

## Independent Auditor's Report

To the Members of New Cyberabad City Projects Private Limited

Report on the Financial Statements

### Opinion

We have audited the accompanying financial statements of New Cyberabad City Projects Private Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (herein after referred as " financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019 and its Loss, 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 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 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 Companies Act, 2013 and we have fulfilled our other ethical requirements 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.

### Material Uncertainty relating to Going Concern

We draw attention to the following matters in the Notes to the financial statements



- a) The Company has made investments into real estate. Considering the long gestation period in real estate, the ability of the Company to continue as going concern depends on support from its holding company and other group companies. Ref Note No.12.12

### **Key Audit Matters**

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 whole, and in forming our opinion thereon, 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 that there are no key audit matters to be communicated in our audit report.

### **Emphasis of Matter**

Note No 12.5 regarding the security given to SEBI on behalf of fellow subsidiary.

Our opinion is not modified in respect of this matter.

### **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 Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



## **Auditor's Responsibilities for the Audit of 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 it is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 decision of the users taken on the basis of these financial statements.

## **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 Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
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 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 Accounting Standards 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 31<sup>st</sup> March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 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"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer Note No. 12.4 and 12.5
- ii. The Company did not have 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 B. Sujeet & Co.**

Chartered Accountants

Firm's registration number: 009308S

*Sujeet Kumar*

**B. Sujeet Kumar**

Proprietor

Membership number: 209547



Hyderabad

Date: 18<sup>th</sup> May, 2019

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2019, we report that:

- (i) (a) The Company does not carry any fixed assets. Hence paragraph 3(i) of the Order is not applicable to the Company.
- (ii) The Company is a real estate company and carrying inventory of land bank and development rights. The Company regularly conducts physical verification of the inventory and no material discrepancies have found on such verification. However, the Company is yet to update the revenue records maintained with the Government of Telangana in respect of the agricultural lands it owns.
- (iii) (a) The Company has granted loans to two bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').  
(b) The loans have been given with no specific interest rate and repayment period. Hence we cannot comment whether such loans are, prima facie, prejudicial to the interest of the Company or not.
- (iv) In our opinion and according to the information and explanations given to us, the Company complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.



According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of duty or taxes which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order 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 term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. Accordingly, paragraph 3(x) of the Order is not applicable.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given 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 him. 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 **B. Sujeet & Co.**

Chartered Accountants

Firm's registration number: 009308S



**B. Sujeet Kumar**

Proprietor

Membership number: 209547



Hyderabad

18<sup>th</sup> May, 2019

## **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 New Cyberabad City Projects Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the 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 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.

### **Opinion**

We draw attention to the following:

- a) The Company does not have any employees and all the operations are being carried out by the employees of the holding company. Hence there is no internal control framework in place in the Company.
- b) The Company is still in the process of updating revenue records of its agricultural lands it owns. As this is a very crucial step in claiming the ownership of the land, effort towards this direction has to be taken on a war footing.



A 'material weakness' is a deficiency , or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide the basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

For **B. Sujeet & Co.**  
Chartered Accountants  
Firm's Registration Number: 009308S

*Sujeet Kumar*

**B. Sujeet Kumar**  
Proprietor  
Membership Number: 209547  
Hyderabad  
18<sup>th</sup> May, 2019



	Particulars	Note No.	As at Mar 31, 2019	As at Mar 31, 2018
	<b>ASSETS</b>			
(1)	<b>Non Current Assets</b>			
	(a) Property, Plant and Equipment	2	70,895	81,155
	(b) Capital work-in-progress		-	-
	(c) Investment Property		-	-
	(d) Financial Assets			
	(i) Investments		-	-
	(ii) Loans		-	-
	<b>Total Financial Asset</b>	3	70,895	81,155
	(d) Other non current assets		-	-
	<b>Total Non Current Assets</b>		70,895	81,155
(2)	<b>Current assets</b>			
	(a) Inventories	4	2,220,976,459	2,220,976,459
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Loans	5	310,673,219	310,673,219
	(iii) Cash and cash equivalents	6	7,735	31,304
	<b>Total Financial Asset</b>		2,531,657,413	2,531,680,982
	(c) Other current assets	7	12,820	12,820
	<b>Total Current Assets</b>		2,531,670,233	2,531,693,802
(3)	<b>Non current assets classified as held for sale</b>		-	-
	<b>Total Assets</b>		2,531,741,128	2,531,774,957
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity Share Capital	8	12,470,000	12,470,000
	(b) Other Equity		2,518,547,580	2,518,774,230
	<b>Total Equity</b>		2,531,017,580	2,531,244,230
(1)	<b>LIABILITIES</b>			
	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Trade payables		-	-
	(iii) Other financial liabilities		-	-
	<b>Total Financial Liabilities</b>		-	-
	(b) Other non current liabilities		-	-
	<b>Total Non Current Liabilities</b>		-	-
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Trade payables	9	713,548	513,540
	(iii) Other financial liabilities		-	-
	<b>Total Financial Liabilities</b>		713,548	513,540
	(b) Other current liabilities	10	10,000	17,187
	<b>Total Current Liabilities</b>		723,548	530,727
(3)	<b>Liabilities associated with non current assets held for sale</b>		-	-
	<b>Total Equity and Liabilities</b>		2,531,741,128	2,531,774,957

