

**PODDAR HEAVEN HOMES LIMITED**

**Annual Financial Report  
FY 2018 - 19**

Reg. Office: Unit 3-5 Neeru Silk Mills, Mathuradas Mill Compound, 126 N.M Joshi  
Marg, Lower Parel (W), Mumbai - 400013

**SUNNY SHAH & COMPANY**  
**Chartered Accountants**  
**5, Anne Villa,**  
**141 West Gaothan Lane,**  
**Vallabh Bhai Road,**  
**Vile Parle (W)**  
**MUMBAI – 400 056**

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**INDEPENDENT AUDITOR’S REPORT**

**To,**  
**The Members of**  
**PODDAR HEAVEN HOMES LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**OPINION**

We have audited the financial statements of **PODDAR HEAVEN HOMES LIMITED** (“The Company”), which comprise the Balance Sheet as at March 31<sup>st</sup>, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31<sup>st</sup>, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current financial year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no such matters to be communicated in our report.



## **OTHER INFORMATION**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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**

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, changes in equity and cash flows of the Company in accordance with the Ind AS and other 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, the 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.

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

## **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 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. 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 Companies Act, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid 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 March 31<sup>st</sup>, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2019 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 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:

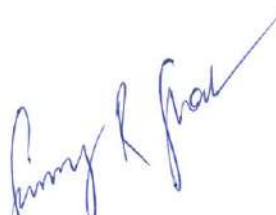
No remuneration has been paid to any of the directors during the year and hence it is in accordance with the requirement of aforesaid sub-section.

(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 does not have any pending litigations which would impact its financial position,
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses,
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For SUNNY SHAH & COMPANY  
CHARTERED ACCOUNTANTS  
Firm's Registration Number:  
140697W**



  
**SUNNY R. SHAH  
(PROPRIETOR)**

**Place: MUMBAI**

**Dated: 30<sup>th</sup> May 2019**

**Membership No.130939**

### Annexure– A to the Auditor’s Report

The Annexure referred to in Paragraph 1 of the Auditors Report of Even date to the Members of PODDAR HEAVEN HOMES LIMITED.

- i. The Company does not have any fixed assets during the year. Accordingly, paragraph 3(i) of the Order is not applicable.
- ii.
  - a) The inventories has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - b) The procedures for the physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company is maintaining stock records and there were no discrepancies noticed between book records and physical verification.
- iii. As per the information furnished, the Company has not granted any loans, secured or unsecured to the Companies, firms and other parties covered under Register maintained under section 189 of the Companies Act, 2013.
- iv. As per the information and explanations given to us, there are no transactions during the year in respect of loans, investments, guarantees and security in contravention to section 185 and 186 of Companies Act, 2013.
- v. The Company has not accepted any deposits from public.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii.
  - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, customs duty, service tax, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
  - b) According to the information and explanation given to us, there are no disputed liability of the Company in respect of Income-tax, Sales Tax, Service Tax, Customs duty, Excise duty, stamp duty and cess as at 31<sup>st</sup> March, 2019.
- viii. The Company has not taken any loans or borrowings from any Financial Institution, bank or government. Further, the Company has not issued any debentures till date. Accordingly, paragraph 3(viii) is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.



- x. During the course of our examination of the Books and records of the Company carried out in accordance with the Ind AS and other generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 197 read with Schedule V of the Companies Act 2013 in respect of the managerial remuneration.
- 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 of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. 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 non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For SUNNY SHAH & COMPANY  
CHARTERED ACCOUNTANTS  
Firm's Registration Number: 140697W**



  
**SUNNY R. SHAH  
(PROPRIETOR)**

**Place : MUMBAI  
Dated: 30<sup>th</sup> May 2019**

**Membership No.130939**

## Annexure - B to the Auditors' Report

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of PODDAR HEAVEN HOMES LIMITED ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 31<sup>st</sup> March 2019, 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.

