults in payment of statutory dues, fixed deposits, bank loans and generally dues payable to suppliers.

**11. Non Maintenance of Records**

The company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

**12. No Documentary Evidence**

No documentary evidence was provided as to the details of the periodicity and extent of physical verification of Fixed Assets carried out by the management. Accordingly, we are unable to comment whether there are any material discrepancies and on the manner in which they have been dealt with in the books of account.

**13. No Evidence for Physical Verification**

There is no evidence of physical verification by management of inventories available on record. Hence we are unable to comment on the reasonability of verification process and also on the discrepancies, if any. The land valuation report provided to us is for the year 2016 and it does not match with the workings provided to us regarding the area and value of land held as inventory.

**Independent Auditors' Report of Even Date  
To the Members of D. S. Kulkarni Developers Ltd.**

**On standalone Ind AS financial statements  
Annexure B - Key Audit Matters**

The following key audit matters are emphasized in order to interpret these financial statements

**1. Compliance with the provisions of the Real Estate Regulation Act, 2016**

Government of India has enacted the Real Estate (Regulation and Development) Act 2016 and all the sections of the Act came into force with effect from May 1, 2017. Under this Act, Government of Maharashtra has established Maharashtra Real Estate Regulatory Authority (Maha RERA), vide Notification No. 23 dated 8th March 2017, for regulation and promotion of real estate sector in the State of Maharashtra. Consequently, Government of Maharashtra also promulgated the Maharashtra Real Estate (Regulation and Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of Interest and Disclosures on Website) Rules, 2017 and other Rules. The last date for registration of on-going projects under Real Estate Regulation Act was 31st July 2017. These changes in the regulatory environment applicable to real estate development companies are so radical that no such company can continue in business without complying with the new regulations.

**2. Commitments for DSK Dream City Project & Other Projects**

The Company has made commitments in respect of its on-going projects. The Company's success will depend upon its ability to raise funds for meeting these commitments.

**3. Requirements of Consolidated Financial Statements**

The Company has been facing capacity issues due to loss of key employees while meeting the need for servicing information requirements and providing clarifications to multiple investigating agencies, providing information to enable the ongoing asset monetization and restructuring activities and meeting 'going concern' requirements. Further, financials statements from the respective subsidiaries have not been available to us. On further investigation, it was found that out of 4 subsidiaries being DSK Developers Corporation, DSK Woods LLC, DSK Southern Projects Pvt Ltd & DSK Infra Pvt Ltd, 2 domestic subsidiaries have complied with annual filings with Registrar of Companies upto 31<sup>st</sup> March 2016. In view of the above, the Financial Statements of the subsidiaries have not been available or shall not be available before the Annual General meeting of the Company. **Accordingly, the Company is unable to provide its Consolidated Financial Statement and salient features of the Financial Statements of the Company's Subsidiaries and Joint Ventures in Form AOC-1 as required under Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.**

**4. Advances given to unrelated parties**

The Company has given advances aggregating to Rs. 1,070 lakhs to unrelated parties for the purpose of construction & development of real estate projects. However, by the balance sheet date the said parties had not raised invoices for the work performed by them.

**5. Default committed by DSK Global Education & Research Ltd. (DSKGER)**

The Company is surety for the loan advanced by Central Bank of India (CBI) to DSKGER. The said guarantee was given when DSKGER was a subsidiary of the Company and it continued even after DSKGER ceased to be a subsidiary. The said contingent liability appears in Note 25 to the financial statements. On 12/04/2017, CBI has issued a notice to DSKGER u/s 13(2) of the Securitisation & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002, for payment of the amount outstanding on 11/04/2017 i.e Rs. 8200.39 lacs within 60 days from the date of receipt of notice which remains unpaid till date.

**6. Possible contractual liability**

The Company is unable to reasonably quantify the possible liability that may arise due to non-performance of the terms of contracts between the Company and its customers & suppliers.

**Independent Auditors' Report**  
**To the Members of D. S. Kulkarni Developers Ltd.**

**On standalone Ind AS financial statements**

**Annexure C Referred to in Paragraph (i) under the heading "Report on other legal and regulatory requirements" of Our Report of Even Date**

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of section 143(11) of Companies Act, 2013, we enclose, on the basis of our opinion, our examination on the relevant records and according to the information and explanation given to us, in the "Annexure C" a statement on the matters specified in Paragraph 3 & 4 of the said Order.

**(i) Property, Plant and Equipment**

- a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets during the financial year under review.
- b) The Resolution Professional has physically verified all the fixed assets during the financial year 2019-20 for the Valuation of Assets under the Insolvency and Bankruptcy Code, 2016. As informed to us, material discrepancies were noticed on such verification and the same have been dealt with in the books of account.
- c) As per the information and explanations given to us, the title deeds of immovable properties owned by the Company whether held in the name of the company or not is uncertain since the same has been sealed by the ED.

**(ii) Inventory**

The Resolution Professional appointed by the NCLT order has done Physical Verification of inventory during Corporate Insolvency Resolution Process. The projects for which they are not aware about its presence, are being carried forward in the books as Work in Progress.

**(iii) Loan granted to related parties**

- a) Except for the effects of the matters described in the basis of disclaimer of opinion paragraph 4 of our main report, the Company has granted loans, secured or unsecured, to companies, firms or other parties are covered in the register maintained u/s 189 of the Act. The number of parties and amount involved in the transactions is as follows: -

Number of parties	Amount of loans given	
	Balances ('Lacs)	
	31-03-2018	31-03-2017
Two	11,639.10	11,092.86

- b) The rate of interest and other terms and conditions of loans, secured or unsecured, granted by the Company, are not, prima facie, prejudicial to the interest of the Company;
- c) In respect of the loans, secured or unsecured, given by the Company, the terms of repayments of the principal amount and the payments of the interest have not been

stipulated. Hence whether the repayment is overdue or not cannot be decided. **However, the Company has made provision of Rs. 4,713.84 Lacs for loans whose recovery may be doubtful.**

**(iv) Compliance with section 185 & 186**

- a) The Company has not made investments, granted loans, offered guarantee and security in compliance with the provisions of Section 185 & Section 186 of CA, 2013. The limit prescribed under the Companies Act, 2013 for granting loans has been exceeded thereby violating the provisions of the Act.
- b) The Company has obtained an opinion from a professional stating that provisions of Section 185 of the Companies Act 2013 are not attracted in the matter of giving a guarantee to the bank which has advanced a loan to one of the related parties viz. D.S. Kulkarni & Co.

**(v) Deposits**

As at 31st March 2017 the Company had outstanding deposits of Rs. 15.06 crores from 1,642 depositors. During the FY 2017-18 and up to the date of this report, no. of depositors have not been increased instead the amount of deposit accepted have been reduced. The ECS for payment of interest had not been issued generally since November 2016 but made few payments during FY 2017-18. However, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.

**(vi) Cost Records**

The company has not maintained the cost as required by the Companies (Cost Record & Audit) Rules, 2014 prescribed by the Central Government u/s 148(1) of the Act. The Company has also appointed a cost auditor. The last date for completion of cost audit is 28/09/2017.

**(vii) Payment of statutory dues**

- a) There have been instances of delay in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, TDS, Income-tax, Sales-tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it.

The details regarding payment of statutory dues are as follows: Particulars	Rs. in Lacs	
	Total dues as on 31/03/2018	Dues for more than 6 months as on 31/03/2018
1. Tax deducted / collected at source	1,119.87	1,119.87
2. Service Tax	289.17	289.17
3. Gratuity	216.34	216.34
4. Leave Encashment	63.94	63.94
5. Maharashtra Value-added tax	470.16	470.16
6. Provident Fund	87.37	87.37
7. Employees' State Insurance	11.23	11.23

8. Profession Tax	3.90	3.90
9. Goods and Service Tax	18.51	18.51

- b) There are no disputed amounts outstanding in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales-tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it as at the last day of the Financial year. The disputed amounts in respect of income tax are as follows:

Forum where dispute is pending	Assessment Year	As at 31 <sup>st</sup> March '18 (Rs. in Lakhs)	As at 31 <sup>st</sup> March '19 (Rs. in Lakhs)
1. High Court of Judicature, Mumbai	2004-05	67.25	67.25
2. High Court of Judicature, Mumbai	2005-06	152.02	152.02
3. High Court of Judicature, Mumbai	2006-07	311.45	311.45
4. High Court of Judicature, Mumbai	2007-08	418.80	418.80
5. High Court of Judicature, Mumbai	2008-09	116.00	116.00
6. High Court of Judicature, Mumbai	2009-10	156.93	156.93
7. High Court of Judicature, Mumbai	2010-11	99.95	99.95
8. High Court of Judicature, Mumbai	2011-12	35.47	35.47
9. High Court of Judicature, Mumbai	2012-13	36.15	36.15

The ITAT Pune decided the Company's appeals for AY 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 & 2012-13 in favour of the Company. However, the Dept has filed a reference with the High Court of Judicature at Mumbai.

- c) During the year under review, the Company has not transferred any to the Investor Education and Protection Fund in accordance with the provisions of section 124(5) the Companies Act, 2013 and Rule 4 of the Companies (Declaration & Payment of Dividend) Rules 2014, made thereunder. The unpaid dividend remains outstanding in the books from FY 2009-10.

**(viii) Default in repayment of bank loan**

- a) The Company has defaulted in repayment of dues to debenture holders as on the balance sheet date and as on the date of this report. The Company has also delayed repayment of dues to financial institutions and banks during the year. The details of overdue interest and overdue principal of the Company's borrowings are as follows:

Bank / Financial Institution	Amount overdue as on 31/3/18	
	Interest (Rs. in Lakhs)	Principal (Rs. in Lakhs)
1. ICICI Housing Finance Co	441.19	8,946.22
2. State Bank of India	21.19	12,579.81
3. Syndicate Bank	809.24	7,667.00
4. Union Bank of India	259.79	6,292.86
5. Bank of Maharashtra	458.28	6,292.00
6. IDBI Bank	636.07	4,722.12
7. India Bulls Housing Finance	594.43	4,998.45
8. Vijaya Bank	0.00	1,768.41
9. Sangli Urban Cooperative Bank Ltd.	0.00	204.98
10. The Kalyan Janata Sahakari Bank	140.35	1,336.72

11. Tata Capital Housing Finance Ltd	94.48	713.53
12. Bajaj Finance Ltd	202.13	1,403.31
13. Aditya Birla Finance Ltd	17.80	936.47
14. STCI Finance Ltd	424.27	2,689.45
15. HDFC Bank Ltd.	0.02	1.25
16. Toyota Financial Services	0.43	7.07
17. Kotak Mahindra Prime Ltd.	0.00	0.58

**(ix) Application of proceeds of term loans / public offer**

The company has applied the term loans obtained during the year towards the purpose for which the loans were obtained. During the year under review, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

**(x) Fraud**

No material fraud on or by the Company has been noticed or reported during the financial year under review.

**(xi) Managerial remuneration**

The Company has not paid or provided managerial remuneration during the year. Hence the contents of paragraph 3(xi) of CARO, 2016 are not applicable to the Company.

**(xii) Nidhi Company**

The contents of Paragraph 3(xii) of CARO, 2016 are not applicable since the Company is not a Nidhi Company.

**(xiii) Related party transactions & compliance with S.177 & 188**

For want of complete records, we are unable to comment about the transactions with related parties and to express our opinion whether these transactions are in compliance with Sections 177 & 188 of the Companies Act, 2013 and the available details thereof have been disclosed in the financial statements as required by the applicable accounting standards.

**(xiv) Preferential allotment / private placement of shares or convertible debentures & compliance with S 42**

According to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year.

**(xv) Non-cash transactions with directors etc. & compliance with S.192**

Except for the effects of the matters described in the basis of the disclaimer of opinion paragraph of the main report, according to the information available as at present and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) Compliance with S.45IA of RBI Act

The contents of paragraph 3(xvi) of CARO, 2016 are not applicable since the company is not required to register itself with RBI under section 45IA of the RBI Act.

For R C Jain & Associates LLP  
Chartered Accountants  
FRN: 103952W/W100156

*Meera Joisher*  
Meera Joisher

(Partner)

Membership No. 115080

Date: 21<sup>st</sup> Sept, 2020



UDIN: 20115080AAAAAT6985

**Independent Auditors' Report**  
**To the Members of D. S. Kulkarni Developers Ltd.**

**On standalone Ind AS financial statements**

**Annexure D Referred to in Paragraph (b)(vi) under the heading "Report on other legal and regulatory requirements" of 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 D. S. Kulkarni Developers Ltd. ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 its operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls 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 generally 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, by the end of the year the efficacy of the IFC system was adversely affected because of resignation of staff responsible for operating the system and delay in appointment of suitable replacements.

