

N A ESTATE PRIVATE LIMITED

BALANCE SHEET

31<sup>ST</sup> MARCH 2020

AUDITOR

MEHTA CHOKSHI & SHAH LLP

# MEHTA CHOKSHI & SHAH LLP

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
**N. A. ESTATES PRIVATE LIMITED**

### 1. Opinion

We have audited the accompanying Financial Statements of **N. A. ESTATES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flows Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the 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 including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its loss, including total comprehensive income, change of equity and its cash flows for the year ended on that date.

### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. These require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and 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.

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**3. Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

**4. Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Director is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards ) Rules, 2015 as amended.

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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors of the company are responsible for assessing the ability of the Company 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.

The Board of Directors of the company is also responsible for overseeing the financial reporting process of the Company.



**5. Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 this Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the Company has adequate internal financial controls systems in place and the operating effectiveness of such control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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 matter or when, in extremely rare circumstances, 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.

## 6. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (ii) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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 (Ind AS) specified under Section 133 of the Act, read with Companies ( Indian Accounting Standards) Rules, 2015 as amended;
  - e. On the basis of written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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".
- g. With respect to other matters to be included in the Auditors' 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 materially 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; and
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these Financial Statements. Hence, reporting under this clause is not applicable.
  - (v) During the year, the Company has not paid any remuneration to its Directors and hence the question of reporting under Section 197 (16) does not arise.

**For Mehta Chokshi & Shah LLP**  
**Chartered Accountants**  
**Firm Registration Number:**  
**106201W/W100598**



**Vijay Gajaria**  
**(Partner)**

**M.No.: 137561**

**UDIN: 20137561AAAABA2771**

**Place: Mumbai**

**Date: 16<sup>th</sup> July, 2020**



**Annexure - A to the Independent Auditors' Report****[Referred to in paragraph 6 (i) of our report of even date]**

- i) The Company does not have any Fixed Assets and therefore paragraph 3 (i) of the order is not applicable.
- ii) The Company is in the business of real estate development and up to the year-end the company has incurred certain expenditure towards the project under development. As explained to us, site visit was carried out during the year by the management at reasonable intervals and on the basis of information and explanation provided to us, no material discrepancies were noticed on physical verification of inventory/project site by the management.
- iii) According to information and explanation given to us, during the year, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ( "the Act" ) and therefore paragraph 3 (iii) of the order is not applicable.
- iv) According to the information and explanations given to us, during the year, the Company has not granted any loans, made any investments, provided any guarantees and security. Hence paragraph 3 (iv) of the order is not applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits. Hence paragraph 3 (v) of the order is not applicable.
- vi) In our opinion, the company does not qualify the prescribed criteria as specified in Companies (Cost Records and Audit) Rules, 2014, and therefore is not required to maintain the cost records as prescribed under Section 148 (1) of the Act. Hence paragraph 3 (vi) of the order is not applicable.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there have been a few instances of delay in depositing undisputed statutory dues including income tax and other applicable statutory dues with appropriate authorities. The arrears of outstanding property tax as at March 31, 2020 which was outstanding for more than six months from the date it became payable is Rs.10,69,37,926/-. The above property tax is outstanding for the period from April 1996.  
  
Further as explained to us, the provisions for Provident Fund, Employees State Insurance, and Duty of Custom are not applicable to the Company during the year.
- (b) According to the information and explanations given to us, there are no disputed dues of Income – tax and other applicable statutory dues and hence paragraph 3 (vii) (b) of the Order is not applicable.
- viii) As per information and explanation given to us, the Company does not have any loans or borrowings from any financial institution, banks, and government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.



- ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations give to us and based on our examination of the records, during the year the Company has not paid/provided for any managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3 (xiv) of the order is not applicable.
- xv) According to the information and explanations given to us and based on our examination of the records , during the year the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us and based on our examination of the records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Mehta Chokshi & Shah LLP**

**Chartered Accountants**

**Firm Registration Number:**

**106201W/W100598**



**Vijay Gajaria**

**(Partner)**

**M.No.: 137561**

**UDIN: 20137561AAAABA2771**

**Place: Mumbai**

**Date: 16<sup>th</sup> July, 2020**



**Annexure - B to the Independent Auditors' Report**

[Referred to in paragraph 6 (ii) (f) of our report of even date]

**Report on the Internal Financial Controls Over Financials Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") of N. A. ESTATES PRIVATE LIMITED**

We have audited the internal financial controls over financial reporting of **N. A. ESTATES PRIVATE LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended and as at on that date.