**For SUNNY SHAH & COMPANY  
CHARTERED ACCOUNTANTS  
Firm's Registration Number: 140697W**



*Sunny R. Shah*  
**SUNNY R. SHAH  
(PROPRIETOR)**

**Place: MUMBAI**

**Dated: 30<sup>th</sup> May, 2019**

**Membership No.130939**

**PODDAR HEAVEN HOMES LIMITED**

Balance Sheet as at March 31, 2019

Particulars	Note	As at March 31,2019	As at March 31,2018
<b>ASSETS</b>			
<b>Current assets</b>			
Inventories	2	85,85,870	85,85,870
Financial assets			
i. Trade receivables	3	1,66,226	69,478
ii. Cash and cash equivalents	4	2,75,879	2,94,007
iii. Other financial assets	5	43,404	1,11,675
Other current assets	6	6,63,644	5,30,273
<b>Total current assets</b>		<b>97,35,024</b>	<b>95,91,303</b>
<b>TOTAL ASSETS</b>		<b>97,35,024</b>	<b>95,91,303</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	50,00,000	50,00,000
<b>Other equity</b>			
Reserves and surplus	8	(82,74,380)	(82,89,152)
<b>Total equity</b>		<b>(32,74,380)</b>	<b>(32,89,152)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	9	62,22,319	62,26,554
<b>Total non-current liabilities</b>		<b>62,22,319</b>	<b>62,26,554</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables			
a. total outstanding dues of micro and small enterprises	10a	-	-
b. total outstanding dues other than (ii)(a) above	10b	8,51,510	6,63,938
Other current liabilities	11	59,35,575	59,89,963
<b>Total current liabilities</b>		<b>67,87,085</b>	<b>66,53,901</b>
<b>TOTAL LIABILITIES</b>		<b>1,30,09,404</b>	<b>1,28,80,455</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>97,35,024</b>	<b>95,91,303</b>


**Significant accounting policies**

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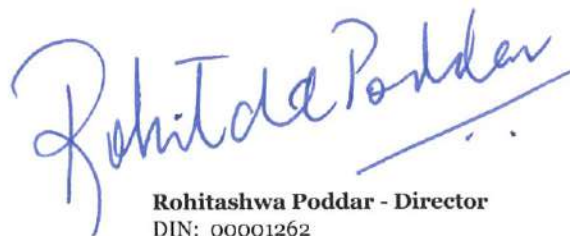
The accompanying notes are an integral part of the financial statements  
This is the Balance Sheet referred to in our audit report of even date.

For **SUNNY SHAH & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm's Registration Number: 140697W

For and on behalf of the Board of Directors

  
**SUNNY R. SHAH**  
(Proprietor)  
Membership No.: 130939  
Place : Mumbai  
Dated: May 30, 2019



  
**Rohitashwa Poddar - Director**  
DIN: 00001262



  
**Pradeep Sharma - Director**  
DIN: 00001357

**PODDAR HEAVEN HOMES LIMITED**

Statement of Profit and Loss for the year ended on March 31, 2019

Particulars	Note	2018-19	2017-18
<b>Income :</b>			
Other income	12	3,15,800	3,79,309
<b>Total income</b>		<b>3,15,800</b>	<b>3,79,309</b>
<b>Expenses :</b>			
Other expenses	13	3,01,027	13,89,103
<b>Total expenses</b>		<b>3,01,027</b>	<b>13,89,103</b>
<b>Profit/(loss) before tax</b>		<b>14,773</b>	<b>(10,09,794)</b>
Income tax expense / (credit)			
- Net current tax		-	(5,350)
<b>Total tax expense/(credit)</b>		<b>-</b>	<b>(5,350)</b>
<b>Profit / (loss) for the year</b>		<b>14,773</b>	<b>(10,04,444)</b>
Other comprehensive income (OCI)		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>14,773</b>	<b>(10,04,444)</b>
Earning per share:	17		
a) Basic		0.03	(2.01)
b) Diluted		0.03	(2.01)

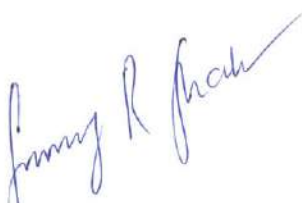
**Significant accounting policies**

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The accompanying notes are an integral part of the financial statements.  
This is the Statement of Profit and Loss referred to in our audit report of even date.