Significant Accounting Policies

1

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For M/s. B. SUJEET & CO.,

CHARTERED ACCOUNTANTS

Firm Registration No. 0093085

For and on behalf of the Board of Directors

*Sujeet Kumar*

B. SUJEET KUMAR  
Proprietor  
Membership No. 209547



*R. Ramaswamy*

R. RAMASWAMY  
Director  
DIN - 07737350

*C.S.N Prasad*

C.S.N PRASAD  
Director  
DIN - 07882618

Place: Hyderabad  
Date: 18th May 2019

NEW CYBERABAD CITY PROJECTS PRIVATE LIMITED  
Corporate Identification Number: U45201TG2006PTC050706  
Statement of Profit and Loss for the Year ended March 31, 2019

AMOUNT IN Rs.

	Particulars	Note	March 31, 2019	March 31, 2018
I	Revenue from Operations		-	-
II	Other Income		-	-
III	Total Income (I + II)		-	-
IV	Expenses			
	Employee Benefit Expense and Payment to Contractors		-	-
	Finance Costs		-	-
	Depreciation and Amortisation	2	10,260	10,260
	Other Operating and General Expenses	11	686,692	578,221
	Total expenses (IV)		696,952	588,481
V	Profit Before Tax and Exception items (III - IV)		(696,952)	(588,481)
VI	Exceptional Items			
VII	Profit/ (Loss) Before Tax (V - VI)		(696,952)	(588,481)
VIII	Tax Expenses			
	Current Tax		-	-
	Deferred Tax		-	-
	Minimum Alternative Tax Credit		-	-
	Tax relating to earlier years		-	-
	Total		-	-
IX	Profit for the year after tax		(696,952)	(588,481)
X	Other Comprehensive income, net of tax			
	(A) Items that will not be reclassified subsequently to profit and loss			
	Remeasurement of loans		-	-
	Change in fair value of equity instruments designated irrevocably as FVTOCI		-	-
	Less :-income tax expense		-	-
	(B) Items that will be reclassified subsequently to profit and loss			
	Currency translation difference (net)		-	-
	Other Comprehensive income for the year, net of tax		-	-
XI	Total Comprehensive Income for the year		(696,952)	(588,481)
XII	Earnings Per Share	12		
	Basic and Diluted - (Rs.)		(0.56)	(0.47)
	Face Value per Ordinary share - (Rs. )		10.00	10.00

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For M/s. B. SUJEET & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 009308S

For and on behalf of the Board of Directors

*Sujeet Kumar*

B. SUJEET KUMAR  
Proprietor  
Membership No. 209547



*R. Ramaswamy*

R. RAMASWAMY  
Director  
DIN - 07737350

*C.S.N Prasad*

C.S.N PRASAD  
Director  
DIN - 07882618

Place: Hyderabad  
Date: 18th May 2019

## NEW CYBERABAD CITY PROJECTS PRIVATE LIMITED

Corporate Identification Number: U45201TG2006PTC050706

AMOUNT IN Rs.

