

REF NO. SA-V-2R
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VIPUL SOUTHERN INFRACON LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying financial statements of **VIPUL SOUTHERN INFRACON LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, signed by us under reference to this report and a summary of the significant accounting policies and other explanatory information. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Rules issued thereunder.
3. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these Ind AS standalone financial statements based on our audit.



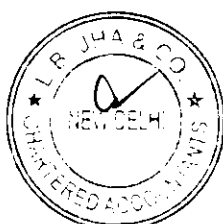
5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

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

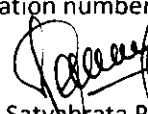
Report on Other Legal and Regulatory Requirements


10. 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, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes of Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account;



- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place:-Gurgaon
Date:-25-05-2018

For L.B. Jha & Co.,
Chartered Accountants
(Registration number 301088E)

Satyabrata Patil
Partner
(Membership number 095080)

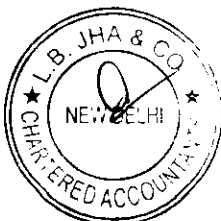


ANNEXURE- A: TO THE AUDITORS' REPORT

To the Members of Vipul Southern Infracon Private Limited

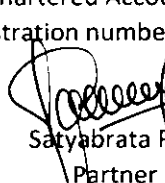
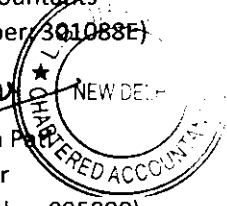
[Referred to in paragraph 10 of the Independent Auditors' Report of even date]

- 1 (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
(c) According to the information and explanations given to us and the records of the company examined by us, the title deeds of immovable properties are held in the name of the company.
- 2 On the basis of information given to us and our examinations of records, we believe that the company does not have any inventory.
- 3 The company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnership or other parties covered in the register maintained under Section 189 of the Act during the current financial year.
- 4 In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantee and securities as applicable.
- 5 The company has not accepted any deposits within the meaning of Sections 73 or 76 of the Act and the rules framed there under.
- 6 The Central Government of India has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the company.
- 7 (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect of income tax and sales tax were outstanding for a period of more than six months from the date they became payable as at the end of the year.
(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.



- 8 The Company has neither taken any loan from financial institutions or banks or Government nor issued any debentures during the current financial year.
- 9 According to information and explanations given to us and records examined by us, the Company does not obtained any term loans or raise any moneys by way of initial public offer or further public offer (including debt instruments) during the current financial year.
- 10 During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- 11 According to the information and explanations given to us and the records of the company examined by us, the company does not paid any managerial remuneration during the current financial year.
- 12 The related statutes are not applicable as the company is not a Nidhi Company.
- 13 According to the information and explanations given to us and the records of the company examined by us, the company has complied with the requirements of sections 177 and 188 of the Act with respect to its transactions with the related parties to the extent applicable. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 8 (b) of the financial statements for the year under audit.
- 14 The company has neither made any preferential allotment of shares nor fully or partly convertible debentures during the year under audit.
- 15 According to the information and explanations given to us and the records of the company examined by us, the company has not entered into any non-cash transactions, with any director of the company and the holding company or persons connected with them, involving acquisition of assets by or from them for consideration other than cash.
- 16 In our opinion, and according to the information and explanations given to us, not being a non-banking financial company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place:-Gurgaon
Date:-25-05-2018

For L.B. Jha & Co.,
Chartered Accountants
(Registration number 301088E)

Satyabrata Pal
Partner
(Membership number 095080)


ANNEXURE- B: TO THE AUDITORS' REPORT

To the Members of Vipul Southern Infracon Private Limited

[Referred to in paragraph 11(f) of the Independent Auditors' Report of even date]

Report on the Internal Financial Control under Clause (i) of Sub –sections 3 of Section 143 of the Companies Act, 2013("the Act")

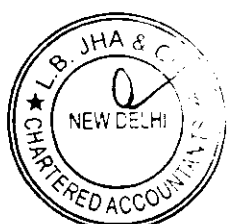
1. We have audited the internal financial controls over financial reporting of **Vipul Southern Infracon Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Control

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

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standard on Auditing, issued by The Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintaining and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedure selected depends on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial control system over financial reporting.