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

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

**Auditors' Responsibility**

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

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

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



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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

**For Mehta Chokshi & Shah LLP****Chartered Accountants****Firm Registration Number:****106201W/W100598**

A handwritten signature in blue ink, appearing to be "Vijay Gajaria".

**Vijay Gajaria****(Partner)****M.No.: 137561****UDIN: 20137561AAAABA2771****Place: Mumbai****Date: 16<sup>th</sup> July, 2020**

**N A Estates Private Limited**  
**Balance Sheet as at March 31, 2020**

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>1 Current Assets</b>			
a Inventories	3	19,61,49,776	18,96,86,428
b Financial Assets			
(i) Cash and cash equivalent	4	438	438
<b>Total Current Assets</b>		<b>19,61,50,214</b>	<b>18,96,86,866</b>
<b>Total Assets</b>		<b>19,61,50,214</b>	<b>18,96,86,866</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a Equity Share Capital	5	1,00,000	1,00,000
b Other Equity	6	63,35,339	63,78,213
<b>Total Equity (A)</b>		<b>64,35,339</b>	<b>64,78,213</b>
<b>2 Current Liabilities</b>			
a Financial liabilities			
(i) Borrowings	7	7,94,24,616	7,94,08,446
(ii) Trade payables	8	11,02,86,709	10,37,99,157
b Other current liabilities	9	3,550	1,050
<b>Total Current Liabilities (B)</b>		<b>18,97,14,875</b>	<b>18,32,08,653</b>
<b>Total Equity and Liabilities (A)+(B)</b>		<b>19,61,50,214</b>	<b>18,96,86,866</b>

Significant accounting policies and notes on Financial statements 1 to 24

As per our attached report of even date

For Mehta Chokshi & Shah LLP  
Chartered Accountants  
Firm Registration No. 106201W/W100598



Name : Vijay Gajaria  
Partner  
Membership No. : 137561



Place: Mumbai  
Date: 16-07-2020

For and on Behalf of the Board



(Jessie Kuruvilla) (Ishaq Balwa)  
Director Director  
(DIN : 02290242) (DIN : 00017866)

Place: Mumbai  
Date: 16-07-2020

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**N A Estates Private Limited**

**Statement of Profit and Loss for the year ended March 31, 2020**

(Amount in Rs.)

Particulars		Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from operations		-	-
II	Other income		-	-
III	<b>Total Income (I)+(II)</b>		-	-
IV	<b>Expenses</b>			
	Project Related Expenses	10	64,63,348	64,63,348
	Changes in inventories of finished goods, work in progress and stock-in-trade	11	(64,63,348)	(64,63,348)
	Other expense	12	42,874	18,264
	<b>Total expenses (IV)</b>		<b>42,874</b>	<b>18,264</b>
V	<b>(Loss) before tax (III)-(IV)</b>		<b>(42,874)</b>	<b>(18,264)</b>
VI	<b>Tax expense</b>			
	a) Current tax	13	-	-
	b) Deferred tax		-	-
VII	<b>(Loss) for the period (V)-(VI)</b>		<b>(42,874)</b>	<b>(18,264)</b>
VIII	<b>Other Comprehensive Income</b>			
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		-	-
	<b>Total Other Comprehensive Income [A (i)-(ii) + B (i)-(ii)] (VIII)</b>		<b>-</b>	<b>-</b>
IX	<b>Total Comprehensive Income for the period (VII)+(VIII)</b>		<b>(42,874)</b>	<b>(18,264)</b>
X	<b>Earnings per equity share</b>			
	Basic and Diluted	14	<b>(42.87)</b>	<b>(18.26)</b>

Significant accounting policies and notes on Financial statements 1 to 24

As per our attached report of even date

For Mehta Chokshi & Shah LLP  
Chartered Accountants  
Firm Registration No. 106201W/W100598

Name : Vijay Gajaria  
Partner  
Membership No. : 137561



Place: Mumbai  
Date: 16-07-2020

For and on Behalf of the Board

(Jessie Kuruvilla)  
Director  
(DIN : 02290242)

(Ishaq Balwa)  
Director  
(DIN : 00017866)

Place: Mumbai  
Date: 16-07-2020

**N A Estates Private Limited**

**Cash Flow Statement for the year ended March 31, 2020**

(Amount in Rs.)

	Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
(A)	<b>Cash Flow From Operating Activities:</b>				
	Net loss before taxation and extraordinary items	(42,874)		(18,264)	
	<b>Adjustment for :</b>				
	(Increase)/Decrease Inventories	(64,63,348)		(64,63,348)	
	Increase/(Decrease) Trade Payable	64,87,552		64,38,882	
	Increase/(Decrease) Current Liabilities	2,500		550	
	<b>Cash used in operations</b>	(16,170)		(42,180)	
	Income Tax paid	-		-	
	<b>Net Cash Generated/(used) from Operating Activities</b>		(16,170)		(42,180)
(B)	<b>Cash Flow From Investing Activities:</b>				
	<b>Net Cash Generated/(used) from Investing Activities</b>		-		-
(C)	<b>Cash Flow From Financing Activities:</b>				
	Borrowings (Net)	16,170		42,180	
	<b>Net Cash Generated/(used) from Financing Activities</b>		16,170		42,180
	<b>Net Increase in Cash and Cash Equivalents [A+B+C]</b>		-		-
	Add: Cash and cash Equivalents (Opening)		438		438
	<b>Cash and cash equivalents (Closing)</b>		438		438
(D)	<b>Cash and cash Equivalents includes:</b>				
	Cash on hand		20		20
	Bank Balances		418		418
	<b>Cash &amp; Cash Equivalents</b>		438		438
	<b>Notes to Cash Flow</b>				
	<b>1. Net Debt Reconciliation</b>				
	Net Debt Opening		7,94,08,446		7,93,66,266
	Cash flows		16,170		42,180
	<b>Net Debt Closing</b>		7,94,24,616		7,94,08,446

As per our attached report of even date

For Mehta Chokshi & Shah LLP  
Chartered Accountants  
Firm Registration No. 106201W/W100598

  
Name : Vijay Gajaria  
Partner  
Membership No. : 137561



Place: Mumbai  
Date: 16-07-2020



For and on behalf of the Board

   
(Jessie Kuruvilla) (Ishaq Balwa)  
Director Director  
(DIN : 02290242) (DIN : 00017866)

Place: Mumbai  
Date: 16-07-2020

**N A Estates Private Limited**

**Statement of Changes in Equity for the year ended March 31, 2020**

**A. Equity Share Capital**

Particulars	Amount (Rs.)
Balance as at March 31, 2019	1,00,000
Changes in equity share capital during FY 2017-18	-
Balance as at March 31, 2020	1,00,000

**B. Other Equity**

(Amount in Rs.)

Particulars	Retained Earnings	Equity Component of Compulsory Convertible Debentures (CCD)	Total
Balance as at March 31, 2019	(5,81,209)	70,00,000	64,18,791
(Loss) for the year FY 2019-20	(18,264)	-	(18,264)
Other Comprehensive Income for the year, net of income tax	-	-	-
Total Comprehensive Income for the year	(18,264)	-	(18,264)
Balance as at March 31, 2020	(5,99,473)	70,00,000	64,00,527

**Terms of CCD**

0% Compulsory Convertible Debentures of Rs 100 each convertible on or before 20th September, 2018 (Held by the Holding Company DB Realty Limited). However the Holding company has approved to further extend the tenure of Conversion for period of further 3 years i.e. 20/09/2021.