For R.C Jain & Associates LLP  
Chartered Accountants  
FRN: 103952W/W100156

  
Meera Joisher  
(Partner)  
Membership No. 115080  
Date: 21<sup>st</sup> Sept, 2020



UDIN: 20115080AAAAAI6985

**D. S. KULKARNI DEVELOPERS LIMITED**  
CIN : L45201PN1991PLC063340  
Standalone Balance Sheet as at 31st March 2018

Particulars	Notes	As at 31 March 2018 (Amt. in Rs. Lakhs)	As at 31 March 2017 (Amt. in Rs. Lakhs)
<b>I ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	3	1,581.24	2,196.28
(b) Capital work-in-progress	4	-	-
(c) Investment property	5	2,724.91	2,724.91
(d) Other Intangible assets	6	44.03	39.50
(e) Intangible assets under development	7	-	38.83
(f) Financial Assets			
i) Investments	8	284.93	284.96
ii) Loans	9	7,280.06	6,722.79
(g) Other Non-Current assets	10	1,021.51	1,314.43
<b>Total Non-Current Assets</b>		<b>12,936.71</b>	<b>13,321.70</b>
<b>2 Current Assets</b>			
(a) Inventories	11	1,57,168.00	1,63,609.12
(b) Financial Assets			
i) Trade Receivables	12	2,663.88	703.28
ii) Cash and Cash equivalents	13	243.01	3,586.97
iii) Loans	14	22,304.00	22,060.05
<b>Total Current Assets</b>		<b>1,82,378.89</b>	<b>1,89,959.42</b>
<b>Total Assets</b>		<b>1,95,315.60</b>	<b>2,03,281.13</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Share capital	15	2,580.10	2,580.10
(b) Other equity	16	33,337.48	40,381.01
		<b>35,917.58</b>	<b>42,961.11</b>
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
(a) Financial liabilities			
i) Borrowings	17	72,088.81	69,033.60
(b) Deferred tax liabilities (Net)	18	42.68	42.67
(c) Other non-current liabilities	19	2,091.57	170.32
		<b>74,223.06</b>	<b>69,246.59</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	20	10,579.81	9,636.69
ii) Trade payables	21	5,384.76	6,708.50
iii) Other financial liabilities	22	62,798.96	67,966.83
(b) Other current liabilities	23	1,908.87	5,562.78
(c) Provisions	24	4,502.56	1,198.66
		<b>85,174.96</b>	<b>91,073.43</b>
<b>Total Equity and Liabilities</b>		<b>1,95,315.60</b>	<b>2,03,281.13</b>
<b>Contingent Liabilities not provided for:</b>	25	<b>25,204.35</b>	<b>10,667.09</b>
Corporate information and statement of accounting policies	1,2		

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

**For R C Jain & Associates**  
Chartered Accountants  
Firm Registration No: W100156

*Hoisher*  
Meera Joisher  
Partner  
Membership No. 115080



Place: Mumbai  
Date: 21st Sept 2020

**For DS Kulkarni Developers Limited**

(A company under Corporate Insolvency Resolution Process by NCLT Order dated 26th September, 2019)

*Manoj*  
Mr. Manoj Agarwal  
Registration no. IBB1/IPA-001/IP-P007141/2017-2018/1122222  
(The affairs, business and property of DS Kulkarni Developers Limited are being managed by the Resolution professional as agent of the Company only without any personal liability)



Place: Mumbai  
Date: 21st Sept 2020

UDIN :- 2015080AAAAA16985

**D. S. KULKARNI DEVELOPERS LIMITED**  
CIN : 14K201PN1991PLC063540

**NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT**

(Amounts in Rs. Lakhs)

NOTE NO.	DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK	
		As At April 01, 2017	Additions / Transfers	Deductions	As At 31-Mar-18	As At April 01, 2017	For The Year	On Deductions	As At 31-Mar-18	At the beginning of the year	At the end of the year
3	<b>TANGIBLE ASSETS</b>										
	<b>Plant &amp; Equipment</b>										
	PY: 2017-18	2,724.36		29.70	2,694.66	902.39	307.03	39.37	1,370.05	1,821.97	1,314.62
	PY: 2016-17	2,086.58	637.78	-	2,724.36	425.90	476.49	-	902.39	1,660.68	1,821.98
	<b>Furniture &amp; Fixtures</b>										
	PY: 2017-18	236.29		3.11	233.18	80.07	19.07	3.11	96.93	155.32	136.25
	PY: 2016-17	223.32	12.77	-	236.29	58.67	22.29	-	80.97	164.85	155.33
	<b>Vehicles</b>										
	PY: 2017-18	474.15	-	65.83	408.32	378.56	4.70	34.35	348.91	95.59	59.42
	PY: 2016-17	483.42	-	9.27	474.15	360.51	27.32	9.27	378.56	122.91	95.58
	<b>Office Equipments</b>										
	PY: 2017-18	466.81	0.00	2.43	464.38	366.78	36.55	2.35	403.98	100.03	83.40
	PY: 2016-17	461.24	5.90	0.34	466.81	328.36	38.43	0.01	366.78	132.87	100.02
	<b>Computers</b>										
	PY: 2017-18	236.14	-	1.21	234.93	212.77	14.61	-	227.58	23.37	7.35
	PY: 2016-17	235.64	1.22	0.72	236.14	182.47	30.96	0.66	212.77	53.17	23.37
	<b>Total Tangible Assets</b>										
	PY: 2017-18	4,137.78	0.00	112.28	4,025.48	1,941.47	581.95	79.17	2,444.24	2,196.28	1,581.34
	PY: 2016-17	3,490.40	657.64	10.32	4,137.76	1,355.92	595.50	9.94	1,941.47	2,134.48	2,196.28

4	CAPITAL WORK IN PROGRESS										
	PY: 2017-18	-	-	-	-	-	-	-	-	-	-
	PY: 2016-17	8.75	-	8.75	-	-	-	-	8.75	-	-
5	INVESTMENT PROPERTY										
	Land										
	PY: 2017-18	2,724.91	-	-	2,724.91	-	-	-	2,724.91	2,724.91	
	PY: 2016-17	2,724.91	-	-	2,724.91	-	-	-	2,724.91	2,724.91	
	INTANGIBLE ASSETS										
	Computer Software										
	PY: 2017-18	204.79	38.83	9.02	233.70	165.29	54.30	8.92	189.67	39.50	44.03
	PY: 2016-17	177.07	27.72	-	204.79	134.82	30.47	-	165.29	42.25	30.50
7	Intangible Assets under Development										
	PY: 2017-18	38.83	-	38.83	-	-	-	-	38.83	-	-
	PY: 2016-17	38.83	-	-	38.83	-	-	-	38.83	-	-
	Total (PY 2017-18)	7,106.28	38.83	161.83	6,984.09	2,106.76	616.25	89.89	2,633.91	4,999.32	4,350.18
	Total (PY 2016-17)	6,439.96	685.40	19.07	7,106.29	1,490.74	625.57	9.54	2,106.76	4,949.22	4,999.52

Note:

- 1 The working of depreciation for the year has been worked out based on the books of accounts maintained by the management.
- 2 The Company has not, during the year, acquired any PPE or intangible assets under a financial lease or through business combinations.
- 3 Software named Highrise Construction Management Software is being used by the Management and hence it has been transferred to Tangible asset under PPE in order to claim depreciation.
- 4 The Company has not, during the year, impaired any PPE or intangible assets nor reversed any past impairment.
- 5 There are no additions to PPE or intangible assets, during year, on account of exchange differences.
- 6 There are no additions to PPE or intangible assets, during year, on account of revaluation.
- 7 There are no disposals of PPE or intangible assets, during year, on account of discontinued operations.
- 8 No items of PPE have been consumed by customers during year.

**D. S. KULKARNI DEVELOPERS LIMITED**  
**CIN : L45201PN1991PLC063340**  
**Statement of Profit and Loss for the year ended 31st March, 2018**

	Particulars	Notes	31st March 18 (Amt. in Rs. Lakhs)	31st March 17 (Amt. in Rs. Lakhs)
I.	Revenue from operations (Gross)	26	6,901.97	9,846.03
II.	Other income	27	854.60	1,665.93
	<b>Total Revenue (I + II)</b>		<b>7,756.57</b>	<b>11,511.96</b>
III.	<b>Expenses:</b>			
	Purchases of Stock-in-Trade	28	5,210.38	22,464.25
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	6,441.12	(15,050.12)
	Employee benefits expense	30	447.94	983.48
	Office & admin expenses	31	135.02	973.58
	Selling expenses	32	68.43	781.81
	Finance costs	33	1,860.17	645.71
	Depreciation and amortization expense	34	616.25	625.97
	Other expenses	35	20.53	(2.14)
	Corporate social responsibility expenses	36	-	-
	<b>Total expenses</b>		<b>14,799.85</b>	<b>11,422.54</b>
IV.	<b>Profit/(loss) before exceptional items and tax (I- IV) (III-IV)</b>		<b>(7,043.28)</b>	<b>89.42</b>
V.	<b>Exceptional Items</b>			
VI.	<b>Profit/(loss) before tax (V-VI)</b>		<b>(7,043.28)</b>	<b>89.42</b>
VII.	<b>Tax expense:</b>			
	Current tax			
	Adjustment of Depreciation on account of transitional provision of the Companies Act, 2013			
	Deferred tax			
	<b>Total</b>			
VIII.	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(7,043.28)</b>	<b>89.42</b>
IX.	<b>Profit/(loss) from discontinued operations</b>			
X.	<b>Tax expense of discontinued operations</b>			
XI.	<b>Profit/(loss) from Discontinued operations (after tax) (X-XI)</b>		<b>(7,043.28)</b>	<b>89.42</b>
XII.	<b>Profit/(loss) for the period (IX+XII)</b>		<b>(7,043.28)</b>	<b>89.42</b>
XIII.	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of Defined Benefit scheme			
	(i) Income tax relating to items that will not be reclassified to profit or loss			
	(b) gains and losses from investments in equity instruments designated at fair value through other comprehensive income			
	(i) Income tax relating to items that will not be reclassified to profit or loss			
	<b>Total</b>			
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	<b>Total</b>			<b>19.42</b>

XIV.	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(7,043.28)	108.84
XV.	Earnings per equity share (for continuing operation):	37		
(i)	Basic		-	0.42
(ii)	Diluted		-	0.42
XVI.	Earnings per equity share (for discontinued operation):			
(i)	Basic			
(ii)	Diluted			
XVII.	Earnings per equity share (for discontinued & continuing operation):			
(i)	Basic		-	0.42
(ii)	Diluted		-	0.42

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

For R C Jain & Associates

Chartered Accountants

Firm Registration No: W100156

*Meera Joisher*  
Meera Joisher

Partner

Membership No. 115080



Place: Mumbai

Date: 21st Sept 2020

For DS Kulkarni Developers Limited

(A company under Corporate Insolvency Resolution Process  
by NCLT Order dated 26th September, 2019)

*Manoj Agarwal*

Mr. Manoj Agarwal

Registration no. IBBI/IPA-001/IP-P00714/2017-2018/11222

(The affairs, business and property of DS Kulkarni Developers Limited are being managed by the Resolution professional who act as agent of the Company only without any personal liability.)



Place: Mumbai

Date: 21st Sept 2020

UDIN:- 20115080AAAAAI6985

**1 Corporate information**

**D. S. Kulkarni Developers Ltd.** is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two recognised stock exchanges in India i.e BSE & NSE

Its shares are listed on the Bombay Stock Exchange (BSE) in India. The Company is engaged in the business of real estate development in India.

An application for initiation of corporate insolvency resolution process ("CIRP") of D S Kulkarni Developers Limited was admitted by the Hon'ble National Company Law Tribunal, Mumbai vide order dated 26 September 2019 under the Insolvency and Bankruptcy Code, 2016 ("IBC") and hence currently, Ricoh is under CIRP. Mr. Manoj Agarwal (IBBI registration number (IBBI/PA-001/IP-P00714/2017-18/11222) was appointed as Interim Resolution Professional ("IRP") vide this order.

Accordingly, the RP had been managing the operations of the Company, as a going concern, inviting, vetting and admitting the claims against the Company and managing/supervising the operations of the Company as part of CIRP.

The standalone financial statements are prepared for the period ending **26 September 2019**.

The IND AS financial statements were approved by the Resolution Professional in absence of properly constituted Board of Directors, whose powers remain suspended during Corporate Insolvency Resolution Process ("CIRP").

**2 Significant accounting policies**

**2.01 Date of adoption of Ind AS:**

The net worth of DSKDL as per the audited standalone B/S as at 31/03/2016 exceeds Rs 500 cr. Hence, the date of adoption of IND AS for the Company & its subsidiaries is 01/04/2016 (Rule 4 (1)(ii)(a) of the Companies (Indian Accounting Standards) Rules, 2015.)

The company needs to prepare standalone financial statements following IND AS for the Company & its subsidiaries for financial year ending 31/03/2018 (Rule 4 (9) of the Companies (Indian Accounting Standards) Rules, 2015.)

**2.02 Ind AS Financial Statements for FY 2017-18**

The Ind AS financial statements of the Company will be as follows:

- i Balance sheet as at 31/03/2017 and 31/03/2018
- ii Profit and Loss Statement for the year ended 31/03/2017 and 31/03/2018
- iii Cash Flow Statement for the year ended 31/3/2017 and 31/3/2018
- iv Notes to Financial Statements

**2.03 Ind AS which are not applicable to the Company:**

- i **Ind AS 11 - Construction Contracts:** This Ind AS is not applicable since the Company is engaged in the business of real estate development and not execution of construction contracts.
- ii **Ind AS 26 - Accounting & Reporting by Retirement Benefit Plans:** This Ind AS is not applicable since the Company is not in business of offering Retirement Benefit Plans
- iii **Ind AS 29 - Financial Reporting in the Hyperinflationary Economies:** This Ind AS is not applicable since the Company does not operate in Hyperinflationary Economies.
- iv **Ind AS 41 - Agriculture:** This Ind AS is not applicable since the Company is not engaged in agriculture.
- v **Ind AS 102 - Share-based Payments:** This Ind AS is not applicable since the Company has not entered into contracts which require share-based payments.
- vi **Ind AS 103 - Business Combinations:** This Ind AS is not applicable since the Company has not entered into any arrangements of the nature of mergers & / or demergers.
- vii **Ind AS 104 - Insurance Contracts:** This Ind AS is not applicable since the Company is not engaged in the business of issuing insurance contracts.
- viii **Ind AS 106 - Exploration & Evaluation of Mineral Resources:** This Ind AS is not applicable since the Company is not engaged in the business of exploration of mineral resources.

