SOOD BRIJ AND ASSOCIATES
*Chartered Accountants*
C 72, NDSE-2, New Delhi-110 049
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# INDEPENDENT AUDITOR'S REPORT

## To the Members of Soul Space Hospitality Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of **Soul Space Hospitality Limited** ("the Company"), which comprises the balance sheet as at 31st March 2019, and the statement of Profit and Loss, the Cash Flow Statement for the year ended on that date 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 standalone 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, 2019 and loss and the cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 there under, 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

Without qualifying our opinion, we draw attention to the following matters;

Refer note no. 7(b) to the financial statement which indicates that Company have negative net worth and incurred losses / cash losses during the current year and in previous year(s). These conditions indicate the existence of material uncertainty casting doubt about the Companies' ability to continue as a going concern. However the financial statements have been prepared on a 'going concern' basis as in the opinion of the management, their losses are expected to be recouped in the near future.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

### Responsibility of Management for Stand Alone 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 standalone that give a true and fair view of the financial position, financial performance and the cash flows 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 implementation and maintenance of

SOOD BRIJ & ASSOCIATES CHARTERED ACCOUNTANTS FRN No. 00350N NEW DELHI

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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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.

SOOD BRIJ & ASSOCIATES CHARTERED ACCOUNTANTS FRN No. 00350N NEW DELHI

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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.

a) 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.

b) 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.

c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

d) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(e) Clause regarding adequacy of internal financial controls over financial reporting as per section 143(3)(i) of the Act, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

f) 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 has been no delay in transferring amounts, required to be transferred, to the Investor Industries and Protection Fund by the Company.

**For Sood Brij & Associates**
**Chartered Accountants**
**Firm Regn. No. 00350N**

SOOD BRIJ & ASSOCIATES CHARTERED ACCOUNTANTS FRN No. 00350N NEW DELHI

**A K Sood**
**Partner**
**M No.14372**

**Place: New Delhi**
**Date: 29th May, 2019**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOUL SPACE HOSPITALITY LIMITED.**

**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 Soul space Realty Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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, 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 judgement, 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

SOOD BRIJ & ASSOCIATES CHARTERED ACCOUNTANTS FRN No. 000250N NEW DELHI

basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For Sood Brij & Associates**
**Chartered Accountants**
**Firm Regn. No. 00350N**

SOOD BRIJ & ASSOCIATES CHARTERED ACCOUNTANTS FRN No. 00350N NEW DELHI

**A K Sood**
**Partner**
**M No.014372**

**Place: New Delhi**
**Date : 29th May 2019**

## Annexure `B' to the Auditors' Report

The Annexure referred to in our Auditors' Report of even date on the accounts for the year ended 31st March, 2019 of **Soul Space Hospitality Limited** in pursuance to the Companies (Auditor's Report) order, 2016 on the matters specified in paragraphs 3 and 4 of the said order. According to the information and explanations given to us, and on the basis of our examination of the books of accounts:-

(i) The Company does not have any fixed assets.

(ii) The Company does not have any inventory.

(iii) The Company has not granted any loans, secured or unsecured to the companies, firm or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly sub clauses (a), (b) and (c) are not applicable.

(iv) The Company has complied with provisions of section 185 and 186 of the Companies Act, in respect of loans, investments, guarantees and security.

(v) The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.

(vi) The maintenance of cost records u/s. 148(1) of the Companies Act, 2013 has not been specified by the Central Government.

(vii) (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has been regular in depositing with appropriate authorities undisputed statutory dues as on date of Balance Sheet.

(b) According to the information and explanations given to us, there are no disputed amounts payable towards Income-tax, Sales-tax, Service tax, duty of Customs, duty of excise, value added tax, cess and any other statutory dues as on the date of Balance Sheet.

(viii) The Company does not have any borrowings from Bank's Financial Institutions, Government or dues to Debentures Holders.

