



sanjaykumarsaini@hotmail.com

BISWA CHANDRA SAINI & CO **CHARTERED ACCOUNTANTS**

E-1,78, Greater Kalish-1

New Delhi-110065

PH. 49849349, 42175642

Independent Auditor's Report

To the Members of

GRJ DISTRIBUTORS & DEVELOPERS PRIVATE LIMITED.

Report on the Financial Statements

Opinion

We have audited the financial statements of **GRJ Distributors & Developers Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss for the year then 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 Act in the manner so required and 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 March 31, 2020, and *Loss*, 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- (i) We draw attention to note no. 12 of significant accounting policies to financial statements which describes the management's assessment of impact of outbreak of Covid-19 on business operations of the company. The management of the company have concluded that no adjustments are required to be made in financial statements as it does not impact current financial year, however, various preventive measures taken by Government are still in force leading to highly uncertain economic environment, therefore, the management's assessment of impact on subsequent period is highly dependent on situations/ circumstances as they evolve. The company continues to monitor the impact of covid-19 on its business including its impact on customer, associates, contractors, vendors etc.



- (ii) Note No. 23.2 of Notes to Accounts to financial statements, which explains management position regarding utilization of Deferred Tax Assets amounting to Rs. 7,41,54,497/- as at 31st March 2020. Based on the management assumptions and future business plans, management is certain about realization of this asset in coming years.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matters

Sr. No.	Key Audit Matters	How that matter was addressed in our audit report
1	<p><u>Revenue recognition</u></p> <p>Revenue is recognized on "Percentage Completion Method" i.e. revenue is based on percentage of actual project costs to estimated project costs. Estimated project costs includes cost of land/development rights, borrowing costs, overheads, estimated construction and development cost of such properties. Review of estimates costs are done periodically and effects of changes are recognized and where project cost is estimated to exceed project revenue, loss is recognized immediately.</p> <p>As per Guidance note on "Accounting for Real Estate Transactions" issued by ICAI, For projects commencing after 1st April 2012, the revenue from sale of completed real estate projects, land, development rights and sale/transfer of rights in agreements are recognized in the financial year in which agreements of such sales are executed and there is no uncertainty about ultimate collections.</p>	<p>Our audit procedure on revenue recognition from real estate projects included:</p> <ul style="list-style-type: none"> • Selecting sample to identify contracts with customers, identifying separate performance obligation in the contracts, determination of transaction price and allocating the transaction price to separate performance obligation. • On selected samples, we tested that the revenue recognition is in accordance with accounting standards by <ol style="list-style-type: none"> i) Reading, analyzing and identifying the distinct performance obligations in real estate projects. ii) Comparing distinct performance obligations with that identified and recorded. iii) Reading terms of agreement to determine transaction price including variable consideration to verify transaction price used to recognize revenue. iv) Performing, analytical procedures to verify reasonableness of revenue accounted by the Company.



	Refer Note No 2 of Significant Accounting Policies to the Financial Statements.	
2.	<p>Pending Direct / Indirect Tax cases</p> <p>The Company has pending income tax/ TDS/ Service Tax/ GST cases involving tax demands which involves significant judgment to determine possible outcome of these cases.</p> <p>Refer Notes 23.4 to the Financial Statements.</p>	<p>We obtained details of all pending pending income tax/ TDS/ Service Tax/ GST matters involving tax demands on the Company and discussed with the Company's in house tax team regarding sustainability of Company's claim before various assessing officers/ appellate authorities on matters under litigation. The in-house tax team of the company relied upon past legal and other rulings, submissions made by them during various hearings held, which was taken in consideration by us to evaluate management position on these tax demands.</p>
3	<p><u>Liability for Non-performance of real estate agreements/ civil law suits against the Company</u></p> <p>The Company may be liable to pay damages/ interest for specific non-performance of certain real estate agreements, civil cases preferred against the Company for specific performance of the land agreement, the liability on account of these, if any have not been estimated and disclosed as contingent Liability.</p> <p>Refer Note No. 23.4 to the Financial Statements</p>	<p>We obtained details/ list of pending civil cases and also reviewed on sample basis real estate agreements, to ascertain damages on account of non-performance of those agreement and discussed with the legal team of the Company to evaluate management position.</p>
4	<p><u>Inventories</u></p> <p>The company's inventories comprise mainly of projects under construction/development (projects in progress), completed real estate projects and land.</p> <p>Finished stock of completed real estate projects is valued at lower of cost or net realizable value (NRV) on the basis of actual identified units.</p> <p>Land is valued at cost which is determined on average method Cost includes cost of acquisition, borrowing costs and all related costs.</p> <p>WIP is valued at cost including direct material, direct labour & other related</p>	<p>Our audit procedures to assess the net realizable value (NRV) of the inventories include the following:</p> <p>We had discussions with Management to understand Management's process and methodology to estimate NRV, including key assumptions used and we also verified estimated cost of construction to complete projects.</p>