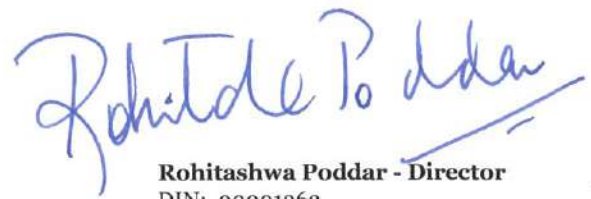
For **SUNNY SHAH & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm's Registration Number: 140697W

For and on behalf of the Board of Directors



**SUNNY R. SHAH**  
(Proprietor)  
Membership No.: 130939

Place : Mumbai  
Dated: May 30, 2019

**Rohitashwa Poddar - Director**  
DIN: 00001262



**Pradeep Sharma - Director**  
DIN: 00001357

**PODDAR HEAVEN HOMES LIMITED**

Statement of Cash Flows as at March 31, 2019

Particulars	March 31, 2019	March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax as per statement of profit and loss	14,773	(10,09,794)
<b>Adjustments for:</b>		
Provision for doubtful debts	(3,15,800)	7,14,552
Liabilities written back to the extent no longer required	-	(3,79,309)
	(3,15,800)	3,35,243
<b>Operating cash profit before working capital changes</b>	<b>(3,01,027)</b>	<b>(6,74,551)</b>
<b>Changes in operating assets and liabilities</b>		
Increase / (decrease) in other liabilities	4,48,984	73,804
(Increase) / decrease in current assets	(1,61,848)	33,216
	2,87,135	-
<b>Cash generated from/ (used in) operations</b>	<b>(13,892)</b>	<b>(5,67,531)</b>
Income tax (Paid) [net]	-	5,350
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(13,892)</b>	<b>(5,62,181)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from / (repayment) of borrowings [net]	(4,236)	3,27,381
<b>Net Cash flow from / (used in) financing activities (C)</b>	<b>(4,236)</b>	<b>3,27,381</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(18,127)	(2,34,800)
Add: Cash and cash equivalent at the beginning of the year	2,94,007	5,28,807
<b>Cash and cash equivalent at the end of the year</b>	<b>2,75,879</b>	<b>2,94,007</b>
Cash on hand	21,868	25,466
Balance with bank in current accounts	2,54,011	2,68,541
<b>Cash and cash equivalent as per Balance Sheet</b>	<b>2,75,879</b>	<b>2,94,007</b>

The accompanying notes are an integral part of the financial statements  
This is the Statement of Cash Flow referred to in our audit report of even date.

Notes: The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on the cash flow statement

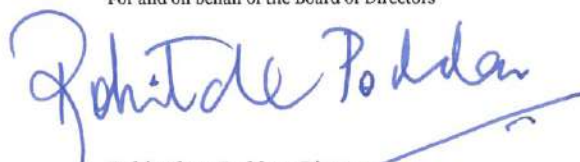
For **SUNNY SHAH & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm's Registration Number: 140697W

  
**SUNNY R. SHAH**  
(Proprietor)  
Membership No.: 130939

Place : Mumbai  
Dated: May 30, 2019



For and on behalf of the Board of Directors

  
**Rohitashwa Poddar - Director**  
DIN: 00001262



  
**Pradeep Sharma - Director**  
DIN: 00001357

**PODDAR HEAVEN HOMES LIMITED**

Statement of Changes in Equity for the year ended March 31, 2019.

