

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
PKB BUILDCON PRIVATE LIMITED**

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

**Qualified Opinion**

1. We have audited the accompanying standalone financial statements of **PKBK BUILDWELL PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss, the Statement of Cash Flows and notes to the financial statements for the year then ended on that date, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us and except for the possible effects of the matters described in the "Basis for Qualified Opinion" paragraph below, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2020, of losses and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

3. Agreement/documents relating to advance against land (refer note C xvi of financial statement) amounting Rs. 41,53,000/- is not available with the Company and various legal matters (refer note-C viii to C xv of financial statement) pending with different court/authorities..
4. In our opinion the Company should make a full provision of Rs.41,53,000/-, increasing loss before taxation for the year and net assets at 31st March 2020 by that amount and the financial impact on account of note C viii to C xv of financial statement is not ascertain as of now.
5. The Company has failed to hold Annual General meeting (AGM) that was due on or before 30th September 2020, pursuant to section 96 of The Companies Act, 2013, to transact the agenda including approval of accounts for the year ended 31st March 2020. The Company has not applied for the extension of AGM. The said AGM has not yet been held as of date. However, in view of the fact that audit had been conducted by us for the financial year 2018-2019 and also report was issued by us on the accounts duly approved by the board and signed by the directors, we had proceeded with the audit engagement of the subsequent year i.e., FY 2019-2020 taking the opening balance from the audited balance sheet as on 31st March 2019. The Approved financial statement by the board of directors was made available to us for our audit now, consequently the delayed approval of accounts leads to non-compliances of statutory obligation under various law and will attract non compliances provision/penalties and late fees wherever applicable as applicable under the respective laws.



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

#### **Other Information**

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis; Board's Report including Annexures to Board Report but does not include the standalone financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.
8. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.
9. In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
10. When we read the aforesaid documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Management's Responsibility for the Standalone Financial Statements**

11. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
12. 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.

13. The Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

14. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
19. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

20. Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of section 143 of the Act is not applicable on the Company.
21. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) The matters described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:



(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed various legal cases/matters as per Note No. C viii to C xv, the impact of pending litigations on its financial position in its financial statements is not ascertain as of now. - Refer Note of the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

For Suresh C Gupta & Associates,  
Chartered Accountants  
(Registration number: 004886N)



Pawan Gupta  
Partner

Membership Number- 087852

UDIN: 2208852A4ILNG9148

Place: New Delhi  
Date: 30.09.2022

# PKBK BUILDWELL PRIVATE LIMITED

Balance Sheet As At March 31st, 2020

Particulars	Note No.	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
1	2	3	4
<b>I. ASSETS</b>			
1 Current assets			
(a) Inventories	1	32,54,81,675	32,54,81,675
(b) Financial Assets			
(i) Cash and cash equivalents	2	5,31,945	5,32,653
(c) Other current assets	3	43,03,000	43,03,000
<b>Total Current Assets</b>		<b>33,03,16,620</b>	<b>33,03,17,328</b>
<b>II. EQUITY AND LIABILITIES</b>			
1 Equity			
(a) Equity Share capital	4	5,00,000	5,00,000
(b) Other Equity	5	(1,79,426)	(1,95,677)
<b>Total Equity</b>		<b>3,20,574</b>	<b>3,04,323</b>
Liabilities			
2 Non-current liabilities			
(a) Other Long term liabilities	6	1,25,000	1,60,000
<b>Total non-current liabilities</b>		<b>1,25,000</b>	<b>1,60,000</b>
3 Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	7	7,50,000	7,50,000
(b) Other current liabilities	8	32,91,21,046	32,91,03,005
(c) Short-term provisions		-	-
<b>Total current Liabilities</b>		<b>32,98,71,046</b>	<b>32,98,53,005</b>
<b>Total liabilities</b>		<b>32,99,96,046</b>	<b>33,00,13,005</b>
<b>Total Equity &amp; Liabilities</b>	<b>TOTAL</b>	<b>33,03,16,620</b>	<b>33,03,17,328</b>

As per our report of even date attached.

