

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
Esteem Properties Private Limited

Report on the Audit of Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Esteem Properties Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of significant accounting policies and other explanatory information (together referred to as 'the financial statements').
2. 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Material uncertainty related to going concern

4. Attention is drawn to Note No. 19.1 to 19.5 of the audited financial statements for the year ended 31st March, 2020 which explains the status of the various disputes relating to the project, including a favourable opinion from an Advocate High Court that the Company has fair and reasonable chance of the order coming in its favour. The conditions as regards the development of the project more particularly explained in the said notes, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

Emphasis of Matter

5. Attention is drawn to Note No.13 read with Note No. 17 of the audited financial statements for the year ended 31st March, 2020 as regards unsettled amounts due to a company and in absence thereof, possible claims, if any on the Company.

Our opinion is not qualified in respect of this matter.



Key Audit Matters

6. Key audit matters are those matters that, in our professional judgement, 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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter

Whether the Company would be in a position to repay its loan repayable on demand granted by the holding company, the outstanding balance whereof as on March, 31, 2020 is Rs. 113,17,76,308/- and the classification, whereof as a current liability.

How our audit addressed the key audit matter

Our procedures included, but were not limited to the following:

- (a) Measurement and classification of the loan advanced by the holding company, being a financial asset and opinion of the Statutory Auditors thereon; and
- (b) Business plans.

Based on our procedures, it has been concluded as under:

The Company would not be in a position to repay its loan to the holding company, if the land is not available for development. Attention is drawn to Note No. 19.1 to 19.5 of the audited financial statements for the year ended 31st March, 2020. The Statutory Auditors of the holding company in their audit report for the year ended 31st March, 2019 on the standalone financial statements as also in their limited review reports for and up to period ended 31st December, 2019, have qualified for non-provision of expected credit losses and as represented by the management the status would remain same for the year ended 31st March, 2020. However, as represented by the management the classification continues to be that of current asset in the financial statements of the holding company for the year ended 31st March, 2020, which has been continued to be accepted by the Statutory Auditors of the holding company. Accordingly, the classification of the loan advanced by the holding company continues to be a current liability.

Information Other than the financial statements and Auditor's Report Thereon

7. The Company's Board of Directors is responsible for the preparation of other information. The other information obtained at the date of this auditor's report is Director's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. 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 financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 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

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 section 143(11) of the Act, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 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 appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with this report are in agreement with the books of account.



- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors are 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 adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report given in **Annexure "B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 12, 19 and 21 of the financial statements.
- (ii) The Company does not have any long-term contracts including derivative contracts and hence the question of making any provision, as required under any law or accounting standards, for material foreseeable losses does not arise.
- (iii) There are no amounts which were required to be transferred to the Investor Education and Protection Fund.

For M. A. Parikh & Co.
Chartered Accountants
Firm's Registration No. 107556W

C. Ghelani

Chintan Ghelani
Partner
Membership No. 132791
UDIN: 20132791AAAAAH1304



Mumbai, Date: 30 JUL 2020

Esteem Properties Private Limited

Annexure – A to the Independent Auditors' Report for the year ended 31st March, 2020

[Referred to in point 10 under the heading "Report on other legal and regulatory requirements" of our report of even date]

- (i) In respect of tangible fixed assets (Property, plant and equipment)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have been physically verified during the year by the management which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The Company does not own any immovable property. Therefore, the requirements paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) Inventory represents cost incurred for acquisition of land and tenancy rights and other expenditure on construction and development. There are disputes pending before the Hon' High Court of Bombay and Hon' Supreme Court of India. Reference is drawn to Note No. 19.1 to 19.4 of the audited financial statements for the year ended 31st March, 2020. The Company has represented that the physical possession of the land is with it, but was not able to carry out physical verification thereof as on the year-end on account of Covid-19 situation. Therefore, our comment on the reasonability of periodicity of physical verification does not arise and consequent on discrepancies, if any on such verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the requirements of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) The Company has not granted any loans or provided guarantees or security covered under section 185 and section 186 of the Act. Therefore, the requirement of paragraph 3(iv) of the Order is not applicable to the Company. The security provided for loan obtained by the holding company was before the provisions of section 185 and 186 of the Act became operative and therefore, our comment on provision of such security does not arise (Refer Note No. 20 of the audited financial statements for the year ended 31st March, 2020).
- (v) In our opinion and according to the explanations given to us, the Company has not accepted any deposits. Therefore, question of reporting compliance with directive issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We are informed that no order relating to the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act for the services rendered by the Company. Therefore, the requirement of paragraph 3(vi) of the Order is not applicable to the Company.