**A. EQUITY SHARE CAPITAL**

Particulars	Amount
As at April 01, 2017	50,00,000
Changes in equity share capital	-
As at March 31, 2018	50,00,000
Changes in equity share capital	-
As at March 31, 2019	50,00,000

**B. OTHER EQUITY**

Particulars	Other Equity	
	Retained earnings	Total
Balance as at April 01, 2017	(72,84,708)	(72,84,708)
Profit for the year	(10,04,444)	(10,04,444)
<b>Total comprehensive income for the year</b>	<b>(10,04,444)</b>	<b>(10,04,444)</b>
<b>Balance as at March 31, 2018</b>	<b>(82,89,152)</b>	<b>(82,89,152)</b>
Balance as at April 01, 2018	(82,89,152)	(82,89,152)
Loss for the year	14,773	14,773
<b>Total comprehensive income for the year</b>	<b>14,773</b>	<b>14,773</b>
<b>Balance as at March 31, 2019</b>	<b>(82,74,380)</b>	<b>(82,74,380)</b>

The accompanying notes are an integral part of the financial statements.

This is the Statement of Changes in Equity referred to in our audit report of even date.

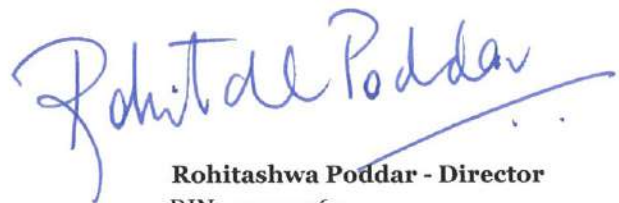
For **SUNNY SHAH & COMPANY**  
 CHARTERED ACCOUNTANTS  
 Firm's Registration Number: 140697W

For and on behalf of the Board of Directors



**SUNNY R. SHAH**  
 (Proprietor)  
 Membership No.: 130939

Place : Mumbai  
 Dated: May 30, 2019

**Rohitashwa Poddar - Director**  
 DIN: 00001262




**Pradeep Sharma - Director**  
 DIN: 00001357

# PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

## Note 1 - Basis of accounting and preparation of Financial Statements

### a) Company Overview

Poddar Heaven Homes Limited ("the Company") is engaged in the business of real estate construction, development and other related activities, particularly in the affordable housing segment. The Company is a Private Limited Company incorporated and domiciled in India having its registered office at Unit 3-5 Neeru Silk Mills Mathuradas Mill Compound 126 NM Joshi Marg Lower Parel (W), Mumbai 400 013. The Company is a 100% subsidiary of Poddar Bhumi Holdings Limited.

### b) Basis of Accounting

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions, rules and amendments, as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention except certain assets measured at fair value.

### c) Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

### d) Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported revenue and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Significant estimates used by the management in the preparation of these financial statements include project revenue, project cost, saleable area, economic useful lives of fixed assets, accrual of allowance for bad and doubtful receivables, loans and advances and current and deferred taxes. Differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### e) Property, Plant and Equipment & Depreciation

#### i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.



# PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

Property, plant and equipment are derecognised from financial statement, either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, plant and equipment recognised in the statement of profit and loss account in the year of occurrence.

ii. Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

iii. Depreciation

Depreciation is being provided on Straight Line Method on the basis of systematic allocation of the depreciable amount of the assets over its useful life as under:

Description	Useful Life
Construction equipment	10 - 12 Years
Furniture and fixtures	3 - 10 Years
Computers / Data Processing machine	3 - 6 Years
Office equipment	3 - 5 Years

Depreciation on assets sold, discarded or scrapped, is provided upto the date on which the said asset is sold, discarded or scrapped.

In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets.

f) Intangible Assets –

i. Recognition and measurement

Items of Intangible Assets are measured at cost less accumulated amortisation and impairment losses, if any. The cost of intangible assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and

- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company



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# PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

## iii. Amortisation

Intangible assets are amortised over their estimated useful life on Straight Line Method.