	<p>construction expenses and the project specific indirect expenses are being included in the cost in valuing work in progress.</p> <p>Refer Note No 5 of Significant Accounting Policies to the Financial Statements.</p>	
5	<p><u>Statutory dues and borrowings</u></p> <p>The Company has incurred cash losses during the current and previous year, due to recession in the real estate sector, due to which the Company is facing tight liquidity situation.</p> <p>As a result, there have been delays/defaults in statutory liabilities, principal and interest on borrowings and other dues.</p> <p>Defaults in payment of statutory dues and borrowings involves calculation of interest, penal interest and other penalties on delayed payments and recording of liabilities. It requires significant estimates, hence considered as key audit matter.</p> <p>Refer Note No. 23.5 and 23.6 to the Financial Statements.</p>	<p>Our audit procedures included:</p> <p>We had discussion with management and understood management process for provision of interest and penalties for delays/defaults in payment of statutory dues and repayment of borrowings and interest thereon;</p> <p>For statutory dues, we have verified the schedule of statutory liabilities and due date of payments;</p> <p>For borrowings, we verified loan agreement and sanction letters to check repayment schedule and penal interest, if any. We verified calculation of interest including penal interest.</p> <p>We verified disclosures made in the financial statements in respect of defaults in repayment of borrowings and interest thereon;</p> <p>Defaults in payment of statutory dues is reported in "Annexure A" to our audit report.</p>
6	<p><u>Related party transaction and balances</u></p> <p>The Company has transaction with related parties. These includes transaction in nature of purchase of development rights, advances for land procurement, security deposits from subsidiaries and loans and advances given to its subsidiaries.</p> <p>These transactions are in ordinary course of business on arm length basis. Due to significance of these transactions, considered as key audit matter.</p>	<p>Our audit procedures included:</p> <p>Understood Company's policies and procedures for identification of related parties and transactions;</p> <p>Read minutes of the meeting of board of directors for recording/approval of related party transactions;</p> <p>Tested Company's assessment regarding related party transactions are being ordinary course of business and at arm's length;</p>



	Refer Note No. 23.1 to the Financial Statements.	<p>Tested transaction with underlying contracts and supporting documents;</p> <p>Verified disclosures made in the financial statements in respect of related party transactions and outstanding balances.</p>
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Other Information

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information is expected to make available to us after the date of audit report. 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.

Management's Responsibility 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 of these financial statements that give a true and fair view of the financial position, financial performance, of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 statement 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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due



to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 said 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 purpose of our audit;

- b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss 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 written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g. With respect to 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 BISWA CHANDRA SAINI & CO.

Chartered Accountants

(Firm Registration No. : 022674N)

Sanjay K. Saini

Sanjay Kumar Saini (Partner)

(Membership No.: 520687)

UDIN: 21520687AAAAKO3052

Place: New Delhi

Date: 05/12/2020



"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company have not generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, VAT/ service Tax / Goods and services tax and there have been serious delays in a large number of cases.

According to information and explanation given to us, Statement of Arrears of Statutory Dues Outstanding undisputed amounts payable in respect of the above as at March 31, 2020 for a period of more than six months from the date on when they become payable except as below:-



Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (Rs.)
Income Tax Act	TDS	April 2017 to March 2020	5,16,29,752/-
Value Added Tax, Haryana	VAT under Composition Scheme	April 2017 to June 2017	5,05,700/-
Value Added Tax, Haryana	Work Contract Tax (WCT)	April 2017 to June 2017	8,10,272/-
The Employees Provident Fund and Miscellaneous Provisions Act	Provident Fund	March 2019 to March 2020	7,47,971/-
ESI Act	ESI	March 2019 to March 2020	2,03,449/-
LWF Act	LWF	March 2018 to March 2020	61,910/-

All the above liabilities are without provision of interest for late payment.