As per our attached report of even date

For Mehta Chokshi & Shah LLP  
Chartered Accountants  
Firm Registration No. 106201W/W100598

Name : Vijay Gajaria  
Partner  
Membership No. : 137561

Place : Mumbai  
Date: 16-07-2020



For and on behalf of the Board

(Jessie Kuruvilla) (Ishaq Balwa)  
Director Director  
(DIN : 02290242) (DIN : 00017866)

Place : Mumbai  
Date: 16-07-2020

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**N A Estates Private Limited**  
**Notes Forming Part of Financial Statements**

**1 Company Background**

N.A Estate (the "Company") is incorporated and domiciled in India. The Company is a wholly owned subsidiary of DB Realty Limited, which is listed with National Stock Exchange and Bombay Stock Exchange. The Company has its the Registered Office and principal place of business at DB House, Gen A.K.Vaidya Marg, Goregaon(East), Mumbai-400063.

The Company is in the business of Real Estate Development. Accordingly the company has identified the residential project at Sukhlaji Street, Tardeo, Mumbai. The company has acquired the land for the project and is currently under process of acquiring the consent from tenants. In this regard, legal & professional fees, property tax and other administrative expenses incurred for the project have been included in Project Work in Progress.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

**2 Significant Accounting Policies Accounting Judgements , Estimates and Assumptions:**

**(A) Significant Accounting Policies:**

**2.1 Basis of preparation of Financial Statements:**

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

The standalone financial statements are presented in Indian Rupee ("INR"), the functional currency of the Company. Items included in the standalone financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency')."

The Ind-AS financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy no. 2.5 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

**2.2 Current and Non-Current Classification of Assets and Liabilities and Operating Cycle:**

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- 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 considered as current when:

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



All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Operating Cycle is the time between the acquisition of assets for business purposes and their realisation into cash and cash equivalents.

## 2.3 Inventories

Inventories comprise of Project Work-In-Progress representing properties under construction/development.

In accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the ICAI, inventories are valued at lower of cost and net realizable value. Project work in progress cost includes cost of land/ development rights, materials, services, depreciation on assets used for project purposes and other expenses (including borrowing costs) attributable to the projects. It also includes any adjustment arising due to foreseeable losses.

The Cost in relation to properties under construction/development is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the period and the balance cost is carried over under Inventory as part of Project Work in Progress.

## 2.4 Revenue Recognition

### (i) Sale of Properties:

Revenue from sale of properties under construction is recognized when it satisfies a performance obligation by transferring a promised good or service to a customer in accordance with Ind AS 115. A company 'transfers' a good or service to a customer when the customer obtains control of that asset. Control may be transferred either at a point in time or over time.

A company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the company's performance as the company performs;
- (b) the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date".

Revenue is recognised at a point in time if it does not meet the above criteria.

During the year, the Group has adopted Ind AS 115 with effect from April 1, 2018 by using the cumulative catch up transition method and accordingly comparatives for the year ended March 31, 2018 has not been restated.

### (ii) Revenue from lease rental income:

Lease income is recognised in the Statement of Profit and Loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

### (iii) Interest Income:

For all financial instruments measured at amortised cost, interest income is measured using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash flows through the contracted or expected life of the financial instrument, as appropriate, to the net carrying amount of the financial asset.

## 2.5 Financial Instruments:

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

### (i) Financial Assets:

#### *Initial Recognition and Measurement:*

All financial assets are recognised 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:*

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

- Financial assets at amortised cost
- Equity instruments measured at fair value through other comprehensive income FVTOCI
- Equity instruments measured at fair value through other comprehensive income FVTPL

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

#### *Financial Assets at Amortised Cost:*

A financial asset is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.



- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

#### *Equity Instruments at FVTOCI:*

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the company may transfer the cumulative gain or loss within equity.

#### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;
  - a. the Company has transferred substantially all the risks and rewards of the asset, or
  - b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### (ii) Financial Liabilities:

##### *Initial Recognition and Measurement:*

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

##### *Subsequent Measurement:*

This is dependent upon the classification thereof as under:

##### *Loans and Borrowings:*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

##### *Derecognition:*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### (iii) Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

##### a. Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognised at the amount of the proceeds received, net of direct issue costs.

#### (iv) Compound Financial Instruments:

These are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements.

On the date of the issue, the fair value of the liability component is estimated using the prevailing market rate for similar non-convertible instruments and recognised as a liability on an amortised cost basis using the EIR until extinguished upon conversion or on maturity. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole and recognised as equity, net of the tax effect and remains in equity until the conversion option is exercised, in which case the balance recognised in equity will be transferred to another component of equity. If the conversion option remains unexercised on the maturity date, the balance recognised in equity will be transferred to retained earnings and no gain or loss is recognised in profit or loss upon conversion or expiry of the conversion option.