Cash Flow Statement for the year ended March 31, 2019

Particulars	31-03-2019	31-03-2018
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before taxation	(696,952)	(588,481)
Adjustments for operating activities :		
Depreciation & Amortization	10,260	10,260
Provision no longer required written back	-	-
Operating Profit before Working Capital Changes	(686,692)	(578,221)
Adjustments for :		
(Increase)/Decrease in Inventory	-	-
(Increase)/Decrease Other Financial Assets	-	-
(Increase)/Decrease in Loans and Advances	-	-
Increase/(Decrease) in Current Liabilities & Trade Payable	192,821	167,145
Cash generated from operations (A)	(493,871)	(411,076)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Non-Current Investments	-	-
(Increase)/Decrease in Loans & Advances	-	-
Acquisition of Fixed Assets	-	-
Net cash from Investing activities (B)	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Long Term Borrowings	470,302	410,446
Secured Loans Availled	-	-
Net cash from financing activities (C)	470,302	410,446
Net Increase in Cash and Cash Equivalents (A+B+C)	(23,569)	(630)
Cash and cash equivalents at the beginning of the year	31,304	31,934
Cash and cash equivalents at the end of the year	7,735	31,304
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	-	-
Balances with Banks		
-On Current Accounts	7,735	31,304
-On Deposit Accounts	-	-
Cash and cash Equivalent (as per Note 5)	7,735	31,304

Refer Note No. 12.7, the entire bank balance aforesaid is freezed at the year end and not available for use.

The accompanying notes form an integral part of the Financial Statements

As per our Report of even date

For M/s. B. SUJEET &amp; CO.,

CHARTERED ACCOUNTANTS

Firm Registration No. 009308S

For and on behalf of the Board of Directors

B. SUJEET KUMAR

Proprietor

Membership No. 209547



R. RAMASWAMY

Director

DIN - 07737350

C.S.N. PRASAD

Director

DIN - 07882618

Place: Hyderabad

Date: 18th May 2019

NEW CYBERABAD CITY PROJECTS PRIVATE LIMITED  
Corporate Identification Number: U45201TG2006PTC050706  
Notes to Balance Sheet as at March 31, 2019  
Statement of changes in equity

AMOUNT IN ₹.

Particulars	Equity Share Capital	Reserves & Surplus					Other Comprehensive Income		Equity component of Parent Company	Total Equity attributable to equity holders of the company
		Security Premium Reserve	Retained Earnings	Capital Reserve	General Reserve	Business Transfer Adjustment Reserve	Equity Instruments through other comprehensive Income	Other Items of Other Comprehensive Income		
Balance as on 1st Apr 2017	12,470,000	997,630,000	(663,492,542)	-	-	-	-	-	2,184,814,807	2,531,422,265
Transferred to General Reserve										-
Remeasurement of the loan										-
Profit for the period			(588,481)						410,446	410,446
Balance as on 31st March 2018	12,470,000	997,630,000	(664,081,023)	-	-	-	-	-	2,185,225,253	2,531,244,230
Transferred to General Reserve										-
Remeasurement of the loan										-
Profit for the period			(696,952)						470,302	470,302
Balance as on 31st Mar 2019	12,470,000	997,630,000	(664,777,975)	-	-	-	-	-	2,185,695,555	2,531,017,580

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For M/s. B. SUJEET & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 009308S

For and on behalf of the Board of Directors

*Sujeet Kumar*

B. SUJEET KUMAR  
Proprietor  
Membership No. 209547

Place: Hyderabad  
Date: 18th May 2019



*R. Ramaswamy*

R. RAMASWAMY  
Director  
DIN - 07737350

*C.S.N. Prasad*

C.S.N. PRASAD  
Director  
DIN - 07882618

**NOTE 1: COMPANY'S OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES**

**A. BACKGROUND:** The Company is incorporated in the State of Telangana in 2006. The Company is into real estate sector. It owns sizeable parcels of land near Hyderabad and Visakhapatnam.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

(A) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("Act") (to the extent notified). The Ind AS are prescribed under 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.

Accounting Policies have been consistently applied except where a newly accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(B) The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date.

**(C) Use of Estimates**

The preparation of financial statements in conformity with the Ind AS requires that the management to make estimates, judgements and assumptions. These estimates, judgements, and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, if material, their effects are disclosed in the notes to the standalone financial statements.



## **1.2 Revenue Recognition**

As a consistent practice, the Company recognizes revenue on an accrual basis.

## **1.3 Inventories**

Land, Land development rights and work in progress are valued at cost or Net Realisable Value whichever is lower. Cost comprises of all expenses incurred for the purpose of acquisition of land and land development rights, development of land and other related direct expenses.

## **1.4 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Furniture – 10 years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before each data as disclosed under 'Capital Work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminate from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

## **1.5 Impairment**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL unless there has been a significant increase in credit risk. From initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversals) that is required to adjust the loss allowance at the reporting date to the amount that is to be



required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss.