- b) According to the information and explanation given to us, the following dues of income tax and service tax are outstanding on account of dispute:-

S. No.	Name of the Statute	Amount	Period for which the amount relates	Forum where dispute is pending
1.	Central Excise & Service Tax Act	79,240/-	July 2010 to March 2012	Commissioner(Appeal), Bhiwadi.
2.	Central Excise & Service Tax Act	3,94,878/-	July 2010 to March 2012	Commissioner (Appeal), Bhiwadi.
3.	Central Excise & Service Tax Act	2,07,327/-	July 2010 to March 2012	Commissioner (Appeal), Bhiwadi.
4.	Income Tax Act	1,84,380/-	F.Y 2016-17	Commissioner (Appeal), Delhi
5.	Income Tax Act	3,19,320/-	F.Y 2017-18	Commissioner (Appeal), Delhi
6.	Income Tax Act	9,52,140/-	April 2014 to March 2020	Trace Demand

- 8) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of dues to financial institutions and banks at 31st March 2020 as follows:

Particulars	Amount of default as at 31/03/2020		Period of default
	Principal	Interest	
LIC Housing finance Ltd	58,95,00,000	7,76,72,521	Principal-36 months Interest -12 months
SIDBI	5,02,24,484	66,06,921	12 months



TATA Capital Housing Finance Limited	14,24,27,118	0	6 months
State Bank Of India-OD	4,40,00,684	33,12,420	12 months

- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. Further, as per information and explanations provided the Company has generally applied term loans for the purposes for which they were raised in accordance with terms agreed with respective lenders.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For BISWA CHANDRA SAINI & CO.

Chartered Accountants

(Firm Registration No. : 022674N)

Sanjay Kumar Saini

Sanjay Kumar Saini (Partner)

(Membership No.: 520687)

UDIN: 21520687AAAAKO3052



Place: New Delhi

Date: 05/12/2020

"Annexure B" to the Independent Auditors' Report

Report on the internal financial controls over financial reporting 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 **GRJ Distributors & Developers Private Limited** ("the Company") as at March 31, 2020, 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. 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, 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 judgement, including the assessment of the risks of material misstatement in 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BISWA CHANDRA SAINI & CO.

Chartered Accountants

(Firm Registration No. : 022674N)

Sanjay K. Saini

Sanjay Kumar Saini (Partner)

(Membership No.: 520687)

UDIN: 21520687AAAKO3052



Place: New Delhi

Date: 05/12/2020

GRJ DISTRIBUTORS & DEVELOPERS PRIVATE LIMITED
Regd. Office:-64, SCINDIA HOUSE, CONNAUGHT PLACE, NEW DELHI-110001
BALANCE SHEET AS AT 31ST MARCH 2020

PARTICULARS	Note No.	Amount as at 31.03.2020 (Rs.)	Amount as at 31.03.2019 (Rs.)
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholder's Fund</u>			
Share Capital	1	7,03,64,000	7,03,64,000
Reserve & Surplus	2	2,18,86,258	15,85,99,755
<u>Non- Current Liabilities</u>			
Long Term Borrowings	3	83,20,17,879	1,05,28,05,607
Long Term Provisions	4	14,71,121	15,56,359
<u>Current Liabilities</u>			
Short Term Borrowings	5	60,38,01,305	32,80,26,188
Trade Payables	6	10,09,19,123	14,05,20,825
Other Current Liabilities	7	1,82,37,40,948	2,65,68,37,301
Short Term Provisions	8	4,31,860	11,16,885
		-	-
Total		3,45,46,32,493	4,40,98,26,919
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
<u>Fixed Assets</u>			
Tangible Assets	9	97,57,266	1,83,60,325
Intangible Assets		39,008	71,675
Non- Current Investments	10	2,31,68,000	2,31,68,000
Deffered Tax Assets(Net)		7,20,42,853	6,12,87,559
Other Non Current Assets	11	1,21,85,110	1,13,64,341
<u>Current Assets</u>			
Inventory	12	2,20,79,59,419	3,10,62,82,441
Cash & Cash Equivalent	13	65,36,251	97,90,818
Short Term Loan & Advances	14	1,12,29,44,586	1,17,95,01,760
		-	-
Total		3,45,46,32,493	4,40,98,26,919