Meaning of Internal Financial Control over Financial Reporting

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

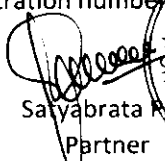
Inherent Limitations of Internal Financial Control over Financial Reporting

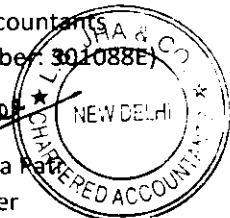
7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of the Chartered Accountant of India.

Place:-Gurgaon
Date:-25-05-2018

For L.B. Jha & Co.,
Chartered Accountants
(Registration number: 301088E)

Satyabrata Patra
Partner
(Membership number 095080)



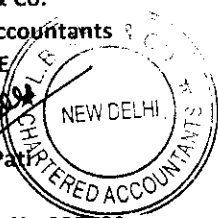
VIPUL SOUTHERN INFRACON LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2018

PARTICULARS	NOTE NO.	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
A ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	2.1	65,286,014	65,286,014	65,286,014
(b) Investment Property	2.2	-	-	51,078,719
(c) Financial Assets				
(i) Loans	2.3	-	-	232,883,306
		65,286,014	65,286,014	349,248,039
2 Current assets				
(a) Financial Assets				
(i) Cash and cash equivalents	2.4	163,544	356,622	1,475,345
(ii) Loans	2.5	5,265,000	26,265,000	17,000,691
		5,428,544	26,621,622	18,476,036
Total Assets		70,714,558	91,907,636	367,724,075
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital	2.6	500,000	500,000	500,000
(b) Other Equity	2.7	(203,338,115)	(203,245,037)	(137,605,601)
		(202,838,115)	(202,745,037)	(137,105,601)
2 Non-current liabilities				
(a) Financial Borrowings				
(i) Other Borrowings	2.8	-	-	500,000,000
		-	-	500,000,000
3 Current liabilities				
(a) Other current liabilities	2.9	273,552,673	294,652,673	4,829,676
		273,552,673	294,652,673	4,829,676
Total Equity & Liabilities		70,714,558	91,907,636	367,724,075

As per our report of even date attached.
for L.B. Jha & Co.

Chartered Accountants
FRN:301088E

Satyabrata Patra
Partner
Membership No.095080



For & on behalf of the Board
VIPUL SOUTHERN INFRACON LIMITED

Chittaranjan Jena
Chittaranjan Jena
Director
DIN:03132183

Alok Srivastava
Alok Srivastava
Director
DIN:02381845

Place: Gurgaon
Date:-25th May,2018

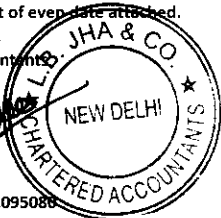
VIPUL SOUTHERN INFRACON LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	Notes	For the year ended	For the year ended
		31.03.2018	31.03.2017
		(Rs.)	(Rs.)
I Revenue from operations		-	-
II Other Income	2.10	-	-
III Total Income (I+II)		-	-
IV Expenses:			
Finance Costs	2.11	-	51,036,843
Other Expenses	2.12	93,078	14,602,593
Total Expenses		93,078	65,639,436
V Loss before Exceptional Items and Taxes (III-IV)		(93,078)	(65,639,436)
VI Exceptional Items		-	-
VII Loss before tax (V-VI)		(93,078)	(65,639,436)
VIII Tax Expense:			
(i) Current Tax		-	-
(ii) Earlier year adjustment in tax (Net)		-	-
(iii) Deferred Tax		-	-
IX Loss for the Year (VII-VIII)		(93,078)	(65,639,436)
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
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		-	-
XI Total Comprehensive Income/(Loss) for the period (IX+X)		(93,078)	(65,639,436)
Earning per Equity Share (Basic & Diluted)		(1.86)	(1,312.79)