Intangible Assets and Property, Plant and Equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing the recoverable amount i.e. higher of the fair value less cost to sell and the value in use is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for this cash generating unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An Impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined net of (any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### **1.6 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of nature or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **1.7 Borrowing Cost**

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets is capitalized as part of the cost of that asset. Other borrowing costs are charged to revenue over the tenure of the loan.

#### **1.8 Taxes on Income**

- (i) Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient



future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

#### **1.9 Earnings per Share**

- i. Basic and diluted earnings per share are calculated by dividing the net profit for the year/period attributed to equity shareholders by the weighted average number of equity shares outstanding during the year/period.
- ii. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **1.10 Provisions, Contingent Liabilities and Contingent Assets**

##### **a) General**

Provisions are recognized when the Company has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

##### **b) Other litigation Claims**

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.



Note No (2) : Property, Plant & Equipment

Particulars	Furniture & Fixtures	Total
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Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

Gross carrying value as of April 1, 2017	108,000	108,000
Additions	-	-
Deletions	-	-
Translation difference	-	-
Gross carrying value as of March 31, 2018	108,000	108,000
Accumulated Depreciation as of April 1, 2017	16,585	16,585
Depreciation	10,260	10,260
Accumulated depreciation on deletions	-	-
Translation difference	-	-
Accumulated Depreciation as of March 31, 2018	26,845	26,845
Carrying value as of March 31, 2018	81,155	81,155
Carrying value as of March 31, 2017	91,415	91,415

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2019

Gross carrying value as of April 1, 2018	108,000	108,000
Additions	-	-
Deletions	-	-
Translation difference	-	-
Gross carrying value as of Mar 31, 2019	108,000	108,000
Accumulated Depreciation as of April 1, 2018	26,845	26,845
Depreciation	10,260	10,260
Accumulated depreciation on deletions	-	-
Translation difference	-	-
Accumulated Depreciation as of Mar 31, 2019	37,105	37,105
Carrying value as of Mar 31, 2019	70,895	70,895
Carrying value as of March 31, 2018	81,155	81,155



	Particulars	As at 31st March 2019	As at 31st March 2018
Note- 3	<b>NON CURRENT LOANS AND ADVANCES</b>		
	Unsecured and considered good		
	Loans and advances to related parties		-
	Other Doubtful Advances	9,000,000	9,000,000
		<u>9,000,000</u>	<u>9,000,000</u>
	Less: Provision for Doubtful Advances made	9,000,000	9,000,000
		<u>-</u>	<u>-</u>
Note- 4	<b>Non-Current Assets</b>		
	Other Non Current Assets		
	Inventory	2,220,976,459	2,220,976,459
		<u>2,220,976,459</u>	<u>2,220,976,459</u>
Note- 5	<b>Current Assets</b>		
	Unsecured and considered good		
	Loans		
	Loans to Related Parties	310,673,219	310,673,219
		<u>310,673,219</u>	<u>310,673,219</u>
Note- 6	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash in hand		
	(as certified by management)		
	Balance with banks in current accounts	7,735	31,304
		<u>7,735</u>	<u>31,304</u>
Note- 7	<b>OTHER CURRENT ASSETS</b>		
	Advance Income Tax	12,820	12,820
		<u>12,820</u>	<u>12,820</u>
Note: 8	<b>SHARE CAPITAL</b>		
	(A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share		
	Authorised Share Capital		
	20,00,000 Equity Shares of Rs. 10/- each	20,000,000	20,000,000
	Issued, Subscribed and Paid Up		
	12,47,000 Equity Shares of Rs. 10/- each	12,470,000	12,470,000
		<u>12,470,000</u>	<u>12,470,000</u>
	(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:		
	Number of equity shares outstanding as at the beginning of the year	1,247,000	1,247,000
	Add: Number of Shares allotted during the year		
	Less: Number of Shares bought back		
	Number of equity shares outstanding as at the end of the year	<u>1,247,000</u>	<u>1,247,000</u>
	(C) Shareholding in the company of the holding company and their subsidiaries / associates		
	PVP Ventures Ltd & its nominee	1,010,000	1,010,000
		<u>1,010,000</u>	<u>1,010,000</u>



Particulars	As at 31st March 2019	As at 31st March 2018
(D) Shares in the company held by each shareholder holding more than 5%:		
Name of shareholder	No of shares at year end	
PVP Ventures Ltd	1,010,000	1,010,000
Erebus Projects Private Limited	237,000	237,000
	<u>1,247,000</u>	<u>1,247,000</u>
Name of shareholder	% as at year end	
PVP Ventures Ltd & its nominee	81	81
Erebus Projects Private Limited	19	19
	<u>100</u>	<u>100</u>
(E) Rights, preferences and restrictions attaching to various classes of shares	NIL	NIL
(F) Shares reserved for issue under options and contracts:	NIL	NIL
(G) Commitments for sale of shares/ divestment	NIL	NIL
(H) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back	NIL	NIL
(I) The Company has only one class of shares issued and paid-up capital referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.		
(j) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.		