(vii) In respect of statutory dues:

- (a) The Company did not have any material liability of statutory dues for the year except for property tax, which has not been paid on its due dates and accordingly, Rs. 1,19,26,151/- was in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

As explained to us, the Company did not have any dues on account of provident fund, employees' state insurance, sales tax, duty of custom, duty of excise, value added tax and cess.

- (b) There is no disputed liability in respect of income tax or goods and service tax or duty of custom or cess (as applicable to the company) outstanding as at 31st March, 2020. Therefore, our comment on disputed amounts which have not been deposited does not arise.
- (viii) The Company has not borrowed any money from financial institutions or banks or debenture holders. Therefore, the requirements of paragraph 3(viii) of the Order are not applicable to the Company.
- (ix) 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. Therefore, the requirements paragraph 3(ix) of the Order are not applicable to the Company.
- (x) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to information and explanation given to us, we have neither noticed nor have been informed by the management, any incidence of fraud by the Company or on the Company by its officers or employees.
- (xi) According to the information and explanations given to us and based on the examination of the records, the Company has not paid / provided any managerial remuneration during the year. Therefore, the requirements of paragraph 3(xi) of the Order are not applicable to the Company.
- (xii) The Company is not a Nidhi company. Therefore, the requirements of paragraph 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any transaction, as prescribed under section 188 of the Act. Therefore, the requirements of paragraph 3(xiii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the requirements of paragraph 3(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected



with the directors. Therefore, the requirements of the paragraph 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the requirements of the paragraph 3(xvi) of the Order are not applicable to the Company.

For M. A. Parikh & Co.
Chartered Accountants
Firm's Registration No. 107556W

C. Ghelani

Chintan Ghelani
Partner

Membership No. 132791

UDIN: 20132791AAAAAH1S04



Mumbai, Date: 30 JUL 2020

Esteem Properties Private Limited

Annexure – B to the Independent Auditors' Report for the year ended 31st March, 2020

[Referred to in paragraph 11f under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of **Esteem Properties Private Limited** ("the Company"), as of 31st March, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, 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 31st March, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors 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 ("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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI 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 with reference to financial statement. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The



procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the 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.

For M. A. Parikh & Co.
Chartered Accountants
Firm's Registration No. 107556W

C. Ghelani

Chintan Ghelani
Partner

Membership No. 132791

UDIN: 20132791 AAAAAMH304



Mumbai, Date 30 JUL 2020

Esteem Properties Private Limited
(CIN No. U99999MH1995PTC086668)
Balance Sheet as at March 31, 2020
(in Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non current assets			
Property, plant and equipment	3	32,747	32,747
		32,747	32,747
Current assets			
Inventories	4	1,136,257,929	1,134,252,221
Financial assets			
Cash and cash equivalents	5	20,467	74,706
Other financial assets	6	7,550	7,550
Other current assets	7	9,086,301	9,031,730
		1,145,372,247	1,143,366,207
Total Assets		1,145,404,993	1,143,398,954
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	1,000,000	1,000,000
Other equity	9	(44,813,240)	(44,632,420)
		(43,813,240)	(43,632,420)
Current Liabilities			
Financial liabilities			
Borrowings	10	1,146,776,308	1,146,704,117
Trade payables	11	-	-
- Total outstanding dues of micro & small enterprises			
- Total outstanding dues of creditors other than micro & small enterprises			
Other current liabilities	12	6,272,402	6,162,292
Provisions	13	21,169,523	19,164,967
		15,000,000	15,000,000
		1,189,218,233	1,187,031,376
Total Equity & Liabilities		1,145,404,993	1,143,398,954
Significant accounting policies & notes	1-29		

Notes to Accounts form an integral part of financial statements

As per our attached report of even date attached

For M. A. Parikh & Co.