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.
for L.B. Jha & Co.
Chartered Accountants
FRN: 101088E

Satyabrata Pati
Partner
Membership No. 095086
Place : Gurgaon
Date:-25th May, 2018



For & on behalf of the Board
Vipul Southern Infracon Limited

Chittaranjan Jena
Chittaranjan Jena
Director
DIN:03132183

Alok Srivastava
Alok Srivastava
Director
DIN:02381845

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity Share Capital

Particulars	Balance as on 01.04.2016	Issued during the year	Balance as on 31.03.2017	Issued during the year	Balance as on 31.03.2018
Equity Share Capital	500,000	-	500,000	-	500,000

B. Other equity

Particulars	RESERVES & SURPLUS					TOTAL
	Capital Reserve	Securities Premium Reserve	General Reserves	Debenture Redemption Reserve	Retained Earnings	
Balance as on 01.04.2016					(137,605,601)	(137,605,601)
Net Profit/(Loss) for the year					(65,639,436)	(65,639,436)
Balance as on 31.03.2017					(203,245,037)	(203,245,037)
Net Profit/(Loss) for the year					(93,078)	(93,078)
Balance as on 31.03.2018					(203,338,115)	(203,338,115)

As per our report of even date attached.
for L.B. Jha & Co.

Chartered Accountants
FRN:301088E

Satyabrata Jha
Partner
Membership No. 055080



For & on behalf of the Board
VIPUL SOUTHERN INFRACON LIMITED

Chittaranjan Jena
Chittaranjan Jena
Director
DIN:03132183

Alok Srivastava
Alok Srivastava
Director
DIN:02381845

Place: Gurgoan
Date:-25th May,2018

Note No. :-2.1

NON CURRENT ASSETS

Property, Plant and Equipment

(Amount in Rs.)

ASSETS	GROSS BLOCK			DEPRECIATION/IMPAIRMENT			NET BLOCK		
	AS ON 01.04.2017	ADDITION	DEDUCTION /ADJUSTMENT	AS ON 31.03.2018	UPTO 31.03.2017	DEDUCTION /ADJUSTMENT FOR THE YEAR	UPTO 31.03.2018	AS ON 31.03.2018	AS ON 31.03.2017
TANGIBLE ASSETS									
(a) Plots- at cost	65,286,014	-	-	65,286,014	-	-	-	65,286,014	65,286,014
Total- Current Year	65,286,014	-	-	65,286,014	-	-	-	65,286,014	65,286,014
- Previous Year	65,286,014	-	-	65,286,014	-	-	-	65,286,014	65,286,014