(ix) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) No fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) As no Managerial Remuneration has been paid to the Directors, thus provisions of section 197 read with Schedule V to the Companies Act, 2013, are not applicable to the Company.

(xii) The Company is not the Nidhi Company and as such this clause is not applicable.

SOOD BRIJ & ASSOCIATES CHARTERED ACCOUNTANTS FRN No. 00350N NEW DELHI

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and are disclosed in the financial statements.

(xiv) The Company has not made any preferential, private placement, of shares or fully or partly convertible debentures during the year, thus provisions of section 42 of Companies Act 2013 are not applicable.

(xv) The Company has not entered with any non-cash transaction with Directors or persons connected with them, during the year within the meaning of section 192 of the Companies Act, 2013.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Sood Brij & Associates**
**Chartered Accountants**
**Firm Regn. No. 00350N**

**A K Sood**
**Partner**
**M No.14372**

**Place: New Delhi**
**Date: 29th May, 2019**

## SOUL SPACE HOSPITALITY LIMITED

**Balance Sheet as at 31st March 2019**

(Amount in Rs)

| | Particulars | Note No. | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|---|
| A | **ASSETS** | | | |
| 1 | **Non -Current Assets** | | | |
| | (a) Other intangible assets | 3 | 10,000 | 10,000 |
| | (b) Financial Assets | | | |
| | Loans | 4 | 25,000,000 | 25,000,000 |
| | (c) Deferred tax assets, net | 5 | 8,184 | 794,092 |
| | **Total -Non-Current assets** | | **25,018,184** | **25,804,092** |
| 2 | **Current Assets** | | | |
| | (a) Financial Assets | | | |
| | Cash and Cash Equivalents | 6 | 63,445 | 67,975 |
| | **Total -Current assets** | | **63,445** | **67,975** |
| | **TOTAL - ASSETS** | | **25,081,629** | **25,872,067** |
| B | **EQUITY AND LIABILITIES** | | | |
| 1 | **Equity** | | | |
| | (a) Equity Share Capital | 7 (a) | 10,000,000 | 10,000,000 |
| | (b) Other Equity | 7 (b) | (53,278,205) | (49,465,903) |
| | **Total - Equity** | | **(43,278,205)** | **(39,465,903)** |
| 2 | **Liabilities** | | | |
| | **Non -Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | Borrowings | 8 | 67,283,039 | 64,272,976 |
| | **Total - Non-current liabilities** | | **67,283,039** | **64,272,976** |
| | **Current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | Trade & Other Payables | 9 | 1,076,794 | 1,064,994 |
| | **Total - Current liabilities** | | **1,076,794** | **1,064,994** |
| | **TOTAL - EQUITY AND LIABILITIES** | | **25,081,629** | **25,872,067** |

General Information and Significant Accounting Policies 1 & 2
Notes to the standalone Ind AS financial statements 13-20
The Notes are an integral part of these financial statements

**In terms of our report of even date attached**

**For Sood Brij & Associates**
**Chartered Accountants**
**Firm Regn. No.- 00350N**

SOOD BRIJ & ASSOCIATES CHARTERED ACCOUNTANTS FRN No. 00350N NEW DELHI

A. K. Sood
Partner
Membership No.-14372

**For and on behalf of the Board of Directors**

| Vinod Kashyap | Vineet Kashyap | Vikram Kashyap |
|---|---|---|
| Director | Director | Director |
| (DIN : 00038854) | (DIN : 00038897) | (DIN : 00038937) |