for Suresh C. Gupta & Associates

FRN No 604886N

Chartered Accountants



Place: New Delhi

Date: 30-09-2022

For & on behalf of the Board of Directors

PKBK BUILDWELL PRIVATE LIMITED

*(Signature)*

Director

*(Signature)*

Director

UDIN : 2208852A41LNG9148

**PKBK BUILDWELL PRIVATE LIMITED**  
Profit and loss statement for the year ended March 31st, 2020

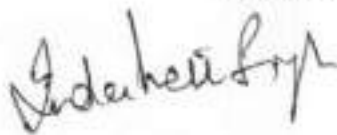
Particulars		Refer Note No.	For the year ended 31.03.2020 (Rs.)	For the year ended 31.03.2019 (Rs.)
I.	Other Income			
	Land holding charges		35,000	35,000
II.	Total Revenue (I)		35,000	35,000
III.	Expenses:			
	Changes in Inventories of Work-in-Progress	9	-	-
	Finance cost	10	-	-
	Other expenses	11	18,749	43,119
IV.	Total expenses		18,749	43,119
V.	Profit before exceptional and extraordinary items and tax (II-IV)		16,251	(8,119)
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		16,251	(8,119)
VIII.	Extraordinary items		-	-
IX.	Profit before tax (VII- VIII)		16,251	(8,119)
X.	Tax expense:			
	Current year		-	-
	Previous years		-	-
XI.	Profit (Loss) for the period from continuing operations (IX-X)		16,251	(8,119)
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV.	Profit (Loss) for the period (XI + XIV)		16,251	(8,119)
XVI.	Earnings per equity share:			
	(1) Basic		0.33	(0.16)
	(2) Diluted		0.33	(0.16)
	Significant Accounting Policies and other notes to the financial statement	12		
	The notes form an integral part of these Financial Statements			

As per our report of even date attached.  
for Suresh C. Gupta & Associates  
FRN No 094886N  
Chartered Accountants

For & on behalf of the Board of Directors  
PKBK BUILDWELL PRIVATE LIMITED

  
Pawan Gupta  
Partner  
Membership No. 087852  
Place: New Delhi  
Date: 30-09-2022





Director



Director

UDIN 9 22 08852 A41LNQ 9148

**PKBK BUILDWELL PRIVATE LIMITED**

**Cash Flow Statement as at**

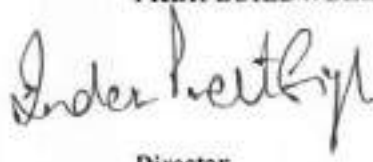
Particulars	(Amount in Rupees)		
	31.03.2020	31.03.2019	1.04.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITY</b>			
Net Profit before Tax, appropriation, and extra-Ordinary items	16,251	(8,119)	(8,655)
Interest and Finance Charges	-	-	-
Preliminary Expenses w/o	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>16,251</b>	<b>(8,119)</b>	<b>(8,655)</b>
Adjusted for			
Tax Paid during the year	-	-	-
Current Assets decrease/(Increase)	-	-	-
Current & Non current Liabilities Increase/(Decrease)	(16,959)	(17,359)	(14,592)
Inventories Changes	-	-	-
<b>Cash generated from operation</b>	<b>(708)</b>	<b>(25,478)</b>	<b>(23,247)</b>
<b>NET CASH FROM OPERATING ACTIVITY</b>	<b>(708)</b>	<b>(25,478)</b>	<b>(23,247)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITY</b>			
<b>NET CASH FROM INVESTING ACTIVITY</b>	-	-	-
<b>C. CASH FLOW FINANCING ACTIVITY</b>			
Issue of Share Capital	-	-	-
Transfer of Preliminary Exps WIP	-	-	-
<b>NET CASH USED IN FINANCING ACTIVITY</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C)</b>	<b>(708)</b>	<b>(25,478)</b>	<b>(23,247)</b>
Net (Decrease)/Increase In Cash And Cash Equivalents	(708)	(25,478)	(23,247)
Cash And Cash Equivalents ( Opening Balance)	5,32,653	5,58,131	5,81,378
Cash And Cash Equivalents ( Closing Balance)	5,31,945	5,32,653	5,58,131