Chartered Accountants

Firm Registration No.: 107556W

C. Ghelani



Chintan Ghelani

Partner

Membership No. 132791

For and on Behalf of the Board of Directors

Rajiv Agarwal

(Rajiv Agarwal)

Director

DIN: 00030453

Nabil Patel

(Nabil Patel)

Director

DIN: 00298093

Place : Mumbai

Date : 30.07.2020

Place : Mumbai

Date : 30.07.2020

[Handwritten signature]

Esteem Properties Private Limited

(CIN No. U99999MH1995PTC086668)

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

(in Indian Rupees, unless otherwise stated)

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	Total revenue (I)+(II)		-	-
IV	Expenses			
	Project Related Expenses	14	2,005,708	17,968,009
	Changes in Project work-in-progress	15	(2,005,708)	(17,968,009)
	Other Expenses	16	180,820	184,358
	Total expenses (IV)		180,820	184,358
V	(Loss) before tax (III)-(IV)		(180,820)	(184,358)
VI	Tax expense			
	(a) Current tax		-	-
	(b) Deferred tax		-	-
VII	(Loss) for the year (V)-(VI)		(180,820)	(184,358)
VIII	Other comprehensive income			
A	(i) Items that will not be reclassified to Profit or Loss		-	-
	Remeasurement of defined benefits plan		-	-
	(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		-	-
	Total Other Comprehensive Income [A (i)-(ii) + B (i)-(ii)] (VIII)		-	-
IX	Total comprehensive income for the year (VII)+(VIII)		(180,820)	(184,358)
X	Earnings per equity share - Basic and diluted (Rs.)	25		
	Weighted average number of equity shares		(18.08)	(18.44)
	(Face value of Rs. 100 each)		10,000	10,000
Significant accounting policies & notes		1-29		

Notes to Accounts form an integral part of financial statements

As per our attached report of even date attached

For M. A. Parikh & Co.

Chartered Accountants

Firm Registration No.: 107556W

C. Ghelani

Chintan Ghelani

Partner

Membership No.132791



For and on Behalf of the Board of Directors

Rajiv Agarwal

(Rajiv Agarwal)

Director

DIN: 00030453

Nabil Patel

(Nabil Patel)

Director

DIN: 00298093

Place : Mumbai

Date : 30.07.2020

Place: Mumbai

Date : 30.07.2020

Esteem Properties Private Limited
(CIN No. U99999MH1995PTC086668)
Statement of Cash Flow for the year ended March 31, 2020
(in Indian Rupees, unless otherwise stated)

Particulars	For the year Ended March 31, 2020		For the year Ended March 31, 2019	
	(A) Cash flow from operating activities: (Loss) before tax as per Statement of Profit and Loss Adjustments for: Depreciation Operating income before working capital changes Working Capital Changes: Inventories Other current financial assets Other current assets Trade payables Provisions Other current liabilities Net cash flow from operating activities		(180,820)	
			49,795	49,795
		(180,820)		(134,563)
	(2,005,706)		(17,968,009)	
	(54,571)		50,967	
	110,110		(37,851)	
			1,056,444	
			15,000,000	
	2,004,556	54,390	878,713	(1,019,735)
		(126,430)		(1,154,298)
(B) Cash Flow from investing activities:				
(C) Cash flow From financing activities: Borrowings Net cash generated from financing activities				
	72,191		1,201,367	
		72,191		1,201,367
Net Increase in Cash and Cash Equivalents Add: Cash and cash equivalents (Opening) Cash and cash equivalents (Closing)		(54,239)		47,069
		74,706		27,637
		20,467		74,706
(D) Cash and Cash Equivalents includes: Cash on hand Bank Balances		8,270		16,278
		12,197		58,428
		20,467		74,706
Significant accounting policies & notes	1-29			

Note : Refer Note No. 28 for reconciliation of liabilities arising from Financing Activities.