Transaction costs are allocated to the liability and equity component in proportion to the allocation of the gross proceeds and accounted for as discussed above.





## 2.6 Taxes on Income

### *Current Income Taxes:*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### *Deferred Taxes:*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

### *MAT:*

Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the specified years. Accordingly, MAT is recognised as an asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with it will flow to the Company.

## 2.7 Provisions and Contingent Liabilities:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

When the Company expects some or all of a provision to be reimbursed, the same is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes.

## 2.8 Earning per share

Basic earnings per share is 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. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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 equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## 2.9 Cash and Cash Equivalent:

Cash and cash equivalent for the purpose of Cash Flow Statement comprise  and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.

## 2.10 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## 2.11 Commitments

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

- (a) The estimated amount of contracts remaining to be executed on capital accounts and not provided for; and
- (b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

## 2.12 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Real Estate Development".

### (B) Significant Accounting Judgements, Estimates and Assumptions:

The preparation of Financial Statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgements for estimates and assumptions that affect the amounts of assets, liabilities and the disclosure of contingent liabilities on the reporting date and the amounts of revenues and expenses during the reporting period and the disclosure of contingent liabilities. Differences between actual results and estimates are recognized in the period in which the results are known/ materialize.

## 2.13 Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- a) Assessment of the management regarding executability and profitability of the project undertaken.

## 2.14 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.

### (a) Project estimates

The Company, being a real estate development company, prepares budget in respect of the project to compute project profitability. The major components of project estimate are 'budgeted costs to complete the project' and 'budgeted revenue from the project. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Estimates for contingencies and (iv) price escalations etc. Due to such complexities involved in the budgeting process, Project estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



***N A Estates Private Limited***  
**Notes Forming part of Financial Statements**

**3 Inventories**

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
(As valued and certified by the Management)		
Opening Inventories ( # )	18,96,86,428	18,32,23,080
Add: Project Expenses incurred during the year*	64,63,348	64,63,348
<b>Total</b>	<b>19,61,49,776</b>	<b>18,96,86,428</b>

# The opening inventory includes freehold land owned by the company.

All of the above inventories are expected to be realised after 12 months.

\* The project is under initial stage of development and expected to have net realizable value of greater than the cost.

**4 Cash and Cash Equivalents**

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Balance with Bank in Current Account	418	418
Cash on Hand	20	20
<b>Total</b>	<b>438</b>	<b>438</b>





**N A Estates Private Limited**  
**Notes Forming part of Financial Statements**

**5 Equity Share Capital**

**5.1 Details of Authorized, Issued, Subscribed and Paid-up Share Capital**

(Amount in Rs.)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Rs.	Number	Rs.
<b>Authorized</b>				
Equity Shares of Rs. 100 each	10,000	10,00,000	10,000	10,00,000
	10,000	10,00,000	10,000	10,00,000
<b>Issued</b>				
Equity Shares of Rs. 100 each	1,000	1,00,000	1,000	1,00,000
	1,000	1,00,000	1,000	1,00,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 100 each fully paid up	1,000	1,00,000	1,000	1,00,000
<b>Total</b>	<b>1,000</b>	<b>1,00,000</b>	<b>1,000</b>	<b>1,00,000</b>

All of the above Shares contain equal voting rights and there are no restrictions/preferences attached to any of the above shares.

**5.2 Reconciliation of the outstanding number of shares**

Particulars	Equity Shares		Equity Shares	
	As at March 31, 2020		As at March 31, 2019	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	1,000	1,00,000	1,000	1,00,000
Add : Shares Issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,000	1,00,000	1,000	1,00,000

**5.3 Detail of number of shares held by holding company**

1,000 Equity Shares (Previous year 1,000) are held by D B Realty Limited (the holding company) and its nominees

**5.4 Details of Shareholders holding more than 5% Shares**

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
DB Realty Limited (and its nominees)	1,000	100%	1,000	100%