VIPUL SOUTHERN INFRACON LIMITED
NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	Note No.	31st March 2018 (Rs.)	31st March 2017 (Rs.)	1st April 2016 (Rs.)		
NON-CURRENT ASSETS						
INVESTMENT PROPERTY						
Non Current Investments	2.2					
Investment in properties- Valued at Cost		-	-	51,078,719		
Villa No.-15 at Tatvam Villa, Gurgaon		-	-	51,078,719		
FINANCIAL ASSETS						
LOANS						
Long term loans and advances	2.3					
(Unsecured, considered good)						
Loan and advance to related party (refer Note no. 18(b))		-	-	232,883,306		
		-	-	232,883,306		
CURRENT ASSETS						
FINANCIAL ASSETS						
CASH AND CASH EQUIVALENTS						
Cash and Cash equivalents	2.4					
- Balance with banks in current account		142,065	335,143	838,866		
-Cash on Hand		21,479	21,479	636,479		
		163,544	356,622	1,475,345		
LOANS						
Short term loans and advances	2.5					
(Unsecured, considered good)						
Other advances		4,900,000	25,900,000	17,000,691		
Taxation advances (Net of provisions)		365,000	365,000	-		
		5,265,000	26,265,000	17,000,691		
EQUITY						
Share Capital	2.6					
Authorised Capital						
500000 (P.Y 500000) Equity Shares of Rs.10/-each		5,000,000	5,000,000	5,000,000		
Issued, Subscribed & Paid up Capital						
50,000 (P.Y 50,000) Equity Shares of Rs.10/- each fully paid up		500,000	500,000	500,000		
		500,000	500,000	500,000		
a) Reconciliation of the number of shares outstanding is as follows :						
Equity Shares						
	Nos.	(Rs.)	Nos.	(Rs.)	Nos.	(Rs.)
At the beginning of the year	50,000	500,000	50,000	500,000	50,000	-
Add: Issued/(Cancelled) during the year	-	-	-	-	-	-
At the end of the year	50,000	500,000	50,000	500,000	50,000	-
b) Details of shareholders holding more than 5% shares in the company						
Name of Shareholder	%	No. of Shares	%	No. of Shares	%	No. of Shares
Vipul Limited, the holding Company	100%	50,000	100%	50,000	100%	50,000
50,000 (PY 50,000) Equity shares of Rs. 10 each fully paid						
Note: As per records of the company, including its register of shareholders/members, the above shareholding represent both legal and beneficial ownership of shares.						
c) Terms/rights attached to Equity Shares						
The company has only one class of Equity Share having a par value of Rs.10/- per share. Each equity shareholder is entitled to one vote per share. The company declares and pays dividends in Indian rupees when required. In the event of liquidation of the company, the equity shareholder 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.						
OTHER EQUITY						
Reserves & Surplus	2.7					
Surplus in the Statement of Profit and Loss						
Balance as per last financial statements		(203,245,037)	(137,605,601)	(41,326,414)		
Add: Profit/(loss) for the year		(93,078)	(65,639,436)	(96,279,187)		
Net Surplus/(deficit) in the statement of Profit and Loss		(203,338,115)	(203,245,037)	(137,605,601)		



NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	Note No.	31st March 2018 (Rs.)	31st March 2017 (Rs.)	1st April 2016 (Rs.)
NON CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
BORROWINGS				
Long Term Borrowings	2.8			
Term Loan (Secured)				
From Others				
DMI Finance Limited*		-	-	500,000,000
		-	-	500,000,000
<p>*Secured against mortgage and exclusive first charge over immovable properties and assets pertaining to project at sector-53, Gurgaon owned by Vipul Ltd., the holding company, Personal guarantee of Mr. Punit Beriwal, Managing Director of the holding company and corporate guarantee by the holding company. Terms of repayment- 30 months moratorium upto March, 2017 then thereafter 14 equated quarterly installments starting from June, 2017 (since paid). Rate of Interest- 19.25% p.a</p>				
CURRENT LIABILITIES				
OTHER CURRENT LIABILITIES				
Other current liabilities	2.9			
Others payable				
Other liabilities		273,552,673	294,652,673	17,176
Interest accrued but not due		-	-	3,609,375
Duties & Taxes Payable		-	-	1,203,125
		<u>273,552,673</u>	<u>294,652,673</u>	<u>4,829,676</u>



VIPUL SOUTHERN INFRACON LIMITED
NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	Note No.	For the year ended 31.03.2018 (Rs.)	For the year ended 31.03.2017 (Rs.)
Other Income	2.10		
Reversal of Bank Charges		-	-
Interest on Income Tax Refund		-	-
Finance Costs	2.11		
Interest expenses		-	51,036,843
Interest on Income Tax		-	-
		-	51,036,843
Other Expenses	2.12		
Auditors' Remuneration			
As Auditor		14,160	12,060
Bank Charges		906	2,315
Rates & Taxes		75,975	4,208
Loss on Sale of Investment		-	14,578,719
Miscellaneous Expenses		2,037	5,291
		93,078	14,602,593



VIPUL SOUTHERN INFRACON LIMITED

1) NOTES TO FINANCIAL STATEMENTS

A. Corporate Information

Vipul Southern Infracon Limited ("the Company") is a company limited by shares, incorporated in India. The registered office of the Company is situated at 14/185-14/186, Ground Floor, Malviya Nagar, and Main Shivalik Road, New Delhi 110017. The principle business activity of the company is Real Estate Development.