Notes to Accounts form an integral part of financial statements

As per our attached report of even date attached
For **M. A. Parikh & Co.**
Chartered Accountants
Firm Registration No.: 107556W

Chintan Ghelani
Partner
Membership No.132791



For and on Behalf of Board of Directors

(Rajiv Agarwal)
Director
DIN: 00030453

(Nabil Patel)
Director
DIN: 00298093

Place: Mumbai
Date : 30.07.2020

Place: Mumbai
Date : 30.07.2020

Esteem Properties Private Limited
(CIN No. U99999MH1995PTC086668)
Statement of Changes in Equity for the year ended March 31, 2020
(in Indian Rupees, unless otherwise stated)

A. Equity Share Capital

Particulars	Amount
Balance as at March 31, 2018	1,000,000
Changes in equity share capital during the year ended March 31, 2019	-
Balance as at March 31, 2019	1,000,000
Changes in equity share capital during the year ended March 31, 2020	-
Balance as at March 31, 2020	1,000,000

B. Other Equity

Particulars	Amount
Reserves and Surplus (Retained Earnings)	
Balance as at March 31, 2018	(44,448,062)
(Loss) for the year ended 2018-19	(184,358)
Balance as at March 31, 2019	(44,632,420)
(Loss) for the year ended 2019-20	(180,820)
Balance as at March 31, 2020	(44,813,240)

Note : There is no element of other comprehensive income

Significant accounting policies & notes 1-29
Notes to Accounts form an integral part of financial statements

As per our attached report of even date attached

For M. A. Parikh & Co.

Chartered Accountants

Firm Registration No.: 107556W

C. Ghelani

Chintan Ghelani

Partner

Membership No. 132791



For and on Behalf of Board of Directors

(Signature of Rajiv Agarwal)

(Rajiv Agarwal)

Director

DIN: 00030453

(Signature of Nabil Patel)

(Nabil Patel)

Director

DIN: 00298093

Place: Mumbai
 Date : 30.07.2020

Place: Mumbai
 Date : 30.07.2020

Esteem Properties Private Limited
Notes to Financial Statements

1 **Company Background :**

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

The Company is a Real Estate Development Company and at present, it has undertaken development and construction of a Commercial Complex at Sahar, Mumbai. The development and construction rights in respect thereof have been acquired (Refer Note No. 19).

The Company is a "public company" under the Companies Act, 2013 (the Act), but continues to use the word "private" as permitted under law.

The Company's financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 30.07.2020 in accordance with the provisions of the Act, 2013 and are subject to the approval of the shareholders at the Annual General Meeting.

2 **Significant Accounting Policies, Accounting Judgements, Estimates and Assumptions followed in the preparation and presentation of the financial statements:**

2.01 **Basis of preparation and measurement :**

(a) **Basis of preparation -**

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

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

(b) **Basis of measurement -**

These Ind AS financial statements have been prepared on a historical cost basis, except for financial assets and liabilities measured at fair value (refer accounting policy no. 2.06 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.

2.02 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.

All the assets and liabilities have been classified as current and non-current as per the Company's normal

2.03 Property, plant and equipment :

Property, Plant and Equipment are recorded at their cost of acquisition, net of MODVAT / CENVAT, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

2.04 Depreciation :

Depreciation on Property, Plant and Equipment is provided on Straight Line Method in accordance with the provisions of Schedule II to the Companies Act, 2013. The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, are realistic and reflect fair approximation of the period over which the assets are likely to be used.



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Notes to Financial Statements

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.

2.05 Inventories :

Inventories comprise of : (i) Project Work-In-Progress representing properties under construction / development and (ii) Building Materials representing inventory yet to be consumed.

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. Building Materials are valued at weighted average method. 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.

2.06 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 –

(a) 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.

(b) Subsequent Measurement –

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

- Financial assets at Amortised Cost.
- Financial assets at Fair Value through Other Comprehensive Income. (FVTOCI)
- Financial assets at Fair Value through Statement of Profit and Loss. (FVTPL)

Financial Assets at Amortized Cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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.

Financial Assets at FVTOCI

A financial asset that meets the following two conditions is measured at fair value through other

- 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.



Financial Assets at FVTPL

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.

(c) Derecognition –

A financial asset (or, where applicable, a part of a financial asset or 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:
 - the Company has transferred substantially all the risks and rewards of the asset, or
 - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(d) Impairment of Financial Assets –

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss of financial assets at amortised cost.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the Company does not track changes in credit risk but recognises impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the Company uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

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

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.



(ii) Financial Liabilities –

(a) 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, trade and other payables and financial guarantee contracts.

(b) 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. EIR amortisation is included as finance costs in the statement of profit and loss.

(c) 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.