## g) Impairment of Assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## h) Exchange Fluctuations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

## i) Investments and other financial assets

### (i) Classification

The Company classifies its financial assets in the following measurement categories:

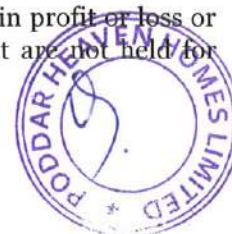
- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for



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## PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

### (ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sale the financial asset.

### (iii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

## j) Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

### k) Amortised cost:

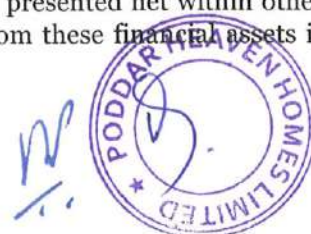
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

### l) Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

### m) Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.



## PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

### n) Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### o) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### p) Derecognition of financial assets

A financial asset is derecognised only when

- a) The company has transferred the rights to receive cash flows from the financial asset or
- b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### q) Measurement at fair values

The Company measures financial instruments at fair value at each balance sheet date.

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



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## PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### r) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### s) Inventories

- i. The cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at cost or net realizable value, whichever is lower on the basis of first in first out method or specific identification, as the case may be.
- ii. Construction work in progress is valued at lower of cost or net realizable value. Cost includes cost of land, development rights, construction costs, specific borrowing costs and other direct costs attributable to the project.
- iii. Finished stock of completed real estate projects, land and land development rights are valued at lower of cost or net realizable value on the basis of actual identified units.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### t) Revenue Recognition

#### In respect of property sale transaction

The Company uses the 'percentage-of-completion method' to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total



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## PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

The construction revenue on such projects, measured at the fair value (i.e. adjusted for discounts, incentives, time value of money adjustments etc.), have been recognised on percentage of completion method provided the following thresholds have been met:

- i. All critical approvals necessary for the commencement of the project have been obtained including, wherever applicable environmental & other clearances, approval of plans, designs etc., title to land or other rights of development / construction and change in land use.
- ii. The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;
- iii. At least 25 percent of the saleable project area is secured by contracts or agreements with buyers; and
- iv. At least 10 percent of the contract consideration is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

When it is probable that total costs will exceed total project revenue, the expected loss is recognized as an expense immediately.

### u) Advance from Customers

The amounts received from the customers against progressive demand note from time to time, are credited to Advances against sale of flats and the same are treated as Current Liabilities and adjusted against the sale value as per the terms of the agreement at the time of recognizing the revenue. Moreover, the amounts lying in the debit to account of certain customers, due to the difference in surrender value of the flat and rate at which it was originally booked, are being netted off from the aggregate credit of the customer's account and finally reduced from the sale value whenever revenue of such flats is recognized.

On the balance sheet, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

### v) Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



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# PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## w) Employee Benefits

### i. Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### ii. Post-employment benefits

The Company operates the following post-employment schemes:

#### Defined contribution plans

The Company pays contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.



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# PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### iii. Other long-term employee benefits

The liabilities for earned leave/ benefits which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### x) Leases

#### As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the lease term.

#### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

### y) Cash and Cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### z) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.



# PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

## aa) Provisions and Contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for

- i. possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- ii. present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the Financial Statements.

## bb) Segment Reporting

The company is primarily in the business of real estate development and related activities. Further most of the business conducted is within the geographical boundaries of India.

In view of the above, in the opinion of the management and based on the organizational and internal reporting structure, the company's business activities as described above are subject to similar risks and returns. Further, since the business activities undertaken by the company are substantiating within India, in the opinion of the management, the business environment in India is considered to have similar risks and returns. Consequently, the company's business activities primarily represent a single business segment and the company's operations in India represent a single geographical segment.

## cc) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).



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## PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### dd) Borrowing Cost

Borrowing cost relating to acquisition/construction development of qualifying assets of the company are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/sale. Borrowing cost that are attributable to the project in progress and qualifying land advances as well as any capital work in progress are charged to respective qualifying asset. All other borrowing costs, not eligible for inventorisation /capitalization, are charged to statement of profit and loss.

### ee) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### ff) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.



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# PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

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## gg) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

## hh) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

## ii) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## jj) Joint Operations

The Company recognises its direct right to the assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses. These have been incorporated in the financial statements under the appropriate headings.

## kk) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties other than land are depreciated using straight line method over the estimated useful life.