- ix **Ind AS 108 - Operating Segments:** This Ind AS is not applicable since the Company is engaged only in one segment, namely, real estate development.
- x **Ind AS 114 - Regulatory Deferral Accounts:** This Ind AS is not applicable since the Company does not conduct rate-regulated activities.

#### 2.04 **Basis of preparation**

- i On September 26, 2019 the Hon'ble National Company Law Tribunal (NCLT) had admitted the petition for initiating the Corporate Insolvency Resolution (CIR) Process under the provisions of the Insolvency Bankruptcy Code, 2016 (IBC). Under the CIR Process, a resolution plan is to be prepared and approved by the COC. Further the resolution plan approved by the COC will also need NCLT approval. As the Company is under resolution process, the financial statements have been presented on a "going concern" basis.
- ii Accordingly, the Company has prepared financial statements which comply in all material respects with the relevant provisions of the Act and with the Ind AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017.
- iii These financial statements have been presented in accordance with the provisions of Division II of Schedule III to the Companies Act, 2013.
- iv These financial statements are prepared under the historical cost convention, unless required / permitted otherwise by applicable Ind AS.
- v As required by Section 128(1) of the Act, these financial statements are prepared in accordance with the accrual method of accounting with revenues recognized and expenses accounted on their accrual including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the period.
- vi The preparation of financial statements in conformity with Indian AS requires the management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the end of the reporting periods and the reported amounts of revenues and expenses for the reporting periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised.
- vii The standalone financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

#### 2.05 **Ind AS 1 - Presentation of Financial Statements:**

- i The identification of an entity's significant accounting policies is an important aspect of the financial statements. Ind AS 1.117 requires disclosure of the significant accounting policies comprising
  - a the measurement basis (or bases) used in preparing the financial statements and
  - b the other accounting policies used that are relevant to an understanding of the financial statements.
- ii As required by Ind AS 101 the Company has used the same accounting policies in its opening Ind AS balance sheet and throughout all periods presented in its subsequent Ind AS financial statements (the first annual financial statements in which an entity adopts Ind AS by an explicit and unreserved statement of compliance with Ind AS). Those accounting policies comply with each Ind AS effective at the end of its first Ind AS reporting period, except as specified in Ind AS 101 (e.g., when the exceptions in Ind AS 101 prohibit retrospective application or the Company avails itself of one of Ind AS 101's voluntary exemptions). The Company does not apply different versions of Ind AS that were effective at earlier dates. The Company may apply a new Ind AS that is not yet mandatory if that Ind AS permits early application.

iii **Current versus non-current classification - Ind AS 1.60**

- a The Company presents assets and liabilities in the balance sheet based on current / non-current classification.
- b An asset is treated as current when it is:
  - ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
  - ▶ Held primarily for the purpose of trading
  - ▶ Expected to be realised within twelve months after the reporting period, **except work-in-progress of real estate development projects.**
  - ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- c All other assets are classified as non-current.
- d A liability is treated as current when:
  - ▶ It is expected to be settled in normal operating cycle
  - ▶ It is held primarily for the purpose of trading
  - ▶ It is due to be settled within twelve months after the reporting period, or
  - ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- e The Company classifies all other liabilities as non-current.
- f Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- g The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. **The Company has identified 3-5 years as its operating cycle.**

2.06 **Ind AS 2 - Inventories**

- i Inventories to be valued at the lower of cost and net realisable value.
- ii Costs incurred in construction of each project are accounted for as follows:
  - a **Construction materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
  - b **Finished tenements and work in progress:** cost includes cost of direct materials and labour and a proportion of overheads based on the normal operating capacity. Cost is determined on first in, first out basis.
  - c **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- iii Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.
- iv Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**The management of the company has valued the inventories at Cost complying with the requirements of IND AS 2**

2.07 **Ind AS 7 - Cash and cash equivalents**

- i Ind AS 7.18 allows entities to report cash flows from operating activities using either direct method or indirect method. The regulation 34(2)(c) of Chapter IV of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, requires listed companies to present cash flow from operating activities only under indirect method. The Company presents its cash flows using indirect method.
- ii Certain working capital adjustments and other adjustments included in the accompanying statement of cash flows reflect the change in balances between 31/03/2017 and 31/03/2018.
- iii The Company has reconciled profit before tax to net cash flows from operating activities. However, reconciliation of profit after tax is also acceptable under Ind AS 7.
- iii Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
- v For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**2.08 Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

The Company's Profit & Loss Statement presents profit / loss from ordinary activities. The extra-ordinary or exceptional items or changes in accounting estimates and policies during the year under review are disclosed separately as per Ind AS 8.

**2.09 Ind AS 10 - Events after Reporting period**

- i These financial statements consider appropriately the impact of events which occur after the reporting period but before the financial statements are approved and which have an effect on the balance sheet and profit and loss statement.
- ii The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.
- iii Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.
- iv Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

**2.10 Ind AS 12 - Income taxes**

- i Tax expense comprises current and deferred tax.
- ii 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 in the countries where the Company operates and generates taxable income.
- iii Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.  
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are to be recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- iv The Company has not recognised any deferred tax asset/liability in addition to last year as the Company is making losses and probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

**Sales/ value added taxes paid on acquisition of assets or on incurring expenses**

- v Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:
  - ▶ When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
  - ▶ When receivables and payables are stated with the amount of tax included
- vi The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**2.11 Ind AS 16 - Property Plant and Equipment**

- i Under the previous GAAP (Indian GAAP), PPE were carried in the balance sheet at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. **In exercise of the option vested in the Company as per Para 29 of Ind AS 16, the Company has chosen the cost model as per Para 30 of Ind AS 16 for all items of PPE. Accordingly, the Company has not revalued the PPE at 1st April 2015.**
- ii Under the Ind AS compliant Schedule III, land and building are presented as two separate classes of PPE. In contrast, paragraph 37 of Ind AS 16 appears to be having flexibility to treat land and building either as one class or as two separate classes. It also states that a class of PPE is a grouping of assets of a similar nature and use in an entity's operations. **However, in accordance with Para 58 of Ind AS 16 and based on the nature, characteristics and risks of land and building, the management has determined that they constitute two separate classes of property for presentation in the financial statements.**

- iii The Company has recognized items of property, plant & equipment (PPE) in accordance with Ind AS 16.07 only if it is probable that future economic benefits associated with the item will flow to the entity and if the cost of acquisition or construction of the items of PPE can be measured reliably in accordance with Ind AS 16.10-16.27.
- iv The cost of PPE items includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
- v When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.
- vi The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
- vii As required by Schedule II to the Companies Act, 2013, the management estimate every year, on the basis of technical assessment, the useful life and residual value of items of PPE, if the useful life / residual value are different from that specified in Schedule II
- viii **Depreciation is calculated on a straight-line basis over the estimated useful life of the assets in accordance with Schedule II to the Companies Act, 2013.**
- ix An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

## 2.12 Ind AS 17 - Leases

- i The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
- ii A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially to the lessee all the risks and rewards incidental to ownership is classified as a finance lease. A lease in which the lessor does not transfer substantially to the lessee all the risks and rewards of ownership of an asset is classified as an operating lease.
- iii Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.
- iv A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
- v Where the Company is the lessee,
  - a finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.
  - b lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.
  - c finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.
  - d contingent rentals are recognised as expenses in the periods in which they are incurred.
  - e operating lease payments are not recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term because the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.
- vi Where the Company is the lessor,
  - a finance lease income is not allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease because the Company does not, having regard to the totality of facts & circumstances, follow the policy of straight-lining of lease rent income.
  - b rental income from operating lease is recognised over the term of the relevant lease.
  - c contingent rents are recognised as revenue in the period in which they are earned.
  - d amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

- c In accordance with Ind AS 17 lease payments under an operating lease are not recognised as an expense / income on a straight-line basis over the lease term because the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## 2.13 Ind AS 18 - Revenue

- i Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.
- ii Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.
- iii The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.
- iv Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.
- iv Sales tax / value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.
- v The specific recognition criteria described below must also be met before revenue is recognised.
  - a Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
  - b **Revenue from incomplete projects to be recognised in accordance with the Guidance Note on Accounting for Real Estate Transactions issued by the Institute of Chartered Accountants of India as notified by Companies (Indian Accounting Standards) Amendment) Rules, 2016, as per Indian Accounting Standard (Ind AS) 18. The same has not been recognised due to lack of evidences of total sales incurred for specific projects in previous year.**

Revenue from incomplete projects is not recognized unless the outcome of a real estate project can be estimated reliably. Revenue is recognised under the percentage completion method only when the events in (a) to (d) below are completed.

- 1 All critical approvals necessary for commencement of the project have been obtained. These include, wherever applicable:
  - (i) Environmental and other clearances.
  - (ii) Approval of plans, designs, etc.
  - (iii) Title to land or other rights to development/ construction.
  - (iv) Change in land use.
- 2 When the stage of completion of the project reaches a reasonable level of development. A reasonable level of development is not achieved if the expenditure incurred on construction and development costs is less than 25 % of the construction and development costs.
- 3 At least 25% of the saleable project area is secured by contracts or agreements with buyers.
- 4 At least 10 % of the contract consideration as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.
- 5 The completion of the revenue recognition process is usually identified when the following conditions are satisfied:
  - (i) the entity has transferred to the buyer the significant risks and rewards of ownership of the real estate;
  - (ii) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold;
  - (iii) the amount of revenue can be measured reliably;

- (iv) it is probable that the economic benefits associated with the transaction will flow to the entity; and
  - (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- 6 Where transfer of legal title is a condition precedent to the buyer taking on the significant risks and rewards of ownership and accepting significant completion of the seller's obligation, revenue is not be recognised till such time legal title is validly transferred to the buyer.
- c Revenue in the form of interest on moneys advanced by the Company is recognized only if recovery of both the interest and principal is certain or if required by the provisions of Section 186(7) of the Companies Act, 2013.
  - d Revenue in the form of dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.
  - e Rental income arising from operating leases on investment properties is **not** accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature because the Company has determined that it does not meet criteria for recognition of lease rental income on straight-line basis i.e.
    - ▶ Another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis, or
    - ▶ The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.
  - f Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.
  - g **Plant and equipment received from customers:** A corresponding credit to deferred revenue is made. The Company may agree to deliver one or more services in exchange for the transferred item of property, plant and equipment, such as connecting the customer to a network, providing the customer with ongoing access to a supply of goods or services, or both. The Company identifies the separately identifiable services included in the agreement.
    - ▶ If only one service is identified, the Company recognises revenue when the service is performed.
    - ▶ If an ongoing service is identified as part of the agreement, the period over which revenue is recognised for that service is generally determined by the terms of the agreement with the customer. If the agreement does not specify a period, the revenue is recognised over a period no longer than the useful life of the transferred asset used to provide the ongoing service.
    - ▶ If more than one separately identifiable service is identified, the fair value of the total consideration received or receivable for the agreement will be allocated to each service and the recognition criteria of Ind AS 18 are then applied to each service.

**However, during the year under review, the Company has not received any plant & equipment from its customers.**
  - vi In the case of composite contracts, the fair consideration attributable to each component of the contract is identified and recorded as revenue. **However, the Company has not entered into composite contracts during the year under review.**

#### 2.14 Ind AS 19 - Employee Benefits

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

- iii The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund managed by the Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. **The Company has not made provision for the entire amount calculated by LIC in respect of its liability under the aforesaid plan but has not paid the entire amount.**
- iv Past service costs are recognised in profit or loss on the earlier of:
  - ▶ The date of the plan amendment or curtailment, and
  - ▶ The date that the Company recognises related restructuring costs
- v Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss:
  - ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
  - ▶ Net interest expense or income
- iv The Company is also required to state its policy for termination benefits, employee benefit reimbursements and benefit risk sharing. **Since these are not applicable to the Company, the disclosures related to such benefits have not been made.**

#### 2.15 Ind AS 20 - Government grants

- i Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.
- ii When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- iii When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.
- iv When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.
- v When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.
- vi The Company has chosen to present grants related to an expense item as other income in the statement of profit and loss.

**However, the Company has not received any grants from the Government during the year under review.**

#### 2.16 Ind AS 21 - Effects of changes in Foreign Exchange Rates

- i The Company's standalone financial statements are presented in INR, which is the company's functional currency.
- ii Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.
- iii Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
- iv Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:
  - a Exchange differences arising on monetary items that form part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate.
  - b Exchange differences arising on monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
  - c Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

- v Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).
- vi The Company considered the two options available under Indian GAAP, AS 11 -The Effects of changes in Foreign Exchange Rates with regard to accounting for exchange differences arising on long-term (i.e. having a term of 12 months or more at the date of its origination) foreign currency monetary items and decided to recognize such exchange differences as income or expense in profit or loss in the period in which they arise. **The Company continues this accounting practice because it is in compliance with Ind AS 21.**

#### 2.17 Ind AS 23 - Borrowing Costs

- i Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.
- ii A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.
- iii Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as an expense in the period in which those are incurred.