2.07 Taxes on Income :

Income Tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

(i) Current Tax

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in current tax expense.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

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 asset 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 re-assessed 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.

2.08 Provisions and Contingent Liabilities :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

When the Company expects some or all of a provision to be reimbursed, the same is recognized 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 recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the financial statements if the inflow of the economic benefit is probable than it is disclosed in the financial statements.

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.

2.09 Exceptional Items :

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.10 Earnings per share (EPS) :

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).



Esteem Properties Private Limited
Notes to Financial Statements

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.

2.11 Cash and Cash Equivalents :

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

2.12 Statement of Cash Flows :

Cash Flow Statement is prepared under the Indirect Method as prescribed under the Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.13 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;
- (b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.14 Judgements :

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

- (a) Assessment of outcome of ongoing legal cases, having impact on the development of the Project (Refer Note No. 19).
- (b) Assessment of pending property tax matter (Refer Note No. 12).

2.15 Estimates and Assumptions :

There are no key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



Esteem Properties Private Limited
Notes forming part of the Financial Statements
(in Indian Rupees, unless otherwise stated)

3 Property, Plant and Equipment

Fixed Assets	Gross Block		Accumulated Depreciation		Net Block	
	Balance as at April 1, 2019	Addition / (Deletion)	Balance as at March 31, 2020	For the year	Balance as at March 31, 2020	Balance as at April 1, 2019
Tangible Assets						
Furniture and Fixtures	5,165	-	5,165	-	4,744	421
Office equipment	20,017	-	20,017	-	4,368	15,649
Computer	4,850	-	4,850	-	-	4,850
Vehicles	209,100	-	209,100	-	197,273	11,827
Total	239,132	-	239,132	-	206,385	32,747
Previous Year	239,132	-	239,132	49,795	206,385	32,747
						-



Esteem Properties Private Limited
Notes forming part of the Financial Statements
(in Indian Rupees, unless otherwise stated)

4 Inventories

Particulars	As at March 31, 2020	As at March 31, 2020
(Valued at cost)		
Project Work-in-Progress (Refer Note No. 19.1 to 19.5)	1,136,257,929	1,134,252,221
Total	1,136,257,929	1,134,252,221

5 Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2020
Balances with Banks	12,197	58,428
Cash on hand	8,270	16,278
Total	20,467	74,706

6 Other Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2020
(Unsecured, considered good)		
Other Receivables	7,550	7,550
Total	7,550	7,550

7 Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2020
Trade Advances - Purchase of Tenancy Rights (Refer Note No. 22)	8,814,000	8,814,000
Balances with Statutory Authorities	272,301	217,730
Total	9,086,301	9,031,730



Esteem Properties Private Limited
Notes forming part of the Financial Statements
(in Indian Rupees, unless otherwise stated)

8 Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs.100/- each	10,000	1,000,000	10,000	1,000,000
	10,000	1,000,000	10,000	1,000,000
Issued Equity Shares of Rs.100/- each	10,000	1,000,000	10,000	1,000,000
	10,000	1,000,000	10,000	1,000,000
Subscribed & Paid up Equity Shares of Rs.100/- each	10,000	1,000,000	10,000	1,000,000
Total	10,000	1,000,000	10,000	1,000,000

8.1 Reconciliation of number of Equity shares:

There is no movement in number of equity shares during the year March 31, 2020 as well as during the year ended March 31, 2019.

8.2 Rights, preferences and restrictions attached to Equity Shares:

The Company has only one class of equity share having a par value of Rs.100 per share. Each holder of equity share is entitled for one vote per share. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The equity share-holders are entitled to receive dividend as and when declared.

On winding up of the Company, the holder's of equity shares will be entitled to receive the residual assets of the Company after distribution of all preferential amounts in proportion to the number of equity shares held.

8.3 Detail of Number of Shares held by Holding Company:

10,000 Equity Shares (Previous Year - 10,000) are held by the holding company DB Realty Limited and its nominees.