As per our report of even date attached,  
for Suresh C. Gupta & Associates  
FRN No 004886N  
Chartered Accountants

  
**Pawan Gupta**  
Partner  
Membership No. 087852  
Place: New Delhi  
Date: 30-03-2022



For & on behalf of the Board of Directors  
**PKBK BUILDWELL PRIVATE LIMITED**



Director



Director

UDIN : 2208852A4ILNG9148



# PKBK BUILDWELL PRIVATE LIMITED

## Notes to the Financial Statements

### CURRENT ASSETS

Note No.	Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
1	Inventories		
a	Land (including stamp duty and other incidental exp.)	32,54,81,675	32,54,81,675
	<b>Total</b>	<b>32,54,81,675</b>	<b>32,54,81,675</b>

### FINANCIAL ASSETS

Note No.	Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
2	Cash and cash equivalents		
a	Balances with banks	5,27,490	5,28,198
b	Cash on hand	4,455	4,455
		<b>5,31,945</b>	<b>5,32,653</b>

Note No.	Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
3	Other current assets		
a	Advance for Land	41,53,900	41,53,000
b	Advance payment of Income Tax	1,50,000	1,50,000
		<b>43,03,900</b>	<b>43,03,000</b>

### EQUITY

Note No.	Particulars	As at 31.03.2020		As at 31.03.2019	
		Number	Rs	Number	Rs
4	<b>Share Capital</b>				
a	<b>Authorised</b> Equity Shares of Rs.10/- each	50,000	5,00,000	50,000	5,00,000
b	<b>Issued</b> Equity Shares of Rs.10/- each	50,000	5,00,000	50,000	5,00,000
c	<b>Subscribed &amp; fully Paid up</b> Equity Shares of Rs.10/- each fully paid	50,000	5,00,000	50,000	5,00,000
	<b>Total</b>	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>
d	<b>Equity Shares</b>				
	Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
	Shares Issued during the year	0	0	0	0
	Shares bought back during the year	0	0	0	0
	Any other movement (please specify)	0	0	0	0
	Shares outstanding at the end of the year	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>
e	<b>Details of shareholders holding more than 5% equity shares of the company :</b>				
S. No.	Name of Shareholder	As at 31.03.2020		As at 31.03.2019	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Vipul SEZ Developers Pvt. Ltd.- Holding Co.(6 shares held through its nominees)	50,000	100	50,000	100

The company has one class of Equity Shares having a par value of Rs 10/-. Each shareholder is eligible for one vote per share held. 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 to the number of equity shares held by the shareholders.






## OTHER EQUITY

Note No.	Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
5	<b>Reserves &amp; Surplus</b>		
a	Surplus		
	Opening balance	(1,95,677)	(1,87,558)
	(+) Net Profit/(Net Loss) For the current year	16,251	(8,119)
	Closing Balance	(1,79,426)	(1,95,677)
	<b>Total</b>	<b>(1,79,426)</b>	<b>(1,95,677)</b>

## NON-CURRENT LIABILITIES

Note No.	Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
6	<b>Other Long Term Liabilities</b>		
a	Income received in advance		
	-From Vipul SEZ Developers Private Limited (100% holding company)	1,25,000	1,60,000
	<b>Total</b>	<b>1,25,000</b>	<b>1,60,000</b>

## CURRENT LIABILITIES

Note No.	Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
7	<b>Trade Payable</b>		
	KST Buildwell Pvt Ltd	7,50,000	7,50,000
	<b>Total</b>	<b>7,50,000</b>	<b>7,50,000</b>

Note No.	Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
8	<b>Other Current Liabilities</b>		
a	Project Advances Received		
	-From Vipul SEZ Developers Private Limited (100% holding company)	32,90,24,497	32,90,24,497
b	-From Vipul SEZ Developers Private Limited	0	0
b	Others Payable (from Vipul Limited-Ultimate Holding Company)	4,740	4,340
c	Due to Director	1,100	1,100
d	Others Payable *	90,709	73,068
	<b>Total</b>	<b>32,91,21,046</b>	<b>32,91,03,005</b>