Significant Accounting Policies

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The accompanying notes are an integral part of the Financial Statements

1-23

This is the Balance Sheet referred to in our report of even date

For **BISWA CHANDRA SAINI & CO.**

For **GRJ DISTRIBUTORS & DEVELOPERS PRIVATE LIMITED**

Chartered Accountants

Firm Regn. No. 022674N

Sanjay & Saini
(SANJAY KUMAR SAINI)
 PARTNER
 M.No. 520687



Ajay Singal
AJAY SINGAL
 DIN:00334658
 DIRECTOR

Ajay Kumar Gupta
AJAY KUMAR GUPTA
 DIN:00098434
 DIRECTOR

PLACE : NEW DELHI
 DATE : 05.12.2020

GRJ DISTRIBUTORS & DEVELOPERS PRIVATE LIMITED
Regd. Office:-64, SCINDIA HOUSE, CONNAUGHT PLACE, NEW DELHI-110001
STATEMENT OF PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2020

PARTICULARS	Note No.	Amount as at 31.03.2020 (Rs.)	Amount as at 31.03.2019 (Rs.)
<u>INCOME</u>			
Revenue from Operations	15	1,11,03,07,376	13,19,19,067
Other Income	16	47,02,640	21,26,945
Total Revenue		1,11,50,10,016	13,40,46,011
<u>EXPENDITURE</u>			
Purchase of Land/Development Rights/Flats/Plots		1,52,89,464	(7,06,66,458)
Construction & Development Cost	17	7,32,24,393	22,81,72,097
Change in Inventory	18	89,83,23,022	(18,39,20,114)
Employee Benefit Expenses	19	1,92,00,501	3,03,99,420
Finance Costs	20	18,92,54,068	19,08,16,578
Depreciation and amortization cost	21	43,75,223	70,31,349
Other Expenses	22	6,19,60,221	4,97,22,419
Corporate Social Responsibility Expenses		-	-
Total Expenditure		1,26,16,26,892	25,15,55,292
Profit before Extraordinary items and Tax		(14,66,16,877)	(11,75,09,281)
Extraordinary Item/ Exceptional Item		-	-
- Prior Period Items		-	2,20,262
Profit before Tax		(14,66,16,877)	(11,77,29,543)
Tax Expense:			
Current Tax		-	32,816
Prior Period Taxes		8,51,915	15,23,504
Deferred Tax Liabilities		(1,07,55,294)	(3,37,05,745)
Profit after Tax		(13,67,13,498)	(8,55,80,118)
Profit /(Loss) for the period		(13,67,13,498)	(8,55,80,118)
Earning Per Share :			
Basic		(19.43)	(5.65)
Diluted		(19.43)	(5.65)

Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements

This is the Statement of profit and loss referred to in our report of even date

For BISWA CHANDRA SAINI & CO.

Chartered Accountants

Firm Regn. No. 022674N

A

1-23

For GRJ DISTRIBUTORS & DEVELOPERS PRIVATE LIMITED

Sanjay K. Saini

(SANJAY KUMAR SAINI)
PARTNER
M.No. 520687



U.S.
AJAY SINGAL
DIN:00334658
DIRECTOR

A.K. Gupta
AJAY KUMAR GUPTA
DIN:00098434
DIRECTOR

PLACE : NEW DELHI

DATE : 05.12.2020

GRJ DISTRIBUTORS & DEVELOPERS PRIVATE LIMITED
CASH FLOW STATEMENT (AS - 3 REVISED)
FOR THE PERIOD ENDED 01/04/2019 TO 31/03/2020