**PODDAR HEAVEN HOMES LIMITED**

Notes to Financial Statement as at and for the year ended March 31, 2019

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Note 2 - Inventories</b>		
Finished goods (completed saleable units )	85,85,870	85,85,870
<b>Total</b>	<b>85,85,870</b>	<b>85,85,870</b>

**Note 3 - Trade receivables**

(Unsecured, considered good unless otherwise stated)

Trade receivables	5,72,196	7,84,030
Less: Loss allowance	(4,05,971)	(7,14,552)
<b>Total trade receivables</b>	<b>1,66,226</b>	<b>69,478</b>
Current	1,66,226	69,478
Non-current	-	-

**Breakup of security details**

Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	5,72,196	7,84,030
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
<b>Total</b>	<b>5,72,196</b>	<b>7,84,030</b>
Loss allowance	(4,05,971)	(7,14,552)
<b>Total trade receivables</b>	<b>1,66,226</b>	<b>69,478</b>

**Note 4 - Cash and cash equivalents****Balances with banks**

In current accounts	2,54,011	2,68,541
Cash on hand	21,868	25,466
<b>Total</b>	<b>2,75,879</b>	<b>2,94,007</b>

**Note 5 - Other current financial assets**

(Unsecured, considered good unless otherwise stated)

Advances to related parties [Refer note 14]	43,404	1,11,675
<b>Total</b>	<b>43,404</b>	<b>1,11,675</b>

**Note 6 - Other current assets**

Balance with Government authorities	6,22,673	4,94,802
Other advances	40,971	35,471
<b>Total</b>	<b>6,63,644</b>	<b>5,30,273</b>



*M.P.*

**PODDAR HEAVEN HOMES LIMITED**

Notes to Financial Statement as at and for the year ended March 31, 2019

**Note 7 - Equity share capital**

Particulars	As at March 31,2019	As at March 31,2018
<b>Authorised</b>		
1,000,000 Equity shares of INR 10/- each	1,00,00,000	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>	<b>1,00,00,000</b>
<b>Issued, subscribed and paid up</b>		
5,00,000 Equity shares of INR 10/- each fully paid up	50,00,000	50,00,000
<b>Total</b>	<b>50,00,000</b>	<b>50,00,000</b>

*i. Movement in equity share capital*

<b>Opening Balance</b>	5,00,000	5,00,000
Issued during the year	-	-
<b>Closing Balance</b>	<b>5,00,000</b>	<b>5,00,000</b>

*ii. Rights, preferences and restrictions attached to shares.*

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is entitled to one vote per sheet held. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts. In the proportion to their shareholding.

*iii. Shareholders holding more than 5 percent shares*

	SHARES	%	SHARES	%
Holding Company - Poddar Bhumi Holdings Ltd (including nominee shareholders)	5,00,000	100	5,00,000	100

**Note 8 - Reserves and surplus**

Particulars	As at March 31,2019	As at March 31,2018
<b>Retained earnings / (losses)</b>		
Balance as per last Balance Sheet	(82,89,152)	(72,84,708)
Add: (Loss)/ Profit for the year	14,773	(10,04,444)
<b>Balance as at end of year</b>	<b>(82,74,380)</b>	<b>(82,89,152)</b>

**Note 9 - Non current borrowings**

<b>Unsecured Loans</b>		
From ECB	42,61,688	42,61,688
From Holding Company [ Refer Note No. 14]	6,03,886	5,38,260
From Other Related Party [ Refer Note No. 14]	13,56,745	14,26,606
<b>Total</b>	<b>62,22,319</b>	<b>62,26,554</b>

a) In view of the continuous losses and negative net worth in the earlier years mainly on account of non fulfillment of sale obligation by the other part who had remitted to the Company External Commercial Borrowing in the past for acquiring the machineries, the Board of Directors had decided not to repay the said external borrowings. Moreover, the same is time barred. The Company has made necessary application to Reserve Bank of India for such approval and on receipt of such permission necessary effect will be given in the accounts.

Accordingly, as the liability itself does not exist, the Company had also decided not to provide and pay interest on External Commercial Borrowing and there is no need to give effect of exchange fluctuations on such borrowings.