8.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

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
Equity Shares D B Realty Ltd. And its nominees	10,000	100.00%	10,000	100.00%
	10,000	100.00%	10,000	100.00%



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9 Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings		
Balance as at the beginning of the year	(44,632,420)	(44,448,062)
Add: (Loss) for the year	(180,820)	(184,358)
	(44,813,240)	(44,632,420)
Total	(44,813,240)	(44,632,420)

10 Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured Loan :		
- Loan from Holding Company (Refer Note No. 10.1)	1,131,776,308	1,131,704,117
- Loan from a company (Refer Note No.10.1)	15,000,000	15,000,000
Total	1,146,776,308	1,146,704,117

10.1 Interest free, repayable on demand

11 Current Financial Liabilities - Trade Payable

Particulars	As at March 31, 2020	As at March 31, 2019
- Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 18)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,272,402	6,162,292
Total	6,272,402	6,162,292

12 Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues		
(i) Property Tax (*)	11,926,151	10,326,967
(ii) Others	429,372	24,000
Advance Received Against Occupancy Rights (Refer Note No. 22)	8,814,000	8,814,000
Total	21,169,523	19,164,967

(*) The Property Owners' Association has challenged the constitutional validity of the amendment to the Mumbai Municipal Corporation Act, 1888 regarding levy of Property Tax. In an Interim Order, the Hon'ble High Court of Bombay has directed MCGM to accept for all the owners whether or not they are party to the Writ Petition, taxes as per old regime and 50% of the differential amount as per the old and new rates. The Company has provided for the demand as per new rates subject to its rights that shall emanate from the Hon'ble High Court Order. Accordingly, if the outcome is in favour, then, the excess amount of provision shall be written back or otherwise, the Company will have to pay the demand for the property tax including interest.



Esteem Properties Private Limited
Notes forming part of the Financial Statements
(in Indian Rupees, unless otherwise stated)

13 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
- Provision for Compensation (Refer Note No. 17)	15,000,000	15,000,000
Total	15,000,000	15,000,000

14 Project Related Expenses

Particulars	As at March 31, 2020	As at March 31, 2019
Compensation (Refer Note No.17)	-	15,000,000
Rates & Taxes	2,002,407	2,015,864
Electricity Expenses	6,800	24,313
Security Charges	-	877,737
Travelling and Conveyance Expenses	1,520	300
Depreciation	-	49,795
	2,010,727	17,968,009
Less: Provision no longer required, written back - Security charges	(5,019)	-
Total	2,005,708	17,968,009

15 Changes in Inventories of Project Work-in-progress

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as of commencement of the year		
- Project work in progress	1,134,252,221	1,116,284,214
Less: Balance as of end of the year		
- Project work in progress	(1,136,257,929)	(1,134,252,221)
Total	(2,005,708)	(17,968,007)

16 Other Expenses

Particulars	As at March 31, 2020	As at March 31, 2019
Remuneration to Auditors		
- Audit Fees	30,000	30,000
- Taxation Matter	130,000	2,000
- Out of Pocket Expenses	-	1,000
Legal & Professional Fees	600	78,100
Sundry Balances Written Off	-	50,967
Miscellaneous Expenses	20,218	22,291
Total	180,820	184,358



Esteem Properties Private Limited
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- 17 The Company, as per terms of Consent Terms entered into with Air Inn Private Limited was liable to re-imburse the liability that may devolve on account of pending suit before the Hon'ble High Court of Judicature of Bombay, which was disposed off during the preceding year, whereby the Company became liable to re-imburse compensation of Rs. 1,50,00,000/-, which was provided for, but has remained unpaid.

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

Particulars	As at March 31, 2020	As at March 31, 2019
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the	-	-
Interest accrued on the due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (Other than interest) beyond the appointed date, during	-	-
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	-	-

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 Auditors.