	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
		31.03.2020		31.03.2019
A) Cash flow from Operating Activities				
Net Profit before tax as per Statement of Profit and Loss		(14,66,16,877)		(11,77,29,543)
Adjustments for non cash items:				
Provision for Gratuity	(7,37,447)		4,57,670	
Depreciation and amortisation of Expenses	43,75,223		70,31,349	
Finance Cost	18,71,19,994		19,04,99,564	
Profit on Sale/ Adjustment of Asset	20,90,495			
Other Income	(10,13,252)		(10,26,769)	
		19,18,35,013		19,69,61,814
Operating Profit Before Working Capital		4,52,18,136		7,92,32,271
Adjustment for :				
Trade and Other Payable	(87,26,98,055)		21,35,32,715	
Increase in Inventory	89,83,23,022		(18,38,26,214)	
Decrease in Trade and Other Receivable	5,65,57,174	8,21,82,140	(7,71,01,764)	(4,73,95,263)
Cash generated from Operations		12,74,00,276		3,18,37,008
Less : Income Tax Paid During the year		8,84,731		20,05,519
Cash inflow (outflow) from Operating Activities (A)		12,65,15,545		2,98,31,489
B) Cash Flow from Investing Activities				
Purchase of Fixed assets	-		-	
Investment made during the year	(8,20,769)		(83,719)	
Other income	31,03,747	22,82,978	10,26,769	9,43,050
Net Cash inflow (used in) Investing Activities (B)		22,82,978		9,43,050
C) Cash Flow from Financing Activities				
Proceed from Short Term Borrowings	27,57,74,191		(31,81,00,414)	
Proceed from Long Term Borrowings	(22,07,87,728)		47,58,41,020	
Issue of Equity share capital				
Finance Cost	(18,71,19,994)	(13,21,33,531)	(19,04,99,564)	(3,27,58,958)
Net Cash inflow (used in) from Financing Activities (C)		(13,21,33,531)		(3,27,58,958)
Cash & Cash Equivalents Opening Balance		97,90,818		1,17,75,237
Cash & Cash Equivalents Closing Balance		64,55,811		97,90,818

As per our separate report of even date annexed
For BISWA CHANDRA SAINI & CO.
Chartered Accountants
Firm Regn. No. 022674N

Sanjay K. Saini
(SANJAY KUMAR SAINI)
PARTNER
M.No. 520687



PLACE : NEW DELHI
DATE : 05.12.2020

FOR GRJ DISTRIBUTORS & DEVELOPERS PRIVATE LIMITED

Aja Singh
AJA SINGH
DIN-00334658
DIRECTOR

Ajay Kumar Gupta
AJAY KUMAR GUPTA
DIN-00098434
DIRECTOR

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

		CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)		
<u>SHARE CAPITAL</u>	Note 1				
<u>AUTHORISED SHARE CAPITAL</u>					
(75,00,000 Equity Shares of Rs. 10 each) of Rs. 10/- each)		7,50,00,000	7,50,00,000		
<u>ISSUED SUBSCRIBED & PAID-UP</u>					
70,36,400 Equity Shares of Rs. 10 Each Fully Paid up. (Previous year 70,36,400 Equity shares Paid Up)		7,03,64,000	7,03,64,000		
		<u>7,03,64,000</u>	<u>7,03,64,000</u>		
<u>Change in Equity Share Capital during the year</u>					
Particulars		CURRENT YEAR	PREVIOUS YEAR		
		No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year		70,36,400	7,03,64,000	70,36,400	7,03,64,000
Shares Issued during the year		-	-	-	-
Shares bought back during the year		-	-	-	-
Shares outstanding at the end of the year		<u>70,36,400</u>	<u>7,03,64,000</u>	<u>70,36,400</u>	<u>7,03,64,000</u>
<u>Details of Shareholders holding more than 5% shares :-</u>					
Name of Shareholders		No. of Shares	% of Shares	No. of Shares	% of Shares
Ajay Singal		15,48,550	22.01%	15,48,550	22.01%
Ajay Kumar Gupta		18,41,034	26.16%	18,41,034	26.16%
Sanjay Singal		15,48,550	22.01%	15,48,550	0.00%
Ankit Gupta		11,03,333	15.68%	11,03,333	0.00%
<u>RESERVE & SURPLUS</u>	Note 2				
<u>Security Premium Reserve</u>					
As per last Balance Sheet			2,02,58,000		2,02,58,000
<u>General Reserve</u>					
Opening Balance			59,85,003		59,85,003
Add: Transferred from surplus in Statement of Profit and Loss			-		-
Closing Balance			<u>59,85,003</u>	<u>59,85,003</u>	<u>59,85,003</u>
<u>Surplus / (Deficit) in Statement of Profit and Loss</u>					
Opening Balance			13,23,56,753		21,79,36,870
Add: Profit for the year			(13,67,13,498)		(8,55,80,118)
Add: Mut Credit Booked for prior years		-		-	
Less:					
Transferred to General reserve		-		-	
Closing Balance		<u>(43,56,745)</u>	<u>(43,56,745)</u>	<u>13,23,56,752</u>	
		<u>2,18,86,258</u>		<u>15,85,99,755</u>	