**N A Estates Private Limited**  
Notes Forming part of Financial Statements

**6 Other Equity**

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A. (Deficit) in the Statement of Profit and Loss</b>		
Opening balance	(6,21,787)	(6,03,523)
Add: (Loss) for the year	(42,874)	(18,264)
Sub total (a)	(6,64,661)	(6,21,787)
<b>B. Equity Component of Compulsory Convertible Debentures (CCD)</b>		
Opening balance	70,00,000	70,00,000
Sub total (b)	70,00,000	70,00,000
<b>Total (a)+(b)</b>	<b>63,35,339</b>	<b>63,78,213</b>

**7 Short Term Borrowings**

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured</b>		
From Holding Company (Interest free, repayable on demand)	7,94,24,616	7,94,08,446
<b>Total</b>	<b>7,94,24,616</b>	<b>7,94,08,446</b>

**8 Trade Payables**

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Micro and Small Enterprises (Refer Note No.8.1)	29,764	8,510
Others	11,02,56,945	10,37,90,647
<b>Total</b>	<b>11,02,86,709</b>	<b>10,37,99,157</b>

**8.1 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Principal Amount outstanding to suppliers under MSMED Act,2006 beyond the appointed date	29,764	8,510
Interest accrued on the amount due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (other than Interest) beyond the appointed date during the year.	-	-
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-
Interest due and payable to suppliers under MSMED Act for payments already made.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act.	-	-

**Note:** The above information is compiled by the company on the basis of the information made available by vendors and the same has been relied upon by the Statutory Auditors.

**9 Other Current Liabilities**

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Liabilities	3,550	1,050
<b>Total</b>	<b>3,550</b>	<b>1,050</b>



**N A Estates Private Limited**  
Notes Forming part of Financial Statements

10 Project Related Expenses

Particulars	(Amount in Rs.)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Property Tax	64,63,348	64,63,348
<b>Total</b>	<b>64,63,348</b>	<b>64,63,348</b>

11 (Increase)/Decrease in Inventories

Particulars	(Amount in Rs.)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Opening Inventories	18,96,86,428	18,32,23,080
Less: Closing Inventories	19,61,49,776	18,96,86,428
<b>Total</b>	<b>(64,63,348)</b>	<b>(64,63,348)</b>

12 Other Expenses

Particulars	(Amount in Rs.)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Payment to Auditors (Refer Note no 12.1)	32,764	7,900
Company's Profession Tax	2,500	2,500
Legal and Professional Fees	2,950	4,018
Miscellaneous Expenses	4,660	3,846
<b>Total</b>	<b>42,874</b>	<b>18,264</b>

12.1 Payment to Auditors

Particulars	(Amount in Rs.)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Audit Fees	5,000	5,000
Other Matter	23,506	2,000.00
GST/Service Tax	4,258	900
<b>Total</b>	<b>32,764</b>	<b>7,900</b>

13 Tax Expenses

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	(Amount in Rs.)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
(Loss) before Tax	(42,874)	(18,264)
Income Tax Expense calculated @ 30.90%	(13,248)	(5,644)
Effect of Loss not recognised as no reasonable certainty of future taxable profits	13,248	5,644
Tax Expenses	-	-
Tax Expenses recognised in the statement of Profit and Loss	-	-

14 Earnings per Share:

As per Ind AS 33, "Earning Per Share", the Disclosure of Company's EPS is as follows :

Particulars	(Amount in Rs.)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Net Profit/(Loss) after tax as per Profit & Loss Account	(42,874)	(18,264)
Weighted average number of equity shares outstanding	1,000	1,000
Basic and Diluted Earnings per share	(42.87)	(18.26)
Face Value per Equity Share	100	100



**N A Estates Private Limited**  
**Notes Forming Part of Financial Statements**

- 15 The Company is a subsidiary of D B Realty Limited, which has become a "Public company" w.e.f. 23rd September 2009. Therefore, the Company has become a private company which is a subsidiary of a public company and accordingly, by virtue of provision of section 2 (71) of the Companies Act, 2013, the Company is deemed to be public company. The Company continues to use the word "Private Limited" as permitted by law.
- 16 The Board of Directors vide its resolution dated 27.07.10 has decided to develop the property situated at Sukhlaji Street, Tardeo, Mumbai and therefore approved the transfer of its investment in the said property having a book value of Rs 4,97,26,480/- to Inventory as project expense.
- 17 Expenses incurred in the nature of administrative overheads which did not contribute in bringing Project WIP to its present location and condition have been charged off to the profit and loss account for the year as period cost.
- 18 Related Parties Disclosure as per Ind AS-24:  
 As per Ind AS 24 'Related Party Disclosure', the disclosure of transactions with the related parties as defined in Ind AS 24 is given below .