\* Includes contractually reimbursable expenses payable, statutory dues etc

Note No.	Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
a	<b>Short Term Provisions</b>		
	Provision for income tax	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>



Note No.	Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
9	Changes in Inventories of Work-in-Progress		
	Opening Stock	32,54,81,675	32,54,81,675
	Less : Closing Stock	32,54,81,675	32,54,81,675
		-	-



Note No.	Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
10	Finance Cost		
	Interest on Income Tax	-	-
		-	-

Note No.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
11	Other Expenses		
a	Payments to the auditor as -Auditor	17,641	17,641
b	Filing Fees	400	6,800
c	Legal & Professional Charges	0	12,639
d	Courier Charges	0	4,724
e	Bank Charges	708	1,315
f	Misc expenses	0	0
	<b>Total</b>	<b>18,749</b>	<b>43,119</b>



Note No.	Particulars
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- 12 Significant Accounting Policies and other notes to the financial statement
- a. **Corporate Information**  
 PKBK Buildwell Private Limited (the Company) is a private limited company domiciled and incorporated in India under Companies Act, 1956. The registered office of the Company is situated at 14/185-14/186, Ground Floor, Malviya Nagar, Main Shivajik Road, New Delhi-110017.  
 The principle business activity of the company is Real Estate Development.
- b. **Significant Accounting Policies**
- i. **Basis of Accounting**  
 These standalone financial statements ("financial statements") of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs ("MCA") under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2013, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.
- ii. **Revenue Recognition**  
 Revenue is recognized as follows:  
 Profit on construction/development of properties is recognized according to percentage of completion method after making appropriate allowance for foreseeable loss, if any. However, no profit is booked in the accounts unless formal agreement to sell is made and in respect of partly completed projects until actual construction reaches 30% level.  
 Revenue in respect of other items is recognized on accrual basis.
- iii. **Fixed Assets**  
 As there is no fixed assets in the company the disclosure of policy is not required
- iv. **Depreciation**  
 As there is no fixed assets in the company the disclosure of policy is not required
- v. **Inventories**  
 All expenses directly attributable to the projects are shown under the head "Inventory". Major costs related to the inventory are land & other project related expenses.  
 Other inventories are carried at cost or net realizable value whichever is less.
- vi. **Contingent Liabilities**  
 Contingent liabilities are not provided for in the books of account and are disclosed by way of note to the accounts, if any.
- vii. **Taxes on Income**  
 Provision for Income Tax is made on the basis of the estimated taxable income for the Current Accounting period in accordance with the Income Tax Act, 1961.  
 Deferred Tax resulting from timing difference between booked and tax profit is accounted for under liability method, at the current rate of tax, to the extent that the timing differences are capable of reversal in one or more subsequent periods. Deferred Tax assets are not recognized on unabsorbed depreciation and carried forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.
- viii. **Preliminary Expenses**  
 Preliminary expenses are amortized over a period of 5 years.
- c. **Other notes to the financial statement**
- i. **Contingent Liabilities not provided for**  
 Bank Guarantee of Rs. Nil (Previous Year Rs. Nil)
- ii. **Litigations**  
 Various legal proceedings are pending against the Company as on 31.03.2020 and quantification of liability in this regard cannot be determined at this stage, no provision for the same has been made in the books of accounts
- iii. **Operating Cycle**  
 The company's normal operating cycle in respect of operations related to under construction real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Assets and liabilities have been classified into current and non current based on the operating cycle of respective projects.
- iv. **As per information available with the company, there are no dues outstanding in respect Micro and Small enterprises as provided in the 'Micro, Small and Medium Enterprises Development Act, 2006' at the year end. Further, no interest during the year has been paid or payable in respect thereof. The parties have been identified based on the information available with the company and the same has been relied upon by the auditor.**
- v. **Realisable value of Current Assets**  
 In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which these are stated in the Balance Sheet.
- vi. **Deferred Tax:-**  
 Deferred Tax asset on Unabsorbed losses have not been provided in view of no virtual certainty for future taxable income.
- vii. **Bank Guarantee facility of Rs 24.635 crores to Vipul SEZ Developers Pvt Ltd (Holding company) has been secured by way of equitable mortgage of 22.50 acres of land which includes 2.144 acres of company land. Notices were served for encashment of Bank Guarantees amounting to Rs. 24.635 crores which Axis Bank Ltd has not encashed and is contesting on grounds that the encashment notices have been received after the expiry of Bank Guarantees.**