GRJ DISTRIBUTORS & DEVELOPERS PVT. LTD.

x

[Signature]



GRJ DISTRIBUTORS & DEVELOPERS PVT. LTD.

x

[Signature]

Director

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

		CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
<u>LONG TERM BORROWINGS</u>	Note 3		
<u>From Banks:</u>			
<u>Secured Loan</u>			
<u>SIDBI LOAN</u> (Secured Against unsold Flats & Shops of Avalon Garden & Avalon Plaza), Sanctioned loan of Rs 5 Crore (Terms of Repayment : Rs.640000/- in 68 EMIs)		2,02,94,399	2,82,74,399
<u>SIDBI LOAN</u> (Secured Against unsold Shops of Avalon Galleria Project of Group Co.), Sanctioned loan of Rs 4 Crore		2,99,30,085	3,16,60,085
<u>LIC HFL Limited</u> (Secured Against Construction Project Avalon Rosewood, Bhiwadi, Sanctioned loan of Rs. 60 Crore		29,45,00,000	58,95,00,000
<u>Tata Capital Housing Finance Limited</u> (Secured Against Construction Project Avalon Regal Court , Sanctioned loan of Rs. 35crore.)		19,56,98,123	13,72,75,851
<u>ECL FINANCE LIMITED</u> (Secured Against Project Avalon Royal Park Sanctioned Limit of Rs. 50 Crore)		29,15,95,272	26,60,95,272
		<u>83,20,17,879</u>	<u>1,05,28,05,607</u>
<u>LONG TERM PROVISIONS</u>	Note 4		
Provision for Gratuity		14,71,121	15,56,359
		<u>14,71,121</u>	<u>15,56,359</u>
<u>SHORT TERM BORROWINGS</u>	Note 5		
<u>Secured Loan</u>			
<u>Vehicle Loan- HDFC Bank Limited</u> (Secured against Hypothecation of Vehicle)		-	79,291
<u>State Bank of India- OD limit</u> (Secured Against Project Avalon Rangoli Dharuhera Sanctioned Limit of Rs. 20 Crore)		4,73,13,105	5,09,27,325
<u>Tata Capital Housing Finance Limited</u> (Secured Against Construction Project Avalon Regal Court , Sanctioned loan of Rs. 35crore.)		13,23,06,716	14,23,67,117
<u>LIC HFL Limited</u> (Secured Against Construction Project Avalon Rosewood, Bhiwadi, Sanctioned loan of Rs. 60 Crore		29,50,00,000	-
<u>Unsecured Loan</u>			
From the Directors		68,24,380	1,15,05,610
From Body Corporate		12,23,57,104	12,31,46,845
		<u>60,38,01,305</u>	<u>32,80,26,188</u>