#### 2.18 Ind AS 24 - Related party and Disclosures

- i The Company has identified related parties as required by Ind AS 24.
- ii In compliance with Ind AS 24, the Company has recognized independent directors & investor directors as key management personnel.

#### 2.19 Ind AS 27 & Ind AS 110 - Consolidated and separate Financial Statements

- i As required by Section 129(3) of the Companies Act, 2013, the Company has **not** prepared consolidated financial statements which comprise the financial statements of the Company and its subsidiaries as at **31 March 2018 due to lack of information or books from the said subsidiaries.**
- ii Consolidated financial statements of the Company and its Subsidiaries have not been prepared by combining on a line-to-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after fully eliminating intra-group balances, intra-group transactions and unrealised profits and losses because of unavailability of data for consolidated financial statements and its subsidiaries

#### 2.20 Ind AS 28 & Ind AS 111 - Investment in associates and joint ventures -

- i An associate is an entity over which the Company has significant influence.
- ii Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.
- iii A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.
- iv Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.
- v The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

- vi The Company's investments in its associate and joint venture are accounted for using the equity method.

- vii Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

- viii The statement of profit and loss reflects the Company's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.
- ix If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Company's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.
- x The aggregate of the Company's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.
- xi Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.
- xii The Company's interest in joint operations as per Ind AS 111.20 is recognised in the form of
- ▶ Assets, including its share of any assets held jointly
  - ▶ Liabilities, including its share of any liabilities incurred jointly
  - ▶ Revenue from the sale of its share of the output arising from the joint operation
  - ▶ Share of the revenue from the sale of the output by the joint operation
  - ▶ Expenses, including its share of any expenses incurred jointly
- xiii During the financial years under review, the Company may have some interest in any associate or joint venture which is not determined due to lack of information or records maintained.

## 2.21 Ind AS 32, Ind AS 107 & Ind AS 109 - Financial Instruments : Presentation & Disclosures:

- i 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.
- ii **Initial recognition and measurement of financial assets:** All financial assets are recognised initially at amortized cost plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets
- iii **Subsequent measurement of financial assets:** For purposes of subsequent measurement, financial assets are classified in four categories:
- a ▶ Debt instruments at amortised cost
  - b ▶ Debt instruments at fair value through other comprehensive income (FVTOCI)
  - c ▶ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
  - d ▶ Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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

- a ► The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b ► Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

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

- a ► The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b ► The asset's contractual cash flows represent SPPI.

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

**The Company does not have any financial asset in the form of debt instruments at FVTOCI.**

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

**The Company has not designated any debt instrument as at FVTPL.**

vii **Equity investments at FVTPL:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

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

**The Company does not have any financial asset in the form of equity instruments at FVTPL.**

viii **Equity investments at FVTOCI:** For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

**The Company does not have any financial asset in the form of equity instruments at FVTOCI.**

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- (i) the Company has transferred substantially all the risks and rewards of the asset, or
- (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**The Company has not derecognized any financial asset.**

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

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

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

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

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

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

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

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

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

	Current	1-30 days past due	31-60 days past due	61-90 days past due	More than 90 days past due
Default rate	0.15%	1.60%	3.60%	6.60%	10.60%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

► Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

► Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

► Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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

**The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase / origination. The Company has made adequate provision for doubtful debts and has not made any provision for ECL.**

#### **xi Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

**The Company's financial instruments are not derivative instruments.**

#### **xii Initial recognition and measurement of financial liabilities:** Financial liabilities are classified, at initial recognition

- a ► financial liabilities at fair value through profit or loss,
- b ► loans and borrowings,
- c ► payables
- d ► derivatives designated as hedging instruments in an effective hedge

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

**The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts but not derivative financial instruments.**

- xiii **Financial guarantee contracts:** Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.
- xiv **Derecognition:** A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.
- xv **Reclassification of financial assets:** The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

**The Company has not reclassified any financial instrument.**

- xvi **Offsetting of financial instruments:** Financial assets and financial liabilities are offset and the net amount is reported in the standalone 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.

**The Company has not offset any financial asset and financial liability.**

xvii **Derivative financial instruments and hedge accounting - Ind AS 109 & 32**

**Initial recognition and subsequent measurement:** Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- ▶ Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- ▶ Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- ▶ Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

i **Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

**The Company does not have interest rate swaps that are used as a hedge for the exposure of changes in the fair value fixed rate secured loans.**

ii **Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

The Company does not use forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

iii **Hedges of a net investment**

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

The Company does not use a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

The Company does not use derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

xviii **Loan processing fees:** As required by Ind AS 109, loan processing fees are amortized over the period of the respective loan.

**Categorisation of financial instruments**

Particulars	As at 31st March 2018	As at 31st March 2017
<b>(i) Financial Assets</b>		
<b>Measured at amortised cost</b>		
Investments	284.95	284.96
Loans	29,584.06	28,782.84
Trade Receivables	2,663.88	703.28
Cash and Cash Equivalents	243.01	3,586.97
<b>(ii) Financial Liabilities</b>		
<b>(a) Measured at amortised cost</b>		
Borrowings	82,668.62	78,670.29
Trade Payables	5,384.76	6,708.50
Other Financial Liabilities	62,798.96	67,966.83

**2.22 Ind AS 33 - Earning Per share**

- i Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

## 2.23 Ind AS 36 - Impairment of Asset

- i The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the recoverable amount of the asset. Such recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
- ii In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.
- iii The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.
- iv Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.
- v After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- vi For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.
- vii Goodwill is tested for impairment annually as at 31st March and when circumstances indicate that the carrying value may be impaired.
- viii Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.
- ix Intangible assets with indefinite useful lives are tested for impairment annually as at 31st March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.
- x Ind AS 36.96 permits the annual impairment test for a CGU to which goodwill has been allocated to be performed at any time during the year, provided it is at the same time each year. Different goodwill and intangible assets may be tested at different times.

## 2.24 Ind AS 37 - Provisions, Contingent Liabilities and Contingent Asset

- i Provisions are recognised when,
  - a the Company has a present obligation (legal or constructive) as a result of a past event
  - b it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
  - c a reliable estimate can be made of the amount of the obligation.
- ii When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.
- iii The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
- iv If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- v Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.
- vi Restructuring provisions are recognised only when the Company has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.
- vii Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

## 2.25 Ind AS 38 - Intangible Asset

- i As required by Ind AS 38.72, the Company has chosen the cost model as per Ind AS 38.74 for measurement of intangible assets. The Company has measured the cost of acquisition or construction of intangible assets in accordance with Ind AS 38.24-38.71.
- ii Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.
- iii Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.
- iv Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- v The useful lives of intangible assets are assessed as either finite or indefinite.
- vi Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.
- vii The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.
- viii The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.
- ix Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.
- x Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

## 2.26 Ind AS 38 - Research and development costs

- i Research costs are expensed as incurred.
- ii Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:
  - ▶ The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
  - ▶ Its intention to complete and its ability and intention to use or sell the asset
  - ▶ How the asset will generate future economic benefits
  - ▶ The availability of resources to complete the asset
  - ▶ The ability to measure reliably the expenditure during development
- iii During the period of development, the asset is tested for impairment annually.
- iv Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.
- v Amortisation of the asset begins when development is complete and the asset is available for use.
- vi It is amortised over the period of expected future benefit.
- vii Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

## 2.27 Ind AS 38 - Patents and licences

- i The Company makes upfront payments to purchase patents and licences. The patents are granted for a certain period by the relevant government agency with the option of renewal at the end of this period.
- ii Licences for the use of intellectual property are granted for certain periods depending on the specific licences. The licences may be renewed at little or no cost to the Company. As a result, those licences are assessed as having an indefinite useful life.
- iii A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible	Useful lives	Amortisation method used	Internally generated or acquired
Licences	Indefinite	No amortisation	Acquired
Patents	Finite	Amortised on a straight-line basis	Acquired
Development costs	Finite	Amortised on a straight-line basis over the period of expected future sales from the related project	Internally generated

## 2.28 Ind AS 40 - Investment Property

- i Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.
- ii The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.
- iii The Company depreciates building component of investment property over 30 years from the date of original purchase.
- iv The Company, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.
- v Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.
- vi Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.
- vii The Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as at the transition date, viz., 1st April 2015.

**2.29 Ind AS 105 - Non-current assets held for sale & discontinued operations:**

- i The Company classifies non-current assets or disposal undertaking as "held for sale / distribution to owners" if their carrying amounts are expected to be recovered principally through a sale / distribution rather than through continuing use.
- ii The criteria for held for sale/ distribution classification is regarded met only when
  - a the assets or disposal undertaking is available for immediate sale / distribution in its present condition, subject only to terms that are usual and customary for sales / distribution of such assets (or disposal undertakings),
  - b its sale/ distribution is highly probable;
  - c it will genuinely be sold, not abandoned.
  - d actions required to complete the sale / distribution indicate that it is unlikely that significant changes to the sale / distribution will be made or that the decision to sell / distribute will be withdrawn.
  - e the appropriate level of management is committed to a plan to sell the asset (or disposal undertaking),
  - f an active programme to locate a buyer and complete the plan has been initiated (if applicable),
  - g the asset (or disposal undertaking) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
  - j the sale is expected to qualify for recognition as a completed sale within one year from the date of classification
- iii For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.
- iv Non-current assets held for sale / for distribution to owners and disposal undertakings are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale / distribution are presented separately in the balance sheet.
- v Property, plant and equipment and intangible assets once classified as held for sale / distribution to owners are not depreciated or amortised.
- vi A disposal undertaking qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and
  - represents a separate major line of business or geographical area of operations,
  - is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
  - is a subsidiary acquired exclusively with a view to resale
- vii Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

**The Company does not hold any non-current assets for sale or for discontinued operations.**

**2.30 Ind AS 113 - Fair Value Measurement**

- i The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.
- ii Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
  - In the principal market for the asset or liability, or
  - In the absence of a principal market, in the most advantageous market for the asset or liability
- iii The principal or the most advantageous market must be accessible by the Company.
- iv The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- v A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- vi The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- vii All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
  - ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
  - ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
- viii For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
- ix The Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.
- x External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.
- xi At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.
- xiii The Valuation Committee, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
- xiii On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.
- xiv For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
- xv This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ▶ Disclosures for valuation methods, significant estimates and assumptions
- ▶ Contingent consideration
- ▶ Quantitative disclosures of fair value measurement hierarchy
- ▶ Investment in unquoted equity shares (discontinued operations)
- ▶ Property, plant and equipment under revaluation model
- ▶ Investment properties
- ▶ Financial instruments (including those carried at amortised cost)
- ▶ Non-cash distribution

xv **The Company has not elected to apply the portfolio exception under Ind AS 113.48. If an entity makes an accounting policy decision to use the exception, this fact is required to be disclosed, as per Ind AS 113.96.**

**2.31 Material changes reflecting the Financial Position of the Company**

There are proceedings going on against the company under various laws such as The Maharashtra Protection of Interest of Depositors Act (MPID), Economic Offences Wing (EOW) – Pune, Insolvency and Bankruptcy Code, 2016 and other economic laws. Various agencies have moved against the Assessee Company and its directors, viz. Directorate of Enforcement (ED), Serious Fraud Investigation Office (SFIO) and other agencies. The original documents/agreements has been seized by ED and are not available for carrying out necessary audit.

- 2.32 It is pertinent to note that the Resolution Professional made all the practical and reasonable efforts from time to time to facilitate the information / data from the officials of the Company. In relation to the preparation of the Financial Statements of the company and also the information required by the auditors for the purpose of carrying out the audit of the financial statements of the Company. It is to be noted that the financial statements for the FY 17-18 as well as the information provided to the auditors for the purpose of audit of the same, pertain to the period prior to the appointment of the Resolution Professional and therefore and therefore, while facilitating the collection and dissemination of the said information, the Resolution Professional has relied upon and assumed the accuracy / veracity of data / information provided by the officials of the Company, suspended Directors and long term consultants and the records of the Company made available to the RP and has assumed data in conformity with the applicable laws and and present a true and fair view of the position of the Company as of dates and for the period indicated therein. The RP has not personally verified the Information provided by the officials of the Company and has placed confidence in the data/information provided. The financial statements have been signed by the RP as no promoter director is present. Accordingly, the RP should be absolved from the accuracy, veracity and sufficiency or completeness of such Information.
- Readers and users of the statements are advised to do their due diligence before arriving at any conclusions. The RP has signed the Financials Statements to facilitate the CIRP process and to facilitate the statutory requirements without any liability of the same.