Place : New Delhi
Date: 29th May,2019

**SOUL SPACE HOSPITALITY LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH,2019**

( Amount in Rs)

| | Particulars | Note | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|---|---|
| I | Revenue from operations | | - | - |
| II | Other income | | - | - |
| III | **Total Revenue (I + II)** | | - | - |
| IV | **Expenses:** | | | |
| | Finance cost | 10 | 3,010,063 | 3,068,706 |
| | Other expenses | 11 | 16,330 | 15,145 |
| | **Total expenses** | | **3,026,393** | **3,083,851** |
| | Less: Work in progress | | - | - |
| | **Net expenses** | | 3,026,393 | 3,083,851 |
| V | **Profit before tax (III-IV)** | | **(3,026,393)** | **(3,083,851)** |
| VI | Tax expense: | | | |
| | (1) Current tax | | | |
| | (2) Deferred tax | 5 | 785,908 | (794,092) |
| VII | **Profit (Loss) for the period from continuing operations (V-VI)** | | **(3,812,301)** | **(2,289,759)** |
| VIII | Profit/(loss) from discontinuing operations | 12 | - | (47,176,144) |
| IX | Tax expense of discontinuing operations | | - | - |
| X | **Profit/(loss) from Discontinuing operations (after tax) (VIII-IX)** | | - | **(47,176,144)** |
| XI | **Profit (Loss) for the period (VII+X)** | | **(3,812,301)** | **(49,465,903)** |
| XII | Other Comprehensive income | | | |
| | (a) Items that will not be reclassified to profit or loss | | - | - |
| | 1) re-measurements of redefined benefit plans | | - | - |
| | Tax on Other Comprehensive income | | - | - |
| | **Total other Comprehensive Income (XII)** | | | |
| XIII | **Total Comprehensive Income for the period (XI + XII)** | | **(3,812,301)** | **(49,465,903)** |
| XIV | Earnings per equity share: | 13 | | |
| | (1) Basic | | (3.81) | (49.47) |
| | (2) Diluted | | (3.81) | (49.47) |
| | Face Value of each Equity Share | | 10.00 | 10.00 |

| | |
|---|---|
| General Information and Significant Accounting Policies | 1&2 |
| Notes to the standalone Ind AS financial statements | 13-20 |

The notes are integral part of these Financial Statements.

**In terms of our report of even date attached**

**For Sood Brij & Associates**
**Chartered Accountants**
**Firm Regn. No.- 00350N**

SOOD BRIJ & ASSOCIATES CHARTERED ACCOUNTANTS FRN No. 00350N NEW DELHI

A. K. Sood
Partner
Membership No.-14372

Place: New Delhi
Date: 29th May,2019

**For and on behalf of the Board of Directors**

| Vinod Kashyap | Vineet Kashyap | Vikram Kashyap |
|---|---|---|
| Director | Director | Director |
| (DIN : 00038854) | (DIN : 00038897) | (DIN : 00038937) |

SOUL SPACE HOSPITALITY LIMITED

Cash Flow Statement for the Year ended 31 March, 2019

Amount in Rs.

| | PARTICULARS | Year ended 31st March 2019 | | | Year ended 31st March 2018 | | |
|---|---|---|---|---|---|---|---|
| A | **Cash Flow From Operating Activities** | | | | | | |
| | Net Profit before tax & extra-ordinary items | | (3,026,393) | | | (50,259,995) | |
| | Adjustment for : | | | | | | |
| | - Interest Expenses | 3,010,063 | | | 3,068,706 | | |
| | - Dividend Received | - | 3,010,063 | | - | 3,068,706 | |
| | Operating Profit Before Working **Capital Changes** | | (16,330) | | | (47,191,289) | |
| | Adjustment for : | | | | | | |
| | - Decrease/(Increase) in Inventories | - | | | 47,176,144 | | |
| | - Increase/(Decrease) in Trade And Other Payables | 11,800 | 11,800 | | 88,996 | 47,265,140 | |
| | Cash Generated From Operations | | (4,530) | | | 73,851 | |
| | - Advance Tax / Wealth Taxes paid | | - | | | | |
| | Net Cash From Operating Activities | | | (4,530) | | | 73,851 |
| B | **Cash Flow From Investing Activities** | | | | | | |
| | - Loans to related parties | | - | | | | |
| | - Purchase of Fixed Assets | | - | | | - | |
| | Net Cash (Used In)/From Investing Activities