**Note- 9**

**TRADE PAYABLE**

Sundry Creditors for services

713,548	513,540
<u>713,548</u>	<u>513,540</u>

**Note- 10**

**OTHER CURRENT LIABILITIES**

TDS - Professional services

TDS - Contract Services

10,000	10,000
-	7,187
<u>10,000</u>	<u>17,187</u>



NEW CYBERABAD CITY PROJECTS PRIVATE LIMITED  
Corporate Identification Number: U45201TG2006PTC050706  
Notes to the Statement of Profit & Loss Account for the Year Ended March 31, 2019

**AMOUNT IN Rs.**

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Note- 11	Other Expenses		
	Rates and taxes	7,900	27,000
	Payment to statutory auditors as Audit fee	118,000	118,000
	Bank Charges	23,569	630
	Legal, professional and consultancy	36,100	11,500
	Security charges	501,123	421,091
		<u>686,692</u>	<u>578,221</u>



**NOTE 12. OTHER ITEMS**

- 12.1 The Company owns land admeasuring 50 acres and 5 guntas and development rights over another 679 acres and 28 guntas at Nadergul at Shamshabad and 9.25 acres of land near Visakhapatnam. As per the independent valuation done in May 2012, the fair market value of the above land and land development rights of 729 Acres and 33 Guntas at Shamshabad is assessed to be Rs. 364.66 Crores, which is higher than their carrying cost of Rs. 216.92 Crores (PY: Rs. 216.92 Crores). The fair market value of the land near Visakhapatnam is assessed at Rs. 7 crores, which is higher than the carrying cost of Rs. 5.17 crores. As the Company's main objective is real estate activity and the fact that it is holding the development rights of the lands adjacent to its own land, the entire land and land development rights are classified as inventory under Non-Current Assets.
- 12.2 During the year, Telangana State Government has initiated tallying revenue records with records maintained by the Sub Registrar for all the agricultural lands situated in Telangana. The Company is in the process of getting revenue records of its land at Nadergul updated. The Company is confident of getting the entire records pertaining to the land properly updated within a year.
- 12.3 The interest free loan given by the Holding Company M/s PVP Ventures Limited amounting to Rs. 218.43 lakhs (PY: 218.43 lakhs) is secured against the immovable property owned by the Company.
- 12.4 The Enforcement Directorate had provisionally attached the land at Nadergul, Ranga Reddy District admeasuring 28 Acres and 8 Guntas of the Company in connection with the redemption of the investments in M/s. Mahalakshmi Energy Ventures Private Limited by its fellow subsidiary Company. The said attachment order has been confirmed by the Adjudicating Authority of the Enforcement Directorate. The Fellow Subsidiary Company - PVP Global Ventures has already filed an appeal against the said Order before Appellate Authority, Delhi. Based on the expert advice, the Company is confident of succeeding before the appellate authority.
- 12.5 During the course of legal case against the SEBI's penalty order for Insider Trading, the fellow subsidiary, PVP Global Ventures Private Limited had to provide the Company's aforesaid land parcel aggregating to 53 acres 30 guntas as security deposit to SEBI. The Securities Appellate Tribunal has confirmed the penalty of Rs. 15 crores on PVP Global Ventures Private Limited and the said fellow subsidiary has not remitted the dues yet.

- 12.6 There was an Income Tax demand for Rs. 8.26 crores for Assessment Year 2015-16 pursuant to scrutiny proceedings u/s 143(3). However, the Income Tax Department



has gone for appeal with Income Tax Appellate Tribunal after the Company won the appeal in the first stage of appeal. The same has not been provided as the Company is confident of its success.

- 12.7 All the bank accounts with balance of Rs. 7,734/- as at 31<sup>st</sup> March, 2019 have been attached by the Income Tax department pursuant to the aforesaid Income Tax Demand of Rs. 8.26 crores. Hence the aforesaid bank balance is not freely available. The Company is yet to follow up with the Income Tax Department to unfreeze the bank account in the wake of its success in the First Stage of Appeal.