viii The financial Statements have been drawn without taking the effect of Memorandum of Understanding executed on 13th September, 2008 amongst Joint Venture Partners and the Company, its subsidiaries & other Land Owning Companies, viz. M/s Silverstone Developers Pvt Ltd and M/s Karamchand Realtech Pvt Ltd and M/s Solitaire Ventures Pvt Ltd and M/s Solitaire Capital India and M/s Vipul Limited and M/s Ritviz Builders & Developers Pvt Ltd and M/s Entrepreneurs (Calcutta) Pvt Ltd and URR Housing Construction Pvt Ltd and Vipul SEZ Developers Pvt Ltd and KST Buildwell Pvt Ltd and PKBK Buildwell Pvt Ltd and PKB Buildcon Pvt Ltd, resulting into modification of total area of Land from 150 Acres to 138.568 Acres. M/s Solitaire Ventures Pvt Ltd and M/s Solitaire Capital India have terminated the Memorandum of Understanding executed on 13th September, 2008 on 15.05.2015, post judgment of Delhi High Court dated 10.03.2015. The Aforesaid Termination has been challenged by all the parties including the Company before Arbitral Tribunal & the matter is sub judice before Arbitral Tribunal.

ix Solitaire Capital India, A shareholder of Vipul SEZ Developers Pvt. Ltd. along with Solitaire Ventures Pte. Ltd moved the Hon'ble Supreme Court of India in terms of Section 11(5) and (6) of the Arbitration and Conciliation Act, 1996 and accordingly the Arbitral Tribunal stood constituted. The Parties namely Solitaire Ventures Pte. Ltd and Solitaire Capital India are treated to be Claimants therein and Vipul Group consisting of eight companies Vipul Ltd., Vipul SEZ Developers Pvt. Ltd., PKB Buildcon Pvt. Ltd., PKBK Buildwell Pvt. Ltd., KST Buildwell Pvt. Ltd., Entrepreneurs (Calcutta) Pvt. Ltd., URR Housing and Construction Pvt. Ltd. & Ritviz Builders & Developers Pvt. Ltd. as well as Silverstone Developers Pvt. Ltd. and Karamchand Developers Pvt. Ltd. are treated to be Respondents.

All the Parties have filed their respective Claims/Counter Claims against each other.  
The Arbitral Proceedings are continuing.

x Solitaire Capital India, A shareholder of the holding company, along with Solitaire Ventures Pte. Ltd have filed a petition before the Hon'ble High court of Delhi at New Delhi and also Silverstone Developers Pvt Ltd have filed three petitions in Hon'ble Delhi High court for seeking interim relief and the Hon'ble High court vide its order dated 10th March 2015 has disposed of all three petitions as under :

Under these circumstances, all the three petitions are accordingly disposed of, with the direction that the interim order passed on 3rd December 2012 and modification order dated 27th September 2013 in OMP NO 1123/2012 shall continue during the pendency of arbitral proceedings unless the said order is modified by the Arbitral Tribunal in respect of 132.558 acres (as 6 acres of land already sold with the consent of the parties) as per revised Project land as per the MOU/Agreement dated 13th September 2008.

Effect, if any, required to be made in the financial statement of the company in this respect shall be made on finality of the matter.