Name of the Related Party	Relationship
Ishaq Balwa	Key Management Personnel(Director)
Jessie Kuruvilla	
D B Realty Limited	Holding Company

The above related party is identified by the management and have been relied upon by the auditors. However there were no transactions with the Key Management Personnel.

(Amount in Rs.)		
Balances with related parties as at	31 March 2020	31 March 2019
<b>Loans Accepted</b>		
Holding Company	7,94,24,616	7,94,08,446
<b>0% Compulsory Convertible Debentures</b>		
Holding Company	70,00,000	70,00,000

Transactions with related party during the year	31 March 2020	31 March 2019
<b>Loans Accepted</b>		
Holding Company	16,170	42,180

**19 Financial Instruments**

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability, and equity instrument are disclosed in note 2.5 of the Ind AS financial statements.

**(a) Financial assets and liabilities**

The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

(Amount in Rs.)			
Particulars	Note No.	Amortised Cost	Total carrying value
<b>Financial Assets</b>			
Cash and cash equivalent	4	438	438
<b>Total</b>		438	438
<b>Financial Liabilities</b>			
Current Borrowings	7	7,94,24,616	7,94,24,616
Trade Payable	8	11,02,86,709	11,02,86,709
<b>Total</b>		18,97,11,325	18,97,11,325

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

(Amount in Rs.)			
Particulars	Note No.	Amortised Cost	Total carrying value
<b>Financial Assets</b>			
Cash and cash equivalent	4	438	438
<b>Total</b>		438	438



**N A Estates Private Limited**  
**Notes Forming Part of Financial Statements**

Financial Liabilities			
Current Borrowings	7	7,94,08,446	7,94,08,446
Trade payables	8	10,37,99,157	10,37,99,157
Total		18,32,07,603	18,32,07,603

Carrying amounts of cash and cash equivalents, trade receivables and trade payable as at March 31, 2020 and March 31, 2019 approximate the fair value because of their short term nature. Difference between the carrying amount and fair values of other financial assets and liabilities subsequently measured at amortised cost is not significant in each year presented.

**Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of funding from parent company, Debentures from parent company and Equity Capital. The Company has access to a sufficient variety of sources of funding which includes funding from holding company which is expected to be rolled over in case of any liquidity gap.

**Capital Management**

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximise shareholders value. The company manages its capital structure and market adjustments in the light of changes in economic environment and the requirements of the financial covenants.

- 20 The Company had earlier vacated the project site at Sukhlaji Street, Tardeo, Mumbai by paying compensation to the tenants for the 18 months. However, during the earlier year, the tenants were not paid any further compensation, instead they were relocated to the project site, as per representation received from management, the relocation is temporary and company intends to continue with the project.
- 21 Balances of Trade Payables in the financial statements are subject to confirmations.
- 22 **Segment Reporting**  
 Keeping in view the object of the company as that of developing and constructing the project, it has only one reportable segment and hence separate disclosures requirements of Ind AS 108 Segment Reporting are not applicable.
- 23 The amount in the Financial Statements are rounded off to nearest rupee.
- 24 Previous year figures have been regrouped and reclassified wherever necessary to make them comparable with current year figures.

Significant accounting policies and notes on Financial statements

1 to 24

As per our attached report of even date

For Mehta Chokshi & Shah LLP  
 Chartered Accountants  
 Firm Registration No. 106201W/W100598



Name : Vijay Gajaria  
 Partner  
 Membership No. : 137561



Place: Mumbai  
 Date: 116-07-2020

For and on behalf of the Board



(Jessie Kuruvilla) (Ishaq Balwa)  
 Director Director  
 (DIN : 02290242) (DIN : 00017866)

Place: Mumbai  
 Date: 16-07-2020