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[illegible]

10.3	Balance in foreign currency possesses the balance in the forex card held by the Company. The same was not available for verification hence, the amount resembles the accounting data.		
11	<b>Inventories</b>		
	(a) Constructions Materials	245.94	245.94
	(b) Work-in-Progress	1,55,540.42	1,61,981.54
	(c) Finished Tenements	1,381.64	1,381.64
	<b>Total Inventories</b>	<b>1,57,168.00</b>	<b>1,63,609.12</b>
11.1	Inventories were not wholly physically verified by the management and hence the same is relied on the valuation done last year except for the change in WIP inventory that reflects additional cost incurred or sale of few projects pertaining to last year accounted for in the current year.		
11.2	Mode of valuation : See note to financial statements		
12	<b>Trade Receivables unsecured, considered good.</b>		
	(a) Outstanding for less than six months	-	0.12
	(b) Outstanding for a period exceeding six months	2,663.88	703.16
	<b>Total Trade Receivables</b>	<b>2,663.88</b>	<b>703.28</b>
12.1	Trade Receivables are non-interest bearing		
13	<b>Cash and Cash Equivalents</b>		
	(a) Balances with Banks		
	i Earmarked Balances with Banks	0.00	553.70
	ii Current Account Balances with Bank	21.15	2,705.87
	iii Balances with Banks to the extent held as margin money or security against the borrowings, guarantees, other commitments, etc.	151.31	233.99
	iv Deposits with original maturity of less than twelve months	70.35	59.64
	(b) Cash on Hand	0.20	33.77
	<b>Total Cash and Cash Equivalents</b>	<b>243.01</b>	<b>3,586.97</b>
13.1	The details of pledge of the fixed deposits held by the Company are based on last year's verification		
13.2	The balances of bank recorded above are based on the statements available with the management which are not fully updated and available.		
14	<b>Loans - current</b>		
	Considered doubtful		
	(a) Advances to related parties, unsecured, considered good	900.56	723.37
	(b) Advance to creditors	1,070.26	-
	(c) Other Advances	20,333.18	21,336.68
	<b>Total Loans</b>	<b>22,304.00</b>	<b>22,060.05</b>
14.1	Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member		
14.2	Loans are non derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by the changes in the credit risk of counterparties.		
15	<b>Equity Share Capital</b>		
	a) Authorised Capital 5,00,00,000 Equity shares of Rs. 10/- each	5,000.00	5,000.00
	b) Issued, subscribed and paid up capital 2,58,01,008 Equity shares of Rs. 10/- each	2,580.10	2,580.10
	<b>Terms/rights attached to equity shares</b>		
15.1	The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
15.2	In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
	c) Number of shares issued, subscribed and fully paid	258.01	258.01
	d) Number of shares issued, subscribed and fully paid	-	-
	e) Par value per share	10.00	10.00
	f) Reconciliation of the number shares outstanding at the beginning and the end of the reporting period		
	i Shares outstanding at the beginning of the reporting period	258.01	258.01
	ii shares outstanding at the end of the reporting period	258.01	258.01
	iii Equity shares capital at the end of the reporting period	2,580.10	2,580.10

15.3	Shares in the company held by each shareholder holding more than 5 per cent shares specifying the number of shares held		
(a)	D S Kulkarni		
	Number of shares	60.00	60.00
	Percentage	23.26%	23.26%
(b)	H D Kulkarni		
	Number of shares	49.06	49.06
	Percentage	19.01%	19.01%
(c)	Ashok Parmar		
	Number of shares	38.78	38.78
	Percentage	15.03%	15.03%
(d)	Chander Bhatia		
	Number of shares	20.00	20.00
	Percentage	7.75%	7.75%
(e)	Asha Bhatia		
	Number of shares	19.50	19.50
	Percentage	7.56%	7.56%
(f)	Shirish Kulkarni		
	Number of shares	15.20	15.20
	Percentage	7.56%	7.56%
15.4	The Company does not have any shares reserved for issue under options		
16	<b>Other equity</b>		
(a)	Securities Premium reserve	30,822.71	30,822.71
(b)	Debenture redemption reserve	2,007.87	2,007.87
(c)	General reserve	953.70	953.70
(d)	Retained earnings	-446.81	6,596.73
	<b>Total other equity</b>	<b>33,337.48</b>	<b>40,381.01</b>
	<b>Nature and purpose of the reserves</b>		
16.1	<b>Securities Premium</b>		
	Securities Premium presents shares issued at premium less share issue expenses. The reserve is utilised in accordance with the provisions of Companies Act, 2013.		
	<b>Particulars</b>	<b>As at 31st Mar' 2018</b>	<b>As at 31st Mar' 2017</b>
	Opening Balance	30,822.71	30,822.71
	Add: Premium on equity shares issued	-	-
	<b>Closing Balance</b>	<b>30,822.71</b>	<b>30,822.71</b>
16.2	<b>Debenture Redemption Reserve</b>		
	The company has issued redeemable non-convertible debentures. Accordingly, the companies (share Capital and debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. The DRR is required to be credited over the life of debentures.		
	According to the companies (Share capital and debentures) Rules, 2014 (as amended), a company should on or before the 30th day of April in each year, invest or deposit, a sum which will not be less than fifteen percent of the amount of its debentures maturing during the year ending on the 31st day of March of the next year. However, the company has been unable to make any such deposit/ investment.		
	<b>Particulars</b>	<b>As at 31st Mar' 2018</b>	<b>As at 31st Mar' 2017</b>
	Opening Balance	2,007.87	2,007.87
	Add: Additional debenture redeemed	-	-
	<b>Closing Balance</b>	<b>2,007.87</b>	<b>2,007.87</b>
16.3	<b>General Reserves</b>		
	The Company has transferred a portion of Net Profits of the Company before declaring Dividends to General Reserve pursuant to the earlier provision of The Companies Act, 1956. Mandatory transfer to General Reserve, is not required under the Companies Act, 2013		
	<b>Particulars</b>	<b>As at 31st Mar' 2018</b>	<b>As at 31st Mar' 2017</b>
	Opening Balance	953.70	953.70
	Add: Additions made	-	-
	<b>Closing Balance</b>	<b>953.70</b>	<b>953.70</b>

16.4	<b>Retained Earnings</b> Retained earnings represents the accumulated losses that the Company has till date.	As at 31st Mar' 2018	As at 31st Mar' 2017
	<b>Particulars</b>		
	Opening Balance	6,596.47	7,157.19
	Add: Net profit/(loss) for the year	-7,043.28	-560.72
	<b>Closing Balance</b>	<b>-446.81</b>	<b>6,596.47</b>
16.5	<b>Distribution made and proposed</b> Cash dividends on equity shares declared and paid: Final dividend for the year ended DDT on final dividend Proposed dividends on Equity shares Final dividend for the year ended DDT on final dividend		
Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31st March.			
16.6	The company has not made any non-cash distribution to its shares holders during both the years.		
17	<b>Non-current borrowings secured</b>		
(a)	Listed secured Redemable Non-convertible Debentures		
(i)	Option I	5,172.20	5,172.19
(ii)	Option II	2,342.55	2,342.55
(iii)	Option III	180.41	148.58
(iv)	Option IV	3,442.60	3,442.60
(b)	Project term loans from banks		
(i)	ICICI Bank Vedant PTL	1,000.00	1,000.00
(ii)	State Bank of India Dream city PTL	12,579.81	12,120.81
(iii)	ICICI Housing Finance Co Anandghan PTL	7,946.22	8,000.86
(iv)	Syndicate Bank Dream city PTL	7,667.00	7,427.00
(v)	Union Bank of India Dream City PTL	6,292.86	6,052.86
(vi)	Bank of Maharashtra Dream City PTL	6,292.00	6,052.00
(vii)	IDBI Bank Dream City PTL	4,722.12	4,538.00
(viii)	Vijaya Bank Dream City PTL	1,768.41	1,513.00
(ix)	Indiabulls Housing Finance Limited	4,998.45	4,596.91
(c)	Corporate term loans from banks		
(i)	Sangali Urban Cooperative Bank Ltd	204.98	132.45
(ii)	Tata Capital Ltd.	713.53	713.49
(iii)	The Kalyan Janata Sahakari Bank	1,336.72	1,015.50
(d)	Cooperative term loans from Financial institutions		
(i)	Bajaj Finance Ltd	1,403.31	1,360.85
(ii)	Aditya Birla Finance Ltd	936.47	553.60
(iii)	STCI Finance Ltd	2,689.45	2,689.45
(e)	Vehicle term loans from banks		
(i)	HDFC Bank Ltd.	1.25	1.25
(f)	Vehicle term loans from financial institution		
(i)	Toyota Financial Services Ltd.	7.07	7.07
(ii)	Kotak Mahindra Prime Ltd	0.58	0.58
(g)	Term Loans from financial institutions secured by pledge of promoters' shares		
(i)	Pune Safety Vault LLP	50.00	
(ii)	Ruia Knowledge & Research Institute Pvt. Ltd.	25.00	
(iii)	SKS Fincap Pvt. Ltd	156.14	150.00
<b>Total non-current borrowings secured</b>		<b>71,929.13</b>	<b>69,031.60</b>
<b>Unsecured Borrowings</b>			
(a)	Deposits from public	2.00	2.00
(b)	Loan from directors	96.34	
(c)	Loan from shareholders	61.35	
<b>Total non-current borrowings</b>		<b>72,088.81</b>	<b>69,033.60</b>
17.1	Right to reissue: Subject to the provision of the Companies Act, 2013 where the company has fully redeemed any NCDs, the Company shall have, & shall be deemed always to have had, the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue & in exercising such right, the company shall have, & shall be deemed always to have had, the power to re-sell or re-issue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs, in accordance with the applicable rules & regulations.		

17.2

Interest on NCD Option I is assumed to be payable quarterly @ 12.50% p.a. as that of last year. In the case of NCD holders who are women, senior citizens, shareholders, servicemen, ex-servicemen or DSK Group employees & who are the original allottees of the NCDs, the rate of interest will be increased by 0.25%. Such additional rate of interest will cease in the event of transfer of the NCDs. The NCDs due to be redeemed on 06/09/2017 have yet not been redeemed.

17.3

Interest on NCD Option II is NIL. The NCDs will be redeemed on 06/03/2020.

17.4

Interest on NCD Option III is assumed to be payable yearly @ 12.65% p.a. as that of last year. In the case of NCD holders who are women, senior citizens, shareholders, servicemen, ex-servicemen or DSK Group employees & who are the original allottees of the NCDs, the rate of interest will be increased by 0.25%. Such additional rate of interest will cease in the event of transfer of the NCDs. Under this option payment of principal together with interest accrued on the residual face value will be paid as under:

Sr	Partial Redemption dates	% to Face Value	
1	6th September, 2016	10.00	
2	6th September, 2017	15.00	
3	6th September, 2018	20.00	
4	6th September, 2019	25.00	
5	6th September, 2020	25.00	

17.5

Interest on NCD Option IV is assumed to be payable monthly @ 12.75% p.a. as that of last year. In the case of NCD holders who are women, senior citizens, shareholders, servicemen, ex-servicemen or DSK Group employees & who are the original allottees of the NCDs, the rate of interest will be increased by 0.25%. Such additional rate of interest will cease in the event of transfer of the NCDs. The NCDs will be redeemed on 06/09/2021.

17.6

The primary security for State Bank of India Dream City PTL is pari passu 1st charges by way of registered mortgage of specified project land along with present and future structures thereon along with other project term lenders consortium Banking). The collateral security is pari passu 1st charge by way of registered mortgage of specified land. In addition, the project loan is secured by the personal guarantee of Mr. D.S.Kulkarni & Mr. Shirish Kulkarni.

17.7

The Primary security for the Syndicate Bank (Gold Leaf) PTL is registered mortgage of specified Project and along with present and future structures thereon. In addition, the project loan is secured by the personal guarantee of Mr. D.S.Kulkarni & Mr. Shirish kulkarni.

17.8

The Primary security for Syndicate Bank Dream City PTL is pari passu 1st charge by way of registered mortgage of specified project land along with present and future structures thereon with other project term lenders (Consortium Banking). The Collateral security is pari passu 1st charges by way of registered mortgage of specified land In addition. the project loan is secured by the personal guarantee of Mr. D.S.Kulkarni & Mr. Shirish Kulkarni.

17.9

The Primary security for Bank of Maharashtra Dream City PTL is pari passu 1st charges by way of registered mortgage of specified project land along with present and future structures thereon with other project term lenders (Consortium Banking). The Collateral security is pari passu 1st charges by way of registered mortgage of specified land In addition. the project loan is secured by the personal guarantee of Mr. D.S.Kulkarni & Mr. Shirish Kulkarni.

17.10

The primary security for ICICI bank Vedant PTL is registered mortgage of specified project land along with present and future structures thereon. The collateral security is registered mortgage of specified land along with present & future structures thereon and a charge on the receivables of specified projects. In addition, the project loan is secured by the personal guarantee of Mr. D.S.Kulkarni & Mr. Shirish Kulkarni.

17.11

The Primary security for the ICICI HFC Ltd. Anandghan PTL is registered mortgage of specified Project land along with present and future structures thereon The collateral security is registered mortgage of specified land along with present & future structure there on and hypothecation of project receivables. In addition, the project loan is secured by the personal guarantee of Mr. D.S. Kulkarni, Mr. Shirish Kulkarni & Mrs. H.D.Kulkarni. DSK Global Education and Research Limited is co guarantor to the tune of receivables from the project in lieu of consideration for relinquishing of development rights of part of project land.

17.12

The Primary security for IDBI Bank Dream City PTL is pari passu 1st charges by way of registered mortgage of specified project land along with present and future structures thereon with other project term lenders (Consortium Banking). The Collateral security is pari passu 1st charges by way of registered mortgage of specified land and hypothecation of project receivables. In addition, the project loan is secured by the personal guarantee of Mr. D.S.Kulkarni & Mr. Shirish Kulkarni.

17.13

The vehicle term loan from Toyota Financial Services is secured by hypothecation of specific vehicles.

17.14

The vehicle term loan from Kotak Mahindra Prime is secured by hypothecation of specific vehicles.

17.15

The vehicle term loan from HDFC Bank is secured by hypothecation of specific vehicles.

17.16

The claims from the banks have been duly verified and recorded the balances backed by valid evidences.