B. Significant Accounting Policies

1. Basis of Preparation of Financial Statements

The financial statements (Separate financial statements) have been prepared on accrual basis in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the provisions of the Companies Act, 2013. For all periods up to and including the year ended 31 March 2017, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP). These financial statements for the year ended 31 March 2018 are the first the company has prepared in accordance with Ind AS. The transition from previous GAAP to Ind AS has effected presentation of company's financial position, financial performance and cash flows. The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

2. Use of Estimate and management judgements

The preparation of financial statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Key estimates and assumptions :

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Useful lives of property, plant and equipment

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.



3. Summary of significant accounting policies

a. Property, Plant and Equipment

The cost of an item of property, plant and equipment comprises of its purchase price, any costs directly attributable to its acquisition and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs when the item is acquired. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition 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 Property, plant and equipment is derecognized.

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

b. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period

On transition to Ind AS, the company has elected to continue with the carrying value of all its intangible assets recognized as at 1 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

c. Revenue Recognition

Income is recognized on accrual basis, except where the receipt of the same is uncertain.

d. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are carried as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the year they are incurred.

e. Depreciation and amortization

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.



The useful lives estimated for the major classes of property, plant and equipment are as follows:

Depreciation on tangible assets is provided on written down value method over the useful lives of assets estimated by the management and as given in schedule II of The Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Impairment

The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

g. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if the company has a present obligation as a result of past event and the amount of obligation can be reliably estimated.

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 recognized as a finance cost.

Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated is disclosed as contingent liability in the financial statement.

Where an inflow of economic benefits is probable, a brief description of the nature of the contingent assets at the end of reporting period, and, where practicable, an estimate of their financial effect is disclosed.

i. Taxes on Income

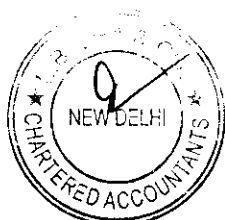
Tax expense comprises both current and deferred tax. Current tax is determined in respect of taxable income for the year based on applicable tax rates and laws.

Deferred tax Asset/liability is recognized, subject to consideration of prudence, on timing differences being the differences between taxable incomes and accounting income that originates in one year and is capable of reversal in one or more subsequent year and measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

k. Segment Reporting

The company has identified that its operating activity is a single primary business segment viz. Real Estate Development & Services carried out in India. Accordingly, whole of India has been considered as one geographical segment

l. Earnings Per Share



Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

m. Cash & Cash Equivalents

Cash and cash equivalents comprise cash & cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less, which are subject to an insignificant risk of changes in value and that are readily convertible to known amounts of cash to be cash equivalents.

n. Financial Instruments

➤ Financial Assets

- Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- Subsequent measurement

The Subsequent measurement of financial assets depends on their classification which is as follows:

- Financial assets at fair value through profit or loss: Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.
- Financial assets measured at amortized cost: Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.
- Financial assets at fair value through OCI: All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable. If the company decides to designate an equity instrument at fair value through OCI , then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

- De recognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and



rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

➤ **Financial liabilities –**

• Initial recognition and measurement

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

• Subsequent measurement

The Subsequent measurement of financial liabilities depends on their classification which is as follows:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any.

- Financial liabilities measured at amortized cost

Interest bearing loans and borrowings including debentures issued by the company are subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortized is included in finance costs in the statement of profit and loss.

• **De recognition**

A financial liability is derecognized when the obligation under the liability is discharged or expires.