19 **Status of the Project**

- 19.1 The Company had acquired under Agreement, a plot of land situated at Sahar, Andheri (East), Mumbai from Gonsalves Family and Ors, the ownership whereof was vested with them consequent to the Order passed by the Revenue Minister of the Government of Maharashtra (Revenue Minister) in the year 1995. The said Order was subsequently reversed by the Revenue Minister in the year 1998, holding that the said plot of land belongs to the Government and not Gonsalves Family and Ors (Reversed Order). The Company has challenged the said Reversed Order before the Hon. High Court of Bombay, which is pending as of now. However, in the year 2007, the Revenue Minister cancelled the Reversed Order and restored the Order passed in the year 1995, consequent to which the Company obtained ownership thereof.
- 19.2 In this background, a Public Interest Litigation (PIL) was filed before the Bombay High Court and their Lordships in Order dated 1st May, 2010 have restored the Revenue Minister's Order passed in 1998 whereby the ownership of the said plot of land is held to be that of the State Government but subject to the outcome of the petition before the Hon. High Court of Bombay. In the PIL, the Order of 1995 was not challenged. Further, the Company has challenged the judgment of the Bombay High Court in PIL by way of Special Leave Petition before the Supreme Court of India, which is pending and a status quo order has been passed by the Supreme Court of India. Further, the Company is in physical possession of the land.
- 19.3 Accordingly, the costs incurred in acquiring the land as well as other costs and expenses considered by the management incurred in relation to the development and construction of the said land have been allocated to Project Work in Progress and the value thereof as of 31st March, 2020 is Rs.1,136,257,929/- (Previous year Rs.1,134,252,221/-). The source of funding of project work-in-progress is interest free loan from the holding company, the outstanding balance as on 31st March, 2020 is Rs. 113,17,76,1308/- (Previous Year Rs. 113,17,04,117/-).
- 19.4 The Company has internally carried out the assessable value of the land as per stamp duty laws, which is around Rs. 216 crores. Further, the Company has also conceptualised development plan on the land. Also further, the Company has taken a legal opinion from an Advocate High Court, who has opined that the Company has fair and reasonable chance of the order coming in its favour.
- 19.5 In view of above, though the accumulated losses have exceeded the Company's net worth, these accounts have been prepared on a going concern basis as the Management expects that the land would be available for development. Further, the holding company has assured financial support to the Company to meet its financial obligations. However, the Company would not be in a position to repay its loan to the holding company, if the land is not available for development.



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- 20 The Company has mortgaged its land at Sahar, Andheri and granted corporate guarantee for securing the term loan granted by LIC Housing Finance Limited to its holding company. The outstanding balance as of the year end is Rs.20,58,93,029/- (Previous Year Rs.245,487,367/-). The Management of the Company, having regard to the state of affairs of the holding company and other relevant factors, does not expect any financial impact.
- 21 The Company's claim for admissibility of recovery of loss incurred on sale of equity shares of Air Inn Private Limited by the holding company amounting to Rs. 17,99,62,658/- and interest of Rs. 1,93,26,416/- charged on such amount on the principle of commercial expediency under the tax laws has not been accepted. The matter is sub-judice before the first appellate authority. Penalty proceedings are initiated against such claim which are also sub-judiced now, pending outcome of the appeal. The minimum amount of penalty involved is Rs. 5,97,86,722/-.
- 22 The Company on behalf of DB (BKC) Realtors Pvt. Ltd. has advanced Rs. 88,14,000/- towards acquisition of occupancy rights of the occupants situated at Tata Colony, Bandra Kurla Complex, Mumbai. As per the Memorandum of Understanding entered into by the Company with DB (BKC) Realtors Pvt. Ltd., the Company has been appointed under a fiduciary capacity to acquire the said rights and to retransfer the same to DB (BKC) Realtors Pvt. Ltd. as and when so directed. In these accounts the amounts received from DB (BKC) Realtors Pvt. Ltd. have been shown as other current liability and the amount so advanced has been classified as other current asset. The necessary adjustment entries shall be passed in the year in which the occupancy rights are retransferred to DB (BKC) Realtors Pvt. Ltd. Further, as per the MOU, liability for stamp duty on acquiring occupancy rights which is yet to be ascertained as also any other costs including capital gains tax liability, if any, is to be borne by DB (BKC) Realtors Pvt. Ltd.
- 23 **Related Party Disclosures as per Indian Accounting Standard-24**
As per Indian Accounting Standard -24 (Ind AS-24) 'Related Party Disclosures', the disclosures of transactions with the related parties as defined in Ind AS-24 are given below:

23.1 **List of Related Parties where control exists and related parties with whom transactions have taken place and relationships**

Name of Related Party	Relationship
D B Realty Limited	Holding Company
Real Gem Buildtech Private Limited	Fellow Subsidiary

23.2 **Transactions with Related Parties and outstanding balances as on year end:-**

Description of transactions	Holding Company	Fellow Subsidiaries
Loan Taken	72,191 (-)	- (-)

As on Year end	As on March 31, 2020	As on March 31, 2019
Payables:		
Loan taken Holding Company	1,131,776,308	1,131,704,117
Other Receivable Fellow Subsidiary	300	300

Notes:

- 1 Previous year figures are denoted in brackets.
- 2 The aforesaid related parties are as identified by the Company and relied upon by the Auditors.