17.17

The loan from SKS Fincap Pvt. Ltd. is secured by pledge of 10,00,000 (P. Y. 10,00,000) Equity shares of the Company held by the Company's promoters.

17.18

The loan from Ruia Knowledge & Research Institute Private Limited is secured by pledge of 1,50,000 (P. Y. 1,50,000) Equity shares of the Company held by the Company's promoters.

17.19

The loan from Pune Safety Vault LPP is secured by pledge of 2,10,000 (P. Y. 2,10,000) Equity shares of the Company held by the Company's promoters.

17.20

The Company has accepted deposits from the shareholders without complying with the requirements of the Companies Act, 2013

18	<b>Deferred tax liabilities (net)</b> The deferred tax liability comprises the effect of the following: DTL resulting from timing difference between book depreciation and tax depreciation	42.68	42.67
	<b>Total Deferred tax liabilities (net)</b>	<b>42.68</b>	<b>42.67</b>
19	<b>Other non-current liabilities</b>		
	(a) Deposits from subsidiary	25.00	145.22
	(b) Other deposits	887.96	25.10
	(c) Advance from debtors	1,178.62	-
	<b>Total other non-current liabilities</b>	<b>2,091.57</b>	<b>170.32</b>
19.1	The deferred tax liability/asset has not been considered for the year due to uncertainty of a going concern of the business.		
19.2	Deposits from Subsidiary are not verified due to lack of confirmations from the third parties.		
20	<b>Current borrowings secured</b>		
	Working capital limits from banks		
	1 Bank of Maharashtra	3,044.21	2,219.80
	2 The Kalyan Janata Sahakari Bank Ltd.	481.85	58.07
	3 Punjab National Bank	-	497.95
	4 State Bank of India	3,221.95	3,287.04
	<b>Total current borrowings secured</b>	<b>6,748.01</b>	<b>6,062.86</b>
	<b>Current borrowings secured</b>		
	Inter corporate deposits		
	1 Ambiance Ventures Estate & Dev Pvt Ltd	682.19	666.55
	2 Seksaria industries Pvt. Ltd.	306.00	306.00
	3 Iresco Electricals Pvt Ltd	75.69	73.70
	4 Asiatic Gases Limited	289.45	278.81
	5 Bombay Mercantile & Leasing Co Ltd.	2.00	-
	6 Networth Portfolio and Finance Pvt Ltd	5.00	5.00
	7 N.K. Investment Pvt Ltd	25.00	-
	8 Sunako Chemo Ind. Pvt. Ltd.	300.98	264.00
	9 Tecil Chemicals and hydro Power Ltd	3.21	78.21
	10 Vibrant Global Capital Ltd	156.44	152.14
	11 Bhavnagar Oil Mill Pvt. Ltd.	15.00	15.00
	12 Citric India Ltd.	183.64	104.28
	13 Patodia Forgings and Gears Ltd	273.51	256.00
	14 Sakseria Opticles Pvt. Ltd.	10.00	10.00
	15 The Saseria Biswan Sugar Factory Ltd.	31.86	31.86
	16 Shri Krishna Rice & Oil Mills Pvt. Ltd.	10.00	10.00
	17 Tradelink Exim Pvt. Ltd	7.00	7.00
	18 Shashi Rag agencies	32.00	22.00
	19 Sakseria Behta Sugar Factory Ltd.	65.00	65.00
	20 Rajgarhia Leasing & Financial Services Pvt. Ltd.	281.00	281.00
	21 Shashi Dhawal Hydraulic Pvt. Ltd.	100.00	100.00
	22 Rovo Marketing Pvt. Ltd.	205.00	205.00
	23 Gini Tex Pvt. Ltd.	106.00	106.00
	24 Patodia Glass industries	267.10	250.00
	25 India Ener Gen Ltd	-	100.00
	26 Honest Agencies Pvt Ltd	0.12	0.12
	27 Faridabad Paper Mill Ltd	90.00	90.00
	28 Adisun Exports Pvt.Ltd.	25.00	-
	29 AMS garments Pvt. Ltd.	50.51	41.06
	30 India Ener Gen Pvt Ltd	190.00	12.00
	31 Ruia Fabrics Pvt Ltd	3.10	3.10
	32 Three Roses Oxygen Pvt Ltd	40.00	40.00
	<b>Total current borrowings secured</b>	<b>3,831.80</b>	<b>3,573.83</b>
	<b>Current borrowings secured</b>	<b>10,579.81</b>	<b>9,636.69</b>

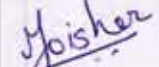



20.1	The primary security for the Bank of Maharashtra cash credit limit is hypothecation of stock and debtors of encumbrance free projects. The collateral security is by way of equitable mortgage of specified present immovable properties. In addition, this cash credit limit is secured by the personal guarantee of Mr. D. S. Kulkarni & Mrs. H. D. Kulkarni and corporate guarantee of Ascent Promoters & Developers P Ltd., Growrich Agro-forestry Pvt. Ltd. & Holy Land Agro-forestry Pvt. Ltd. & Sapphire Promoters & Developers Pvt. Ltd.		
20.2	The overdraft from Bank of Maharashtra is secured by pledge of term deposit receipts.		
20.3	There is no primary security for the Mortgage Overdraft limit from Kalyan Janata Sahakari Bank Ltd. The collateral security is registered mortgage of certain immovable properties. In addition, being a property owner guarantor & co-applicants for this loan are M/s D S Kulkarni & Co. & D. S. Kulkarni & Associates. Personal Guarantee of Shri. D. S. Kulkarni and Mr. Shirish Kulkarni.		
20.4	The overdraft from Syndicate Bank is secured by pledge of term deposit receipts.		
20.5	The overdraft from Punjab National Bank is secured by pledge of term deposit receipts.		
20.6	The primary security for the State Bank of India project specific cash credit limit for development & construction is registered mortgage of land along with present & future structure thereon. In addition, this loan is secured by the personal guarantee of Mr. D. S. Kulkarni & Mr. S. D. Kulkarni.		
21	<b>Trade Payables</b>		
	(a) Related Parties	471.15	313.30
	(b) Other Parties	4,913.61	6,395.20
	<b>Total Trade Payables</b>	<b>5,384.76</b>	<b>6,708.50</b>
21.1	The claims made by the creditors have been duly verified and recorded the balances backed by valid evidences.		
21.2	Trade payables & all liabilities are non-interest-bearing, unless specified otherwise in the contract.		
22	<b>Other Financial Liabilities</b>		
	(a) Current maturities of long-term debt		
	(i) Interest accrued but not due on Debentures	2,301.81	1,111.43
	(ii) Listed Secured Redemable NCDs Option II	-	31.83
	(iii) Project term loans from banks		
	1 India Bulls Housing Finance Madhukosh PTL	-	1,517.95
	(iv) Corporate term loans from banks		
	1 Sangli Urban Cooperative Bank Ltd.	-	88.17
	2 The Kalyan Janata Sahakari Bank	-	322.81
	(v) Corporate term loans from financial institutions		
	1 Bajaj Finance Ltd.	-	42.46
	2 Aditya Birla Finance Ltd	-	620.45
	(b) Unpaid / unclaimed public deposits	1,487.30	1,503.79
	(c) Interest Payable-Subvention Scheme	277.98	-
	(d) Interest on FD payable	208.86	213.65
	(e) Advance against tenements / plots	54,009.78	60,458.45
	(f) Interest accrued but not due on borrowings	4,513.23	2,055.84
	<b>Total Other Financial Liabilities</b>	<b>62,798.96</b>	<b>67,966.83</b>
22.1	The details of mortgages of the assets held by the Company and the secured NCDs are disclosed above.		
22.2	The interest payable to Tata capital Housing Finance Ltd. On subvention scheme is secured by mortgage of specified land.		
23	<b>Other current liabilities</b>		
	(a) Unclaimed dividends	13.37	13.38
	(b) Statutory liabilities	1,895.49	1,873.54
	(c) Other liabilities	-	3,675.86
	<b>Total other current liabilities</b>	<b>1,908.87</b>	<b>5,562.78</b>
23.1	The balance of dividend unclaimed for FY 09-10 has not been transferred to IEPF fund as per the provisions of Sec 124 of the Companies Act, 2013.		

23.2	The statutory liabilities have not been paid till date and the same is relied on the accounting records maintained by the management. Due to lack of login credentials available, the liabilities due to the government have not been verified inspite of various representations.		
24	<b>Provisions</b>		
	(a) Provision for expenses	186.95	655.48
	(b) Provision for employee benefits	933.27	-
	(c) Development expenses payable	3,022.41	
	(d) Income tax provisions (net)	359.93	543.18
	<b>Total Provisions</b>	<b>4,502.56</b>	<b>1,198.66</b>
24.1	Provisions for expenses includes the audit fees payable and have been recorded after duly verifying the claims received by various creditors.		
24.2	Various income tax refunds are visible in Form 26AS but the same has not been received by the company. Hence the same is assumed to be adjusted against the previous demands outstanding as disclosed in the Contingent liability.		
25	<b>Contingent Liabilities not provided for:</b>		
	1 Guarantee is respect of secured loans obtained by another company	10,000.00	10,000.00
	Balance of secured loans as at end of year	8,152.79	8,152.79
	2 Guarantee to Government Authorities	780.40	780.40
	3 Tax Matters under appeal	15,119.12	1,394.02
	4 Cases filed against the company	339.88	339.88
	5 Cenvat credit availed	812.16	-
	<b>Total at the end of the reporting period</b>	<b>25,204.35</b>	<b>10,667.09</b>
<p>Note: The details of contingent liabilities have been sustained to be same of previous year in absence of any evidence.</p> <p>In addition to the above, the Cenvat Credit availed in non-current assets is contingent liability as the Company is into liquidation through NCLT and the same shall not be obtained instead paid to the government authority. Bank guarantee to the extent of Rs. 1,00,00,00,000 and income tax liability to the extent of Rs. 1,37,25,10,306 has been disclosed to the extent of the claims received by the respective authorities and liability visible on the Income tax portal.</p>			

Notes to Standalone Financial Statements for the year ended		As at 31st March 2018 (Amt in Lakhs)	As at 31st March 2017 (Amt in Lakhs)
26	<b>Revenue from operations</b>		
	(a) Revenue from Company other than a finance company		
	(i) Revenue from incomplete projects	-	5,136.00
	(ii) Sale of finished tenements	-	1,056.25
	(iii) Sale of land & Development rights	6,901.97	3,600.51
	(iv) Contract receipts	-	44.40
	(b) Other operating revenue	-	8.88
	<b>Total Revenue from operations</b>	<b>6,901.97</b>	<b>9,846.03</b>
26.1	Sale of incomplete projects has not been recognised due to lack of evidences in order to derive revenue as per IND AS 18.		
26.2	There have been few sale of finished tenements but it is not backed by any agreements / evidences. Due to lack of documentation, sale value is unrecognised and not accounted for in the books.		
26.3	Revenue from various projects wholly sold to the third parties have been accounted for based on various documents as follows:		
	1. Project DSK Vedant has been sold to Pro Infra Developers LLP for which the sale has been executed on 15/01/2018 via sales agreement where Pro Infra was to repay the Project loan taken from ICICI Bank by the Company. The same shall not be repaid by the Company from the consideration to be received by the party.		
	2. Project Garden Enclave has been sold to Remonesa Enterprise LLP for which the sale has been executed on 31/03/2017 via sales agreement which was not recorded in previous year hence, the same is recorded in the current year.		
	3. Project DSK Vishwa Phase VIII has been sold to M/s. Nyati Housing for which the sale has been executed on 15/03/2017 via sales agreement which was not recorded in previous year hence, the same is recorded in the current year. The sales agreement does not specify the proportion of sales consideration of the various co-owners and hence for accounting the sales value, reliance is placed on the order of Hon'ble NCLT dated 13th March 2018.		
	4. Project Daya Shama Shanti has been sold to SBI Employees Co-op Hsg Soc which has been recorded based on the Form 26AS where the Transferee has deducted TDS u/s 194-IA in the year of sale.		
27	<b>Other Income</b>		
	(a) Rent Income	108.92	91.86
	(b) Income from subsidiaries	635.18	649.41
	(c) Commission/Brokerage	-	840.03
	(d) Interest on fixed deposits with bank	20.52	81.34
	(e) Other Interest	1.42	1.09
	(f) Other receipts	3.48	2.20
	(g) Gain on Foreign currency exchange	3.69	-
	(h) Amounts written back	81.40	-
	<b>Total at the end of reporting period</b>	<b>854.60</b>	<b>1,665.93</b>
27.1	Due to lack of Interest statements available by the management, interest on various deposits including deposits from banks have been recorded based on Form 26AS.		
28	<b>Purchases of Stock-in-Trade</b>		
	(a) Land & Development Rights	-	55.00
	(b) Sub-Contractor's Charges	168.22	3,293.14
	(c) Other development expenses	5,042.16	19,116.11
	<b>Total Land &amp; / or development expenses</b>	<b>5,210.38</b>	<b>22,464.25</b>