➤ **Fair Value measurement**

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:



- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

n. Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CG exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

o. Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

p. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;



- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

A liability is current when:

- v. It is expected to be settled in normal operating cycle; -
- vi. It is held primarily for the purpose of trading;
- vii. It is due to be settled within twelve months after the reporting period, or
- viii. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The real estate development projects undertaken by the Company generally run over a period ranging upto 5 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of upto 5 years. Borrowings in connection with such projects are classified as short term (i.e current) since they are payable over the term of the respective projects. Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realized / are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

q. Loans and borrowings

In the opinion of the management, the value on realization of loans and advances in the ordinary course of the business will not be less than the value, which is stated in the Balance Sheet as at the end of the year.

r. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

s. First time adoption of Ind AS

These separate financial statements of Vipul Southern Infracon Limited for the year ended 31 March, 2018 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with 1 April, 2016 as the transition date and Indian GAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes there to and accounting policies and principles. The accounting policies set out in **Note No. 1** have been applied in preparing the separate financial statements for the year ended 31 March, 2018 and the comparative information. An explanation of how the



transition from previous GAAP to Ind AS has affected the company's Balance Sheet, Statement of Profit and Loss is explained in **Note No. 1.4.(D)**.

t. Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1. Fair value as deemed cost exemption:

The Company has elected to measure items of property, plant and equipment at its carrying value at the transition date.

2. Investments in subsidiaries, joint ventures and associates:

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

4. Notes to reconciliations between previous GAAP and Ind AS

A. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit/loss to profit/loss as per Ind AS. Further, Indian GAAP profit/loss is reconciled to total comprehensive income as per Ind AS.

B. Ind AS mandatory exceptions

• Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

• Classification and measurement of financial assets and liabilities

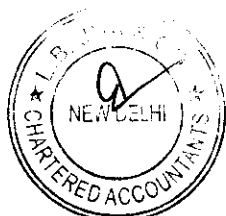
Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortized cost of that financial liability at the date of transition to Ind AS.

C. Financial Risk Management

The Company does not have any principal financial liability in current year. The Company's principal financial assets cash and cash equivalents derive directly from its operations.

Credit Risk

Credit risk is the risk that a customer or counter party to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. The company has prudent and conservative process for managing its credit risk arising in the course of its business activities.



Liquidity Risk

Liquidity risk arises from the company's inability to meet its cash flow commitments on time. Since the company is subsidiary of Vipul Limited, the cash flow deficits are funded by its holding company.

D. Reconciliations between previous GAAP and Ind AS

The following reconciliations provide the effect of transition to Ind AS from previous GAAP in accordance with Ind AS 101:

- a) Equity as at 1 April, 2016 and as at 31 March, 2017

	As at 31.03.2017	As at 01.04.2016
Equity Under previous GAAP	(202,745,037)	(137,105,601)
Adjustments	-	-
Equity under IND AS	(202,745,037)	(137,105,601)

- b) Net Profit for the year ended 31 March, 2017

	Year ended 31.03.2017
Profit/(loss) after tax under previous GAAP	(65,639,436)
Adjustments	-
Total Comprehensive Income/(loss) as per Ind AS	(65,639,436)

- c) There are no material adjustments to the statements of cash flows as reported under previous GAAP.

3)

Auditors Remuneration		2018	2017
i.	As Auditor	12000	12000
ii.	For Taxation matters	-	-
iii.	For Other Services	-	-
iv.	For reimbursement of expenses	-	-

- 4) 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.

- 5) Contingent liabilities (to the extent not provided for):

Corporate Guarantee- Rs. 7,25,00,000/- (P.Y Rs. 11,00,00,000/-)

- 6) Fixed assets amounting to book value of Rs.6,52,86,014 (Refer Note No.2.1) have been mortgaged to a financial institution for availing credit facility by Vipul Limited, the holding company.