GRJ DISTRIBUTORS & DEVELOPERS PRIVATE LIMITED
 Regd. Office:-64, SCINDIA HOUSE, CONNAUGHT PLACE, NEW DELHI-110001

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

		CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
<u>TRADE PAYABLE</u>	Note 6		
MSME		-	-
Others		10,09,19,123	14,05,20,825
		<u>10,09,19,123</u>	<u>14,05,20,825</u>
<u>OTHER CURRENT LIABILITIES</u>	Note 7		
Expenses Payable		11,08,34,226	7,84,37,595
Advance From Customers- (Net)		1,60,70,99,755	2,48,46,46,032
Duties and Taxes Payable		5,43,63,224	3,47,35,399
Other Current Liabilities		5,14,43,743	5,90,18,275
		<u>1,82,37,40,948</u>	<u>2,65,68,37,301</u>
<u>SHORT TERM PROVISIONS</u>	Note 8		
Provisions for Taxes		-	32,816
Provision for Gratuity		4,31,860	10,84,069
		<u>4,31,860</u>	<u>11,16,885</u>
<u>NON- CURRENT INVESTMENT</u>	Note 10		
<u>TRADE</u>		-	-
<u>NON-TRADE</u>			
Quoted		-	-
Un-Quoted		2,31,68,000	2,31,68,000
		<u>2,31,68,000</u>	<u>2,31,68,000</u>
The investment has been valued at cost incurred for acquiring the shares in the closely held companies. Any diminution in value shall be considered if permanent in nature and shall be account for in the year of such diminution.			
<u>OTHER NON CURRENT ASSETS</u>	Note 11		
FDR and Accrued Interest		1,21,85,110	1,13,64,341
		<u>1,21,85,110</u>	<u>1,13,64,341</u>
<u>INVENTORY</u>	Note 12		
Construction & Other Material		-	-
Land/Development Rights		8,78,55,712	30,64,07,441
Projects in Progress		1,99,52,94,410	2,47,37,53,127
Completed Flats/Shops/Plots		12,48,09,298	32,61,21,873
		<u>2,20,79,59,419</u>	<u>3,10,62,82,441</u>
<u>CASH & CASH EQUIVALENT</u>	Note 13		
Cash in Hand		8,10,166	9,31,679
Balance with Schedule Banks		57,26,085	88,59,139
		<u>65,36,251</u>	<u>97,90,818</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

SHORT TERM LOAN & ADVANCES

(Unsecured, Considered good)

Note 14

CURRENT YEAR
(RS.)

PREVIOUS YEAR
(RS.)

Advances to Related Parties
Deposits with Corporate & Others
Other Advances to Parties
Duties & Taxes Recoverable

91,12,07,187
33,93,436
20,67,00,516
16,43,447

95,27,88,116
36,50,436
19,94,21,342
2,36,41,867

1,12,29,44,586

1,17,95,01,760

REVENUE FROM OPERATIONS

Note 15

Revenue from Real Estate Projects
- Percentage of Completion Method
Sale of Flats
Other Operating Revenue
Sale of Land

1,00,51,45,300
3,78,81,435
24,57,049
6,48,23,591

9,87,54,152
-
3,31,64,914
-

1,11,03,07,376

13,19,19,067

OTHER INCOME

Note 16

Profit on sale of Assets
Interest on FDR
Interest on Advances/Income Tax
Other Income
Balances written off
Profit on Sale of Land

20,90,495
10,10,879
1,253
2,373
15,97,640
-

-
5,83,674
-
4,43,095
11,00,175
-

47,02,640

21,26,945

DEVELOPMENT, CONSTRUCTION & OTHER EXPENSES

Note 17

Opening Stock
Material

-

93,900

ADD : Development, Construction & Other during the year

7,32,24,393

22,80,78,197

LESS : Closing Stock
Material

-

-

7,32,24,393

22,81,72,097

CHANGE IN INVENTORIES

Note 18

Opening Stock :-

Work In Progress - Projects
Completed Flats/Shops/ Plots
Land/Development Rights

2,47,37,53,127
32,61,21,873
30,64,07,441

2,28,98,33,014
32,61,21,873
30,64,07,441

Closing Stock :-

Work In Progress - Projects
Completed Flats/Shops/ Plots
Land/Development Rights

2,00,07,92,896
11,93,10,811
8,78,55,712

2,47,37,53,127
32,61,21,873
30,64,07,441

89,83,23,022

(18,39,20,114)