29	<b>Increase/(Decrease) in inventories of finishes tenements &amp; wip</b>		
	(a) Finished tenements		
	Opening	1,381.64	4,150.79
	Less : Closing	(1,381.64)	(1,381.64)
	(b) Work-in-progress		
	Opening	1,61,981.54	1,44,162.27
	Less : Closing	(1,55,540.42)	(1,61,981.54)
	<b>Total increase/(Decrease) in inventories of finishes tenements &amp; wip</b>	<b>6,441.12</b>	<b>(15,050.12)</b>
29.1	Inspite of various sale of finished tenements, the same is not recorded due to lack of documentation or sale value with the management.		
30	<b>Employee Benefits expenses</b>		
	(a) Salaries, wages, bonus etc	410.92	850.33
	(b) Contribution to provident & other funds	33.31	78.31
	(c) Director's remuneration	-	1.94
	(d) Staff welfare	3.72	42.29
	(e) Director's sitting fees	-	10.60
	<b>Total employee Benefits expenses</b>	<b>447.94</b>	<b>983.48</b>
30.1	Salaries to staff/employees have been accounted for till the month of January' 2018 based on the employee details available and provision are made till Mar' 19 based on the employee claims received by the management.		
30.2	Directors have not been paid any remuneration in the current year with the fact that they are not in a position to work for the company and receive the said money.		
31	<b>Office &amp; admin expenses</b>		
	(a) Professional expenses	19.34	330.21
	(b) Postage, Telephone & Telegram	14.30	48.40
	(c) Rent expenses	9.43	306.29
	(d) Rates & Taxes	12.03	12.85
	(e) Repairs and maintenance	4.20	57.42
	(f) Printing & stationery	1.67	23.90
	(g) Legal charges	1.78	4.31
	(h) Conveyance and foreign travel	18.26	60.52
	(i) Electricity expenses	31.00	38.46
	(j) Office expenses	3.73	26.80
	(k) Miscellaneous expenses	-	12.70
	(l) Indirect taxes	0.44	9.57
	(m) Listing fees	-	7.29
	(n) Subscription	1.28	6.40
	(o) Insurance	4.77	9.74
	(p) Internal audit fees	-	1.50
	(q) Company audit fees	-	8.80
	(r) Tax audit fees	-	1.00
	(s) Security charges	1.88	2.89
	(t) Other admin expenses	10.91	4.55
	<b>Total office &amp; admin expense</b>	<b>135.02</b>	<b>973.58</b>
31.1	Various periodic expenses have been booked for part of the year and various other expenses have not been accounted for due to lack of documentation / detailed evidences for that period.		

32	<b>Selling expenses</b>		
	(a) Advertisement	0.46	380.62
	(b) Sales Promotion	3.15	31.19
	(c) Domestic Travel Expenses	10.09	141.09
	(d) Foreign travel expenses	1.14	69.87
	(e) Domestic exhibition expenses	-	79.57
	(f) Donations	0.05	0.25
	(g) Other selling expenses	53.55	79.22
	<b>Total selling expenses</b>	<b>68.43</b>	<b>781.81</b>
33	<b>Finance Costs</b>		
	(a) Interest on deposits & loans	1,218.31	371.93
	(b) Interest to financial institutions	262.71	45.75
	(c) Interest to banks	322.08	130.46
	(d) Other financial expenses	57.07	97.57
	<b>Total finance Costs</b>	<b>1,860.17</b>	<b>645.71</b>
31.1	Interest from various banks have been recorded based on the loan statements available with the management.		
34	<b>Depreciation &amp; Amortization expenses</b>		
	(a) Depreciation expenses	616.25	595.50
	(b) Amortization expenses	-	30.47
	<b>Total depreciation &amp; Amortization expenses</b>	<b>616.25</b>	<b>625.97</b>
35	<b>Other Expenses</b>		
	(a) (Profit) / Loss on sale of assets	20.53	(2.14)
	<b>Total other expenses</b>	<b>20.53</b>	<b>(2.14)</b>
36	<b>Corporate Social Responsibility expenses</b>		
	(a) Gross amount required to be spent during the year	-	45.24
	(b) Amount spent during the year	-	-
	The Company is not eligible to spend part of the amount for the purpose of CSR as per the provisions of Companies Act, 2013		
	<b>Total Corporate Social Responsibility expenses</b>	<b>-</b>	<b>-</b>
37	<b>Earnings per share(EPS)</b>		
	Earnings per share is calculated in accordance with the Ind AS 33		
	Particulars		
	Profit after tax (in lacs)	(7,043.28)	108.84
	Weighted average number of Equity shares	2,58,01,008.00	2,58,01,008.00
	Nominal value of Equity shares	10.00	10.00
	Basic and Diluted earnings per share	-	0.42

Standalone Statement of Cash Flows for the year ended				
	31-Mar-18 Rs. in Lacs	31-Mar-18 Rs. in Lacs	31-Mar-17 Rs. in Lacs	31-Mar-17 Rs. in Lacs
<b>Cash Flow From Operating Activities</b>				
1 Net Profit before Tax & Extraordinary Items		(7,043.28)		89.42
<i>Adjustments to reconcile PBT to net cash flows:</i>				
i Provision for doubtful advances				
ii Provision for diminution in value of investments				
iii Depreciation	616.25		625.97	
iv Loss/(Profit) on Sale of Assets	20.53		(2.14)	
v Interest Expenditure	1,803.11		548.14	
vi Interest & Dividend Received	(21.94)	2,417.95	(82.43)	1,089.54
<b>Operating Profit before Working Capital Changes</b>		<b>(4,625.33)</b>		<b>1,178.96</b>
2 <i>Working capital adjustments</i>				
i Increase (Decrease) in Short Term Borrowings	943.12		(2,813.64)	
ii Increase (Decrease) in Other Current Liabilities	(3,653.91)		7,871.38	
iii Increase (Decrease) in Short Term Provisions	3,303.90		(7,788.58)	
iv Increase (Decrease) in Other Financial Liabilities	(5,167.87)		19,065.52	
v Increase (Decrease) in Trade Payables	(1,323.74)		509.25	
vi (Increase) Decrease in Inventories	6,441.12		(15,032.76)	
vii (Increase) Decrease in Receivables	(1,960.60)		(294.69)	
viii (Increase) Decrease in Short term Loans & Advances	(243.95)		(5,149.30)	
x (Increase) Decrease in Other non-current assets	292.92		(246.71)	
<b>Cash generated from Operations</b>		<b>(1,369.02)</b>		<b>(3,879.53)</b>
i Income Tax Paid				(132.65)
<b>Net Cash from Operating Activities (A)</b>		<b>(5,994.35)</b>		<b>(2,833.22)</b>
<b>Cash Flow from Investing Activities</b>				
i Purchase of Property, Plant and Equipment	(0.00)		(685.40)	
ii (Increase)/Decrease in capital WIP	-		8.75	
iii (Increase) Decrease in Long term Loans & Advances	(557.27)		(442.68)	
iv Sale of Property, Plant and Equipment	12.36		2.52	
v Sale of Investments	0.01		-	
vi Purchase of Investment	-		-	
vii Interest & Dividend Received	21.94		82.43	
<b>Net Cash used in Investing Activities (B)</b>		<b>(522.97)</b>		<b>(1,034.38)</b>
<b>Cash Flow from Financing Activities</b>				
i Interest Paid	(1,803.11)		(548.14)	
ii Increase (Decrease) in Borrowings	3,055.21		4,545.58	
iii Increase (Decrease) in Other long term liabilities	1,921.25		(0.16)	
<b>Net Cash used in Financing Activities (C)</b>		<b>3,173.36</b>		<b>3,997.29</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>		<b>(3,343.96)</b>		<b>129.68</b>
<b>Cash &amp; Cash Equivalent as at beginning of the year</b>		<b>3,586.96</b>		<b>3,457.28</b>
<b>Cash &amp; Cash Equivalent as at end of the year</b>		<b>243.01</b>		<b>3,586.96</b>
Note to the Cash Flow Statement: Cash and Cash Equivalents include Cash and Bank Balances				
Corporate information & statement of accounting policies				
The accompanying notes are an integral part of these financial statements.				
As per our audit report of even date.				
For R C Jain & Associates				
Chartered Accountants				
Firm Registration No: W100156				
  Meeta Joisher Partner Membership No. 115080				
Place: Mumbai Date: 21st Sept 2020				
For DS Kulkarni Developers Limited (A company under Corporate Insolvency Resolution Process by NCLT Order dated 26th September 2018)   Mr. Manoj Agarwal Registration no. IBBI/PA-001/IP-0037741/2017-18/11222 (The affairs, business and property of DS Kulkarni Developers Limited are being managed by the Resolution professional who act as agent of the Company only without any personal liability.)				
Place: Mumbai Date: 21st Sept 2020				

UDIN:- 20115080AAAAA16985

**38 Related party disclosures**

**A Names of related parties where control exists and related party relationship**

Subsidiaries

- 1 DSK Developers Corporation
- 2 DSK Infra Pvt. Ltd.
- 3 DSK Southern Projects Pvt. Ltd.

Step-down subsidiaries

- 1 DSK Woods LLC

Key management personnel

- 1 Mr. D. S. Kulkarni

Managing Director

Relatives of key management personnel

- 1 Mrs. Hemanti D Kulkarni
- 2 Mr. Amit Deepak Kulkarni
- 3 Mrs. Ashwini Sanjay Deshpande
- 4 Mrs. Bhagyashree Amit Kulkarni
- 5 Mr. Makarand S. Kulkarni
- 6 Mrs. Tanvi S Kulkarni
- 7 Mr. Shirish Kulkarni

Enterprises owned or significantly influenced by key management personnel or their relatives

- 1 Ambiance Ventures Estates & Developments Pvt. Ltd.
- 2 Amit & Company
- 3 Ascent Promoters & Developers Pvt. Ltd.
- 4 Chandradeep Promoters & Developers Pvt. Ltd.
- 5 D. S. Kulkarni Constructions Pvt. Ltd.
- 6 D.S.Kulkarni & Associates
- 7 D.S.Kulkarni & Brothers
- 8 D.S.Kulkarni & Company
- 9 D.S.Kulkarni & Sons
- 10 DSK & Asso
- 11 DSK & Co.
- 12 DSK Auto Pvt. Ltd.
- 13 DSK Constructions
- 14 DSK & Sons
- 15 DSK Digital Technologies Pvt. Ltd.
- 16 DSK Entertainment LLC
- 17 DSK Global Education and Research Ltd.
- 18 DSK Infotech Pvt. Ltd.
- 19 DSK Milkotronics Pvt. Ltd.
- 20 DSK Motors Pvt. Ltd.
- 21 DSK Mototrucks Pvt. Ltd.
- 22 DSK Motowheels Pvt. Ltd.
- 23 DSK Prabhu Granite LLP
- 24 DSK Sales & Services
- 25 DSK Shivajians Football Club Pvt. Ltd.
- 26 DSK Studios Pvt. Ltd.
- 27 DSK World Education Council
- 28 DSK Worldman Projects Ltd.
- 29 Fairyland Promoters & Developers Pvt. Ltd.
- 30 Forever Solar Projects Pvt. Ltd.
- 31 Gharkul
- 32 Greengold Farms & Forests Pvt. Ltd.
- 33 Growrich Agroforestry Pvt. Ltd.
- 34 Hexagon Capital Advisors Pvt. Ltd.
- 35 Holyland Agroforestry Pvt. Ltd.
- 36 Rasa Group
- 37 Sapphire Promoters & Developers Pvt. Ltd.
- 38 Shri Saptashrung Oil Mills Pvt. Ltd.
- 39 Talisman Hospitality Services Pvt. Ltd.
- 40 Telesmell
- 41 Tricone Infracon Ltd.

B Related party transactions		2017-18	2016-17
BALANCE SHEET ITEMS:		Rs. in Lacs	Rs. in Lacs
<b>1 Equity Contribution</b>			
Mrs. H. D. Kulkarni		490.59	490.59
Mr. D. S. Kulkarni		600.05	600.05
Mr. Shirish Kulkarni		152.00	152.00
<b>Sub total</b>		<b>1,242.64</b>	<b>1,242.64</b>
<b>2 Loans and Advances payable</b>			
D S Kulkarni & Associates		13,692.90	14,016.79
D S Kulkarni & Company		37,387.79	38,809.46
D.S.Kulkarni Constructions Pvt Ltd		14.43	14.43
DSK Infra Pvt. Ltd.		145.23	145.22
DSK Worldman Projects Ltd		103.39	115.11
DSK Global Education and Research Ltd.		120.26	123.05
DSK Global Education & Research-Anandghan Loan		437.16	437.16
Mrs. H. D. Kulkarni		299.24	693.74
Mr. Shirish Kulkarni		48.94	-
Mr. D. S. Kulkarni		96.34	-
Ambiance Ventures Estates & Developments Pvt. Ltd.		682.19	666.55
<b>Sub total</b>		<b>53,027.85</b>	<b>55,021.49</b>
<b>3 Deposits payable</b>			
D S Kulkarni & Associates		0.50	0.50
DSK Global Education and Research Ltd.		25.00	25.00
Mr. D. S. Kulkarni		1.77	1.00
<b>Sub total</b>		<b>27.27</b>	<b>26.50</b>
<b>4 Trade payable</b>			
DSK Motors Pvt. Ltd		56.43	56.01
Tricone Infracon Ltd.		80.20	80.20
DSK Global Education and Research Ltd.		112.75	108.35
Talisman Hospitality Pvt. Ltd		2.48	2.48
Mr Shirish Kulkarni		223.98	223.98
Mrs. H D Kulkarni		35.03	49.28
Telesmell		0.03	0.10
D. S Kulkarni & Associates		0.22	0.22
<b>Sub total</b>		<b>511.13</b>	<b>520.62</b>
<b>5 Investments at the year end</b>			
DSK Developers Corporation		509.50	509.50
Less: Provision for permanent diminution in value		(509.50)	(509.50)
DSK Global Education and Research Ltd.		73.32	73.32
DSK Southern Projects Pvt Ltd		1,400.23	1,400.24
Less: Provision for permanent diminution in value		(1,400.23)	(1,400.24)
DSK Infra Pvt Ltd		200.00	200.00
<b>Sub total</b>		<b>273.32</b>	<b>273.32</b>