xi A petition is filed before NCLT regarding oppression and mismanagement on 03.06.2019 by Solitaire Capital India and Sanjiv Ahuja. The Hon'ble NCLT granted a stay on 7 acres of land purchased vide sale deed 3543 dated 12.05.2006 on 14.02.2020 till the disposal of Section 8 application filed by the company and Vipul Limited and in the event the said application is dismissed till the pendency of proceedings under section 241-242 of the Companies Act in CP No. 94 of 2019. The section 8 application filed by the Vipul SEZ Developers Pvt Ltd and Vipul Limited has been dismissed vide order dated 04.01.2021. Vipul SEZ Developers Pvt Ltd alongwith Vipul Ltd has filed an Appeal No 11 of 2021 against the order dated 04.01.2021 passed by NCLT, had been dismissed by Hon'ble NCLAT vide their order dated 20.01.2022. Vipul SEZ Developers Pvt Ltd had filed Appeal No 60 of 2020 against which the Hon'ble NCLT granted a stay on 7 acres of land purchased vide sale deed 3543 dated 12.05.2006 which has been dismissed vide order dated 20.01.2022. Vipul SEZ Developers Pvt Ltd inter-alia has preferred a Civil Appeal being C.A. No. 2580 of 2022 and C. A. No. 2648 of 2022 before Hon'ble Supreme Court and the same are pending for adjudication

xii FIR No 40 of 2018 dated 10.03.2018 has been filed inter-alia against the Company at Economic Offences Wing of Delhi Police by Solitaire Capital India and Solitaire Ventures Pte Ltd. Further Notice dated 02.07.2018 has been issued by EOW, Delhi to the Company in respect of investigation of FIR no 40 of 2018. No further notice has been received by the company and the matter is yet to attain its finality.

xiii Complaint dated 29.10.2015 against the Company & Others has been filed with Serious fraud Investigation Office (SFIO), Ministry of Corporate Affairs by Solitaire Ventures Pte Ltd and Solitaire Capital India which was forwarded to the Company by MCA vide letter dated 22.07.2016. No further notice was received by the Company.

xiv The company has neither recognized the revenue (as per Indian Accounting Standard-115) nor made adjustment in its inventory of land relating to the compulsory acquisition of the land by the Land Acquisition Collector, Haryana as per Notice no. 16317 and 16286 dated 21.10.2016 dt. 21<sup>st</sup> October 2016 which was pronounced on 9<sup>th</sup> December 2016 since there is no certainty in the near future of the realizability of the compensation of Rs. 23 crores (approx.) plus interest, as stated by the competent authority due to various pending demands/litigations/acquisition process etc. The Company has also filed the applications for enhanced Compensation before IAC

xv Licenses no 9 of 2010 for Group Housing Development stood expired in January 2014 and the same also has been applied for renewal under the EDC relief policy for which there is no communication from DTCP till date

xvi The agreements/documents regarding advance for land under other current assets amounting to Rs. 41,53,000 (Previous Year- Rs. 41,53,000) are not available with the company:

Name of Parties	Amount Rs
Realtech Realtors Pvt Ltd	40,00,000
Atul Yadav	1,53,000
<b>Total</b>	<b>41,53,000</b>

xvii Previous year figures have been regrouped, rearranged and recasted wherever considered necessary.

xviii Additional information pursuant to part II of the schedule III of the Companies Act, 2013 to the extent not applicable is not furnished



xix Related party transaction in terms of Accounting Standard- 18

Name of Related Party	Relationship	Nature of Transaction	Period	Balance as on 31.03.2019 Dr/ (Cr) Rs.	Amount of transaction		Balance as on 31.03.2020 Dr/ (Cr) Rs.
					Debit Rs.	Credit Rs.	
Vipul Limited	Ultimate Holding Company	Project Advance	Current Year	-4,340	0	400	-4,740
			Previous Year	-4,340	0	0	-4,340
Vipul SEZ Developers Pvt Ltd	Holding Company	Advance	Current Year	-32,90,24,497	0	0	-32,90,24,497
			Previous Year	-32,90,24,497	0	0	-32,90,24,497
Vipul SEZ Developers Pvt Ltd	Holding Company	Land Holding charges	Current Year	-1,60,000	35,000	0	-1,25,000
			Previous Year	-1,95,000	35,000	0	-1,60,000
KST Buildwell Pvt Ltd	Fellow Subsidiary	Trade payable	Current Year	-7,50,000	0	0	-7,50,000
			Previous Year	-7,50,000	0	0	-7,50,000
Rakesh Sharma	Director	Other Current Liabilities	Current Year	-1,100	0	0	-1,100
			Previous Year	-1,100	0	0	-1,100

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