GRJ DISTRIBUTORS & DEVELOPERS PRIVATE LIMITED
 Regd. Office:-64, SCINDIA HOUSE, CONNAUGHT PLACE, NEW DELHI-110001

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

EMPLOYEE BENEFIT EXPENSES	Note 19	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Staff Welfare Expenses		4,69,147	10,23,948
Salary		1,91,54,323	2,50,00,284
Staff Recruitment Expenses		-	1,068
Directors Remuneration		-	30,00,000
Employer contribution to EPF/ LWF		2,31,406	5,52,169
Provision for Gratuity		(7,37,447)	5,51,934
ESI Employer Contribution		83,072	2,49,272
Uniform expenses		-	20,745
		1,92,00,501	3,03,99,420
FINANCE COST	Note 20		
Bank Charges & Loan Processing Fees		21,09,420	2,84,284
Interest on Indirect Taxes		831	1,072
Interest on Direct / Indirect Taxes		23,823	31,658
Borrowing Cost *		18,71,19,994	19,04,99,564
		18,92,54,068	19,08,16,578
* Borrowing cost consists of Interest paid on Loans taken for financing Vehicles &			
DEPRECIATION & AMORTIZATION COST	Note 21		
Depreciation		43,75,223	70,31,349
		43,75,223	70,31,349
OTHER EXPENSES	Note 22		
Advertisement and Publicity		-	3,73,330
Sales Promotion		61,77,761	69,70,345
Computer Expenses		-	25,000
Conveyance		11,53,616	12,07,446
Consultancy Charges		13,216	1,13,476
Commission		1,04,87,632	1,57,71,473
Discount Given		7,07,623	-
Sundry Balances Written Off		3,71,882	-
Electricity Expenses		10,31,470	5,00,049
Fees and Subscription		11,64,989	2,57,160
Festival & celebration expenses		-	25,371
Insurance		7,06,743	9,19,008
Legal & Professional Charges		23,67,866	71,45,551
Office Expenses		18,71,815	31,01,218
Payment To Auditors		1,18,000	1,18,000
Postage & courier Expenses		1,17,298	2,66,027
Printing & Stationary		2,54,623	5,80,444
Repair & Maintenance:-			
- Building		11,440	24,070
- Machinery		1,66,63,033	8,00,538
Rent, Rates & Taxes		34,59,380	62,08,950
Safety & Security Expenses		4,89,765	11,38,132
Stamp Duty & Registration Fee for plot sales		28,73,492	-
Telephone and Internet Expenses		9,81,506	12,72,356
Tour & Travelling expenses		9,63,823	11,24,950
GST / VAT / Service Tax Expenses		96,52,432	11,66,122
General Expenses		3,20,817	6,13,404
		6,19,60,221	4,97,22,419

GRJ DISTRIBUTORS & DEVELOPERS PRIVATE LIMITED

Depreciation Chart

For the Financial Year 2019-20

Asset Description	Gross Block					Cumulative Depreciation as on	Depreciation During The Year	Adjustments for Dep on Discarded / Sold Assets	Cumulative Depreciation as on	Net Block		Adjustments in Retained Earnings (Transfer in/from R&S or P&L A/c)
	As On		Addition	Deletion	As On					As On		
	1-Apr-2019	2019-2020				2019-2020	31-Mar-2020	31-Mar-2020	31-Mar-2019			
	1	2	3	4	5	6	7	8	9	10	11	
Equipment	65,28,959	-	-	65,28,959	61,24,689	40,860	-	61,65,549	3,30,742	4,04,270	-	
& Fixtures	4,09,27,890	-	-	4,09,27,890	3,15,04,786	24,37,967	-	3,39,42,753	69,85,137	94,23,104	-	
ehicles	5,28,27,607	-	3,05,91,617	2,22,35,990	4,46,41,030	18,74,585	2,63,31,110	2,01,84,505	20,51,485	81,86,577	-	
Σ	70,14,231	-	-	70,14,231	66,35,190	21,810	-	66,57,001	3,57,230	3,79,041	-	
Assets	14,00,845	-	-	14,00,845	13,61,836	-	-	13,61,836	71,677	39,009	-	
Total	10,86,99,532	-	3,05,91,617	7,81,07,915	9,02,67,532	43,75,222	2,63,31,110	6,83,11,643	97,96,272	1,84,32,000	-	
Previous Year	10,86,99,532	-	-	10,86,99,532	8,32,36,184	70,31,348	-	9,02,67,532	1,84,64,668	2,54,63,348	-	

[Signature]
AJAY SINGAL
DIN-00334658
DIRECTOR

[Signature]
AJAY KUMAR GUPTA
DIN-00098434
DIRECTOR