7) Earnings Per Share

Particulars	31.3.2018	31.3.2017
Profit/(Loss) for the year (Rs.)	(93,078)	(65,639,436)
Weighted average number of Equity Shares	50,000	50,000
Nominal Value of Each Share (Rs)	10	10
Basic and Diluted Earning/ (Loss) Per Share (Rs)	(1.86)	(1,312.79)

8) Related party disclosures are given below:

(a) Names of the related parties

Holding Company

1 VIPUL LIMITED

Key Management Personnel

1 Mr. PRAVEEN KUMAR
2 Mr. ALOK SRIVASTAVA
3 Mr. CHITRANJAN JENA

Fellow Subsidiary

1 VIPUL SEZ DEVELOPERS PVT LTD
2 PKBK BUILDWELL PVT LTD
3 PKB BUILDCON PVT LTD
4 KST BUILDWELL PVT LTD
5 ENTREPRENEURS (CALCUTTA) PVT LTD
6 VIPUL HOSPITALITY LTD
7 UNITED BUILDWELL PVT LTD
8 BHATINDA HOTELS LTD
9 RITWIZ BUILDERS AND DEVELOPERS PRIVATE LTD.
10 GRAPHIC RESEARCH & CONSULTANTS INDIA PVT LTD
11 ABHIPRA TRADING PVT LTD
12 VINEETA TRADING PVT LTD
13 VSD BUILDWELL PVT LTD
14 VIPUL EASTERN INFRACON PRIVATE LIMITED
15 VIPUL LAVANYA DEVELOPERS LIMITED
16 URR HOUSING & CONSTRUCTION PRIVATE LIMITED
17 HIGH CLASS PROJECTS LIMITED

Entities having Common Key Management Personnel

1 LAXPO COMPANY PVT. LTD.
2 VIPUL INFRACON PVT LTD
3 MAXWORTH MARKETING PVT LTD
4 GREENFIELD BUILDWELL PVT LTD
5 FLYING FOX HOLIDAYS PVT. LTD.
6 S PAUL LEASING & FINANCE PVT. LTD.
7 ESSART INDIA PVT. LTD.
8 GREEN VILLAS PVT. LTD.



8(b) Related Party Transactions

31.3.2018						In Rupees
Name of Related Party	Relationship	Nature of Transaction	Opening Balance Dr/ (Cr)	Amount of transaction		Outstanding Amount at the end of Year
				Payment Dr	Receipt (Cr)	
Vipul Limited	Holding Company	Other Liabilities	(29,46,38,953)	2,11,05,570	(5,570)	(27,35,38,953)

31.3.2017						In Rupees
Name of Related Party	Relationship	Nature of Transaction	Opening Balance Dr/ (Cr)	Amount of transaction		Outstanding Amount at the end of Year
				Payment Dr	Receipt (Cr)	
Vipul Limited	Holding Company	Other Liabilities	23,28,83,306	3,54,00,132	(56,29,22,391)	(29,46,38,953)

9) Previous year's figures have been regrouped/rearranged & reclassified wherever considered necessary.



Cash generated from Operations	(193,078)	498,839,401
Tax paid during the year	-	-
NET CASH FROM OPERATING ACTIVITIES	(193,078)	498,839,401
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	-	-
Purchase of Fixed Assets	-	-
Sale of Investments	-	51,078,719
NET CASH FROM INVESTING ACTIVITIES	-	51,078,719
C. CASH FLOW FINANCING ACTIVITIES		
Interest & Finance Charges	-	(51,036,843)
Net proceeds from Borrowings	-	(500,000,000)
NET CASH USED IN FINANCING ACTIVITIES	-	(551,036,843)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS- (A+B+C)	(193,078)	(1,118,723)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	356,622	1,475,345
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	163,544	356,622

Note:

Breakup of Cash & Cash equivalents

Cash in Hand	21,479	21,479
Balances with Scheduled Banks- In Current account	142,065	335,143
	163,544	356,622

As per our report of even date attached.

For L.B. Jha & Co.

Chartered Accountants

FRN:301088

Satyabrata Panigrahy
Partner
Membership No.095080

Place : Gurgaon

Date:-25th May,2018

For & on behalf of the Board
Vipul Southern Infracon Limited


Chittaranjan Jena
Director
DIN:03132183


Alok Srivastava
Director
DIN:02381845