*b) Loan from related Parties:*

Interest free loan from Holding Company of Rs.6,03,886/- (Previous year Rs. 5,38,260/-) and related Parties Rs. 13,56,745/- (Previous year Rs. 14,26,606/-) which is payable from realisation of unsold inventories

**Note 10 - Trade payables**

Trade payables : micro and small enterprises	-	-
Trade payables : others	8,51,510	6,63,938
<b>Total</b>	<b>8,51,510</b>	<b>6,63,938</b>

**Note 11 - Other current liabilities**

Advance against sale of flats/ land/ TDR	58,97,304	59,75,483
Other statutory liabilities	23,151	14,480
Other liabilities [ Refer Note No. 14]	15,120	-
<b>Total</b>	<b>59,35,575</b>	<b>59,89,963</b>



**PODDAR HEAVEN HOMES LIMITED**

Notes to Financial Statement as at and for the year ended March 31, 2019

Particulars	March 31,2019	March 31,2018
<b>Note 12 - Other income</b>		
Excess Prov.for doubtful debts written back	3,15,800	-
Liabilities written back to the extent no longer required	-	3,79,309
<b>Total</b>	<b>3,15,800</b>	<b>3,79,309</b>
<b>Note 13 - Other expenses</b>		
Rent	95,040	1,26,630
Auditors remuneration :		
- Audit fees	1,25,000	1,47,500
Legal, professional and service charges	16,050	1,27,350
Security Expenses	3,894	1,02,065
Allowance for doubtful debts	-	7,14,552
Rates and taxes	10,650	31,300
Site expenses	-	1,31,199
Miscellaneous expenses	50,393	8,507
<b>Total</b>	<b>3,01,027</b>	<b>13,89,103</b>



## PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

### Note 14 - Related party transactions and balances

#### a. Relationships

##### i. Holding Company

Poddar Bhumi Holdings Limited

##### ii. Key management personnel

Dipak Kumar Poddar	- Director
Rohitashwa Poddar	- Director
Vimal Dhoot	- Director
Pradeep Sharma	- Director

##### iii. Entities where key management personnel have significant influence

Poddar Housing & Development Ltd  
Poddar Habitat Private Ltd  
Poddar Amalgamated holdings Pvt Ltd  
Brite Merchants Ltd  
Janpriya Traders Ltd  
Poddar Foundation  
Poddar Wellness  
Mumbaikar Festival Conveners LLP

#### b. Details of Related Party transactions are given below:

##### I Holding Company : Poddar Bhumi Holdings Limited

Particulars	March 31, 2019	March 31, 2018
<i>Advance taken</i>		
Opening balance	5,38,260	
Add : Advances received during the year	1,10,000	6,00,000
Less : Advances paid/adjusted against expenses incurred by us on behalf	(44,374)	(61,740)
<b>Balance payable</b>	<b>6,03,886</b>	<b>5,38,260</b>
<i>Expenses incurred by us on behalf of others</i>		
Opening Balance	-	-
Add : Expenses incurred during the year	44,374	88,748
Less : Amount repaid/adjusted	(44,374)	(88,748)
<b>Balance payable</b>	<b>-</b>	<b>-</b>