**12.8 Earnings per Share**

Particulars	Ref	Year ended March 31, 2019	Year ended March 31, 2018
Profit/ (Loss) before Exceptional Items (in Rs.)	A	(6,96,952)	(5,88,481)
Number of shares outstanding	B	1,247,000	1,247,000
Earnings per share after Exceptional Items – Basic and Diluted (₹.)	A/B	(0.56)	(0.47)

**12.9 Related Party Disclosures**

List of related parties where control exists and related parties with whom transactions have taken place and relationships are as follows:

Names of the Related party	Relationship
PVP Ventures Limited (PVP)	Holding Company
PVP Global Ventures Private Limited (PVPGVPL)	Fellow Subsidiary
PVP Media Ventures Private Limited (PVPMVPL)	Fellow Subsidiary
Adobe Realtors Private Limited (ARPL)	Subsidiary of a Fellow Subsidiary

**Summary of transactions and outstanding balances with above related parties**

Nature of transactions	Transactions for the		Balance as at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)
(i) Loans / Advances given (Net)				
(b)PVPMVPL	Nil	Nil	29,46,61,892	29,46,61,892
(c)ARPL	Nil	Nil	1,60,11,327	1,60,11,327
(ii) Secured Interest Free Loan availed				



**New Cyberabad City Projects Private Limited**  
**Corporate Identification Number: U450201TG2006PTC050706**  
Notes forming part of the financial statements for the year ended March 31, 2019

(a) Holding Company (PVP)	Nil	Nil	2,18,18,51,346	2,18,18,51,346
(a)PVPGVPL	4,70,302	4,10,446	13,47,044	8,76,742

**12.10** The Company has not recognized deferred tax asset on carry forward losses on the grounds of prudence.

**12.11** The Company has not received any intimation from suppliers, regarding their status, under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure of any amount unpaid as at the year-end together with the interest paid / payable as required under the said Act have not been given.

**12.12** Borrowings from Holding Company and other group companies with no specific repayment period and carrying nil rate of interest has been considered as Other Equity.

**12.13** The Company has made investments in real estate. The Company is unable to develop its real estate and make it into a cash generating asset and due to which the ability of the Company to continue as going concern depends on support from Holding Company and other group companies.

**12.14 Financial Instruments**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed.

**Financial assets and liabilities**

The carrying value of financial instruments by categories are as follows:

Particulars	As at 31 <sup>st</sup> March, 2019		
Financial Assets	FVTPL	FVTOCI	Amortized Cost
Loans			31,06,73,219
Cash and Cash Equivalents			7,734
<b>Total</b>			<b>31,06,80,954</b>
Financial Liabilities			
Trade Payables			7,13,548
Other Current Liabilities			10,000
<b>Total</b>			<b>7,23,548</b>



**New Cyberabad City Projects Private Limited**  
**Corporate Identification Number: U450201TG2006PTC050706**  
Notes forming part of the financial statements for the year ended March 31, 2019

Particulars	As at 31 <sup>st</sup> March, 2018		
Financial Assets	FVTPL	FVTOCI	Amortized Cost
Investments			31,06,73,219
Cash and Cash Equivalents			31,304
<b>Total</b>			<b>31,07,04,523</b>
Financial Liabilities			
Trade Payables			5,13,540
Other Current Liabilities			17,187
<b>Total</b>			<b>5,30,727</b>

Assets and liabilities that are not financial assets or liabilities are not included.

The carrying amounts of cash and cash equivalent, certain borrowings, trade payables and other financial liabilities are considered to be the same as their fair values due to their short term in nature.

- 12.15 Explanatory notes 1 to 12 form an integral part of the Balance Sheet and Statement of Profit and Loss and are duly authenticated.

As per report of our even date

For M/s. B. Sujeet & Co.,

Chartered Accountants

Firm Reg.No.009308S

For and on behalf of the Board of Directors

*Sujeet Kumar*

**B. Sujeet Kumar**  
(Proprietor)

M. No : 209547

Place: Hyderabad

Date: 18<sup>th</sup> May, 2019



*R. Ramaswamy*  
**R. Ramaswamy**  
(Director)  
DIN: 07737350

*C.S.N Prasad*

**C.S.N Prasad**  
(Director)  
DIN: 07882618