<b>6 Advances receivable</b>		
Tricone Infracon Ltd.	469.28	469.28
DSK Global Education and Research Ltd.	659.70	595.29
Mr. Shirish Kulkarni	226.22	113.44
Mrs. H D Kulkarni	-	0.14
<b>Sub total</b>	<b>1,355.19</b>	<b>1,178.14</b>
<b>7 Loans receivable</b>		
DSK Developers Corporation	6,576.49	6,197.05
DSK Southern Projects Pvt Ltd	5,062.62	4,895.81
Less: Provision for doubtful debts	(4,713.84)	(4,713.60)
<b>Sub total</b>	<b>6,925.26</b>	<b>6,379.26</b>
<b>8 Deposits receivable</b>		
D S Kulkarni & Company	25.00	25.00
Mr Shirish D Kulkarni	14.00	14.00
Mrs. H D Kulkarni	1.50	1.50
D S Kulkarni & Associates	25.00	25.00
DSK Global Education & Research Ltd	11.03	11.03
<b>Sub total</b>	<b>76.53</b>	<b>76.53</b>
<b>9 Trade receivable</b>		
DSK Motowheels Pvt Ltd	155.84	1.66
DSK Shivajians Football Club Pvt Ltd	0.38	0.38
<b>Sub total</b>	<b>156.21</b>	<b>2.04</b>
<b>10 Guarantees given</b>		
DSK Global Education and Research Ltd.	10,000.00	10,000.00
<b>Sub total</b>	<b>10,000.00</b>	<b>10,000.00</b>
<b>TOTAL OF BALANCE SHEET ITEMS</b>	<b>73,595.41</b>	<b>74,720.54</b>
<b>PROFIT / LOSS ITEMS</b>		
<b>1 Reimbursement of expenses</b>		
DSK Worldman Projects Ltd	11.72	23.44
D S Kulkarni & Company	50.91	84.54
D S Kulkarni & Associates	15.18	27.06
Mr. D. S. Kulkarni	1.35	1.35
Mr Shirish Kulkarni	-	11.11
<b>Sub total</b>	<b>79.16</b>	<b>147.50</b>
<b>2 Interest Income</b>		
DSK Developers Corporation	383.19	381.18
DSK Southern Projects Pvt Ltd	251.99	268.23
<b>Sub total</b>	<b>635.18</b>	<b>649.41</b>
<b>3 Rent Income</b>		
DSK Global Education and Research Ltd.	85.30	100.00
D S Kulkarni & Associates	1.67	1.82
<b>Sub total</b>	<b>86.97</b>	<b>101.82</b>

Notes to the Financial Statements			For the year ended 31st March 2020		
<b>4 Commission Income</b>					
DSK Global Education and Research Ltd.	-			100.48	
DSK Worldman Projects Ltd	-			27.49	
D S Kulkarni & Company	-			404.73	
D S Kulkarni & Associates	-			135.52	
Ambiance Ventures Estates & Developments Pvt. Ltd.	-			297.34	
<b>Sub total</b>	-			<b>965.55</b>	
<b>5 Services availed</b>					
DSK Global Education and Research Ltd.	-			32.06	
DSK Motors Pvt. Ltd	0.42			10.31	
Telesmell	0.16			0.21	
<b>Sub total</b>	<b>0.58</b>			<b>42.58</b>	
<b>6 Remuneration</b>					
Mr. D. S. Kulkarni	-			1.35	
Mr Shirish D Kulkarni	-			0.60	
Mrs. H D Kulkarni	-			18.01	
<b>Sub total</b>	-			<b>19.96</b>	
<b>7 Interest expense</b>					
Ambiance Ventures Estates & Developments Pvt. Ltd.	17.38			70.50	
D S Kulkarni & Associates	-			1,689.86	
D S Kulkarni & Company	-			4,434.10	
<b>Sub total</b>	<b>17.38</b>			<b>6,194.47</b>	
<b>8 Rent expense</b>					
D S Kulkarni & Associates	-			53.21	
D S Kulkarni & Company	-			56.25	
Mr Shirish D Kulkarni	-			121.63	
Mrs. H D Kulkarni	-			22.35	
DSK Global Education and Research Ltd.	-			65.05	
<b>Sub total</b>	-			<b>318.49</b>	
<b>9 Sale of Property, Plant and Equipment</b>					
DSK Shivajians Football Club Pvt Ltd	-			0.38	
<b>Sub total</b>	-			<b>0.38</b>	
<b>TOTAL OF PROFIT / LOSS ITEMS</b>			<b>819.27</b>	<b>8,440.16</b>	
<b>Grand Total</b>			<b>74,414.68</b>	<b>83,160.70</b>	
<b>39 Disclosure for assets taken on lease as per Ind AS 17:</b>					
The Company has entered into operating lease arrangements for office space at Pune and Mumbai. There are no future minimum lease payments under non-cancellable operating leases as all the lease arrangements are cancellable at the option of lessee. Details of such leases are as follows:					
<b>Sr.</b>	<b>Landlord</b>	<b>Premises</b>	<b>From</b>	<b>To</b>	<b>Rent p.a (Rs.)</b>
1	Mrs. H D Kulkarni	Pune J M Rd. Office	01-Sep-15	31-Aug-20	-
2	Mr. D. Argade Patil	Argade Hights, Pune	11-Jan-15	10-Jan-20	8,00,000
3	DSK GER Ltd.	DSK Dream City, Pune	01-Oct-17	30-Sep-18	-
4	DSK GER Ltd.	DSK Dream City, Pune	01-Oct-17	30-Sep-18	-
5	Lincoln Developers Pvt Ltd	Delhi Office	01-Feb-16	31-Jan-19	-
<b>Total</b>					<b>8,00,000</b>
					<b>84,38,153</b>
The above details are prepared as per the books maintained due to lack of lease agreements					

**40 Disclosure for assets given on lease as per Ind AS 17:**

- i The company has given its land on operating lease to its erstwhile subsidiary, DSK Global Education & Research Ltd for a period of 99 years w.e.f 1st July 2008

Particulars of asset	Gross Block as at 31-03-2018	Net Block as at 31-03-2018	Gross Block as at 31-03-2017	Net Block as at 31-03-2017
Land (Rs. in Lacs)	2,592.03	2,592.03	2,592.03	2,592.03
Future minimum lease payments receivable in respect of non-cancellable leases			2017-18 Rs. in Lacs	2016-17 Rs. in Lacs
Due within one year from the Balance Sheet date			85.30	85.30
Due in the period between one year and five years			341.20	341.20
Due after five years			7,421.10	7,421.10
<b>Total</b>			<b>7,847.60</b>	<b>7,847.60</b>

The above amounts of lease dues for 1 year from the Balance sheet date is kept to be same as that of last year due to lack of data.

- ii The company has given its land (Bavdhan) on operating lease to Nikhil Kulkarni and Company for a period of 02 years w.e.f 1st Oct 2016

Particulars of asset	Gross Block as at 31-03-2018	Net Block as at 31-03-2018	Gross Block as at 31-03-2017	Net Block as at 31-03-2017
Land (Rs. in Lacs)	2.88	2.88	2.88	2.88
Future minimum lease payments receivable in respect of non-cancellable leases			2017-18 Rs. in Lacs	2016-17 Rs. in Lacs
Annual Rent			6.60	6.60
Due in the period between one year and five years				
Due after five years				
<b>Total</b>			<b>6.60</b>	<b>6.60</b>

- iii The Company has sub-leased part of its leased Mumbai Office as follows:

Sub-lessee	Premises	From	To	2017-18 Rent (Rs.) p.a Rs. in Lacs	2016-17 Rent (Rs.) p.a Rs. in Lacs
D S Kulkarni & Associates	Mumbai Office (Part)	01-Apr-17	31-Mar-18	1.67	1.58

- iv The company has given its land (Fursungi) on operating lease to Nikhil Kulkarni and Company for a period of 3 year w.e.f 1st April 2016

Lessee	Premises	From	To	2017-18 Rent Rs.p.a Rs. in Lacs	2016-17 Rent Rs.p.a Rs. in Lacs
Nikhil Kulkarni & Company	Fursungi	01-Apr-13	31-Mar-17	6.00	6.00

Particulars of asset	Gross Block as at 31-03-2018	Net block as at 31-03-2018	Gross Block as at 31-03-2017	Net block as at 31-03-2017
Land (Rs. in Lacs)	130.00	130.00	130.00	130.00
The Company has not so far entered into any financial lease.				

**41 Additional Information**

- A Value of imports calculated on C.I.F basis by the company during the financial year in respect of –

Construction materials 495.74

- B Expenditure in foreign currency during the financial year on account of

Foreign Travel 3.08 15.64  
Exhibitions - 9.51  
Professional and consultation fees - 3.08 35.95 61.10

- C Earnings in foreign exchange

Foreign Travel refund 2.07 -  
Interest from subsidiary 383.19 381.18

42 Particulars of Loans, Guarantees & Investments pursuant to Section 186 of the Companies Act, 2013 and Regulation 34 read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015:

Name of Entity	Outstanding as at		Maximum outstanding during the year	
	31-Mar-18 Rs. in Lacs	31-Mar-17 Rs. in Lacs	31-Mar-18 Rs. in Lacs	31-Mar-17 Rs. in Lacs
<b>Loans to subsidiaries for business purpose</b>				
DSK Developers Corporation	6,576.49	6,197.05	6,576.49	6,197.05
DSK Southern Projects Pvt. Ltd.	5,062.62	4,895.81	5,147.80	4,895.81
<b>sub-total</b>	<b>11,639.10</b>	<b>11,092.86</b>	<b>11,724.28</b>	<b>11,092.86</b>
<b>Corporate Guarantees for other companies against bank loan</b>				
DSK Global Education & Research Ltd.	10,000.00	10,000.00	10,000.00	10,000.00
<b>Investments in subsidiaries for business purpose</b>				
DSK Developers Corporation	509.50	509.50	509.50	509.50
DSK Infra Pvt. Ltd.	200.00	200.00	200.00	200.00
DSK Southern Projects Pvt. Ltd.	1,400.23	1,400.23	1,400.23	1,400.23
<b>sub-total</b>	<b>2,109.73</b>	<b>2,109.73</b>	<b>2,109.73</b>	<b>2,109.73</b>
<b>Investments in former subsidiary</b>				
DSK Global Education & Research Ltd.	73.32	73.32	73.32	82.92
<b>Investment by DSK Developers Corporation (US subsidiary) in its own subsidiary DSK Woods LLC</b>	<b>1,974.45</b>	<b>1,974.45</b>	<b>1,974.45</b>	<b>1,974.45</b>

43 Additional information related to delayed payment by the Company to Micro / Small Enterprises as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006): This disclosure is voluntary since Ind AS compliant Schedule III is silent about this disclosure.

Sr No	Particulars	31-Mar-18 Rs. in Lacs	31-Mar-17 Rs. in Lacs
(i)	The principal amount remaining unpaid to any supplier (as defined in S2(n) of MSMED Act, 2006) as at the end of the accounting year	Nil	Nil
(ii)	The interest due on the principal amount remaining unpaid to any such supplier as at the end of the accounting year	Nil	Nil
(iii)	The amounts of payments made to such supplier beyond the appointed day during the accounting year	Nil	Nil
(iv)	The amount of interest paid by the company in terms of S 16 of MSMED Act, 2006, during the accounting year	Nil	Nil
(v)	The amount of interest due and payable for the period of delay in making payment without adding the interest specified under MSMED Act, 2006.	Nil	Nil
(vi)	The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii)	The amount of further interest due and payable even in the succeeding years until such a day when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure u/s 23 of the MSMED Act, 2006	Nil	Nil

44 **Investments in subsidiaries:** In the opinion of the management, no loss is expected to arise in respect of investments in subsidiaries for which an additional provision is required.

D. S. Kulkarni Developers Ltd.  
CIN L45201PN1991PLC063340

Notes to the Standalone Ind AS Profit and Loss Statement for the year ended

31-Mar-18

45 Amounts due to Investor Education & Protection Fund: As at the balance sheet date, there are amounts due and outstanding to this Fund pertaining to FY 2009-10.

46 The Company has not complied with the provisions of Sec 185 and 186 of the Companies Act, 2013

As per our audit report of even date.

For R C Jain & Associates

Chartered Accountants

Firm Registration No: W100156

Meera Joisher

Partner

Membership No. 115080



Place: Mumbai

Date: 21st Sept 2020

For DS Kulkarni Developers Limited

(A company under Corporate Insolvency Resolution Process by NCLT Order dated 26th September, 2019)

Mr. Manoj Agarwal

Registration no. IBBI/IPA-001/IP-P00714/2017-2018/11222

(The affairs, business and property of DS Kulkarni Developers Limited are being managed by the Resolution professional who act as agent of the Company only without any personal liability.)



Place: Mumbai

Date: 21st Sept 2020

UDIN:-20115080AAAAI6985