**PODDAR HEAVEN HOMES LIMITED**

Notes to Financial Statement as at and for the year ended March 31, 2019

**II Enterprises over which key management person have significant influence**

Particulars	March 31, 2019	March 31, 2018
1 <u>Poddar Amalgamated Holdings P.Ltd</u>		
<u>Advances Taken</u>		
Opening balance	14,26,606	15,73,385
Add : Advances received during the year	4,29,639	5,71,687
Less : Expenses incurred on behalf of us	(4,99,500)	(7,18,466)
<b>Balance Receivable/(payable)</b>	<b>13,56,745</b>	<b>14,26,606</b>
2 <u>Poddar Foundation</u>		
i] Opening balance	-	-
Add : Expenses incurred by us on behalf	3,14,236	1,66,753
Less : Repaid	(3,18,736)	(1,66,753)
<b>Balance Receivable/(payable)</b>	<b>(4,500)</b>	<b>-</b>
3 <u>Brite Merchant Limited</u>		
<u>Advances given</u>		
Opening balance	31,074	-
Add : Expenses incurred by us on behalf	2,54,757	6,36,606
Less : Repaid	(2,85,831)	(6,05,532)
<b>Balance Receivable/(payable)</b>	<b>-</b>	<b>31,074</b>
4 <u>Janpriya Traders Limited</u>		
<u>i) Rent payable</u>		
Opening balance	-	-
Add : During the year	95,040	1,26,630
Less : Paid/adjusted against expenses incurred by us on behalf of others	(95,040)	(1,26,630)
	-	-
<u>ii) Expenses incurred by us on behalf of others</u>		
Opening balance	37,970	(64,100)
Add : Expenses incurred by us on behalf	(2,50,680)	(5,35,230)
Less : Received/adjusted against rent payable	2,02,090	6,37,300
<b>Balance Receivable/(payable)</b>	<b>(10,620)</b>	<b>37,970</b>



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## PODDAR HEAVEN HOMES LIMITED

Notes to Financial Statement as at and for the year ended March 31, 2019

### Note 15 - Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, receivables, payables and loans and borrowings.

#### A. Credit risk management

For banks and financial institutions, only good rated banks/institutions are accepted.

For other financial assets, credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

Actual or expected significant adverse changes in business,  
Actual or expected significant changes in the operating results of the counter-party,  
Financial or economic conditions that are expected to cause a significant change to the counter-party's ability to meet its obligations,

Significant increase in credit risk on other financial instruments of the same counter-party,  
Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables, loans and advances from individual counterparty based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

Based on the analysis the Company has already provided for trade and other receivables and same has been disclosed in financial statements.



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## B. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

### *Maturity patterns of borrowings*

	March 31, 2019	March 31, 2018
within one year	-	-
later than one year but not latter than five years	62,22,319	-
later than five years	-	-
<b>Total</b>	<b>62,22,319</b>	<b>-</b>

## Note 16 - Capital risk management

### (a) Risk management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company has not declared any Dividend during the year.

## Note 17 – Earning per share (EPS)

Particulars	March 31, 2019	March 31, 2018
Net (loss)/profit for the year	14,773	(10,04,444)
Weighted average number of equity shares		
Basic (in Numbers)	5,00,000	5,00,000
Diluted (in Numbers)	5,00,000	5,00,000
Nominal value of shares (in INR)	10	10
Earning per share (in INR)		
<b>Basic</b>	<b>0.03</b>	<b>-2.01</b>
<b>Diluted</b>	<b>0.03</b>	<b>-2.01</b>

## Note 18 - Corporate social Responsibility

Section 135 of the Companies Act 2013 does not apply to the company.



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**Note 19 - Micro, Small and Medium Enterprises**

The Company has not received any intimation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures, if any, relating to the amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

**Note 20 - Segment Reporting**

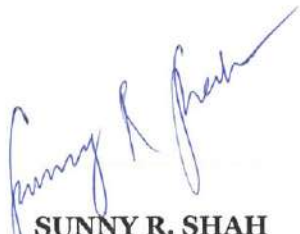
The Company operates only in 'construction, development and sale of real estate' segment and operates only in India accordingly segment related information is as reflected in the financial statements

**Note - 21**

Previous year figures have been regrouped / re-arranged wherever necessary.

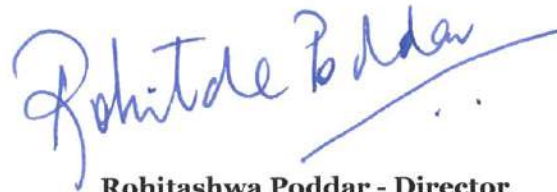
**For SUNNY SHAH & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm's Registration Number: 140697W

For and on behalf of the Board of Directors



**SUNNY R. SHAH**  
(Proprietor)  
Membership No.: 130939

Place : Mumbai  
Dated: May 30, 2019



**Rohitashwa Poddar - Director**  
DIN: 00001262



**Pradeep Sharma - Director**  
DIN: 00001357