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24 Segment Reporting

The Company is in the business of real estate development which is the only reportable operating segment. Hence, separate disclosure requirements of Ind AS-108 Segment Reporting are not applicable.

25 Earning Per Share:

Particulars	For the year Ended March 31, 2020	For the year Ended March 31, 2019
(Loss) for the year as per Statement of Profit & Loss (Amount in Rs.)	(180,820)	(184,358)
Weighted average number of shares outstanding during the year (Number)	10,000	10,000
Basic earning per share	(18.08)	(18.44)
Face value per equity share	100	100

26 As of year end, the Company has net deferred tax asset. In view of uncertainty to its realisation, as a matter of prudence, the management of the Company has decided not to recognise such deferred tax asset in accordance with Ind AS -12 dealing with Accounting for Income Tax on Income.

27 Financial Instruments - Accounting Classifications and Fair Value Measurements

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 2.06 of the Ind AS financial statements.

27.1 Financial assets and liabilities:

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

Particulars	Note No.	Amortised Cost	Carrying amount As at March 31, 2020
Financial assets:			
Cash and cash equivalents	5	20,467	20,467
Other Financial Assets	6	7,550	7,550
Total		28,017	28,017
Financial liabilities:			
Borrowings	10	1,146,776,308	1,146,776,308
Trade payables	11	6,272,402	6,272,402
Total		1,153,048,710	1,153,048,710

The carrying value of financial instruments by categories as of March 31, 2019 were as follows

Particulars	Note No.	Amortised Cost	Carrying amount As at March 31, 2018
Financial assets:			
Cash and cash equivalents	5	74,706	74,706
Other financial assets	6	7,550	7,550
Total		82,256	82,256
Financial liabilities:			
Borrowings	10	1,146,704,117	1,146,704,117
Trade payables	11	6,162,292	6,162,292
Total		1,152,866,409	1,152,866,409

27.2 Financial Risk Management:

At present, the Company's financial obligation is met by the Holding Company by providing interest free loans. Therefore, the risk management policy as adopted by the Holding Company is adhered to by the Company.



27.2.1 Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2020:

Particulars	Amount payable during below period				
	As at March 31, 2020	Within 1 year	1-2 years	2-5 years	more than 5 years
Liabilities					
Borrowings					
Other Company	15,000,000	15,000,000	-	-	-
Current Trade Payables	6,272,402	6,272,402	-	-	-

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2019:

Particulars	Amount payable during below period				
	As at March 31, 2019	Within 1 year	1-2 years	2-5 years	more than 5 years
Liabilities					
Borrowings					
Other Company	15,000,000	15,000,000	-	-	-
Current Trade Payables	6,162,292	6,162,292	-	-	-

In above tables, the Company's Borrowings from its Holding Company is not considered as a financial obligation, being the source, as of now, to meet its financial obligations.

27.3 Capital Management:

The Company being wholly owned subsidiary of D B Realty Ltd, the management of its capital structure is controlled by the said Holding Company.

28 Reconciliation of Liabilities arising from financing activities :

Particulars	Opening Balance	Cash Movement	Fair Value Changes	Others	Total
March 31, 2020					
Borrowings	1,146,704,117	72,191	-	-	1,146,776,308
TOTAL	1,146,704,117	72,191	-	-	1,146,776,308
March 31, 2019					
Borrowings	1,145,502,750	1,201,367	-	-	1,146,704,117
TOTAL	1,145,502,750	1,201,367	-	-	1,146,704,117

29 Figures of the previous year have been regrouped/reclassified wherever necessary to conform to the presentation of the current year.

As per our attached report of even date attached
For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No.: 107556W

Chintan Ghelani
Partner
Membership No.132791



For and on Behalf of Board of Directors


(Rajiv Agarwal)
Director
DIN: 00030453


(Nabil Patel)
Director
DIN: 00298093

Place : Mumbai
Date : 30.07.2020

Place : Mumbai
Date : 30.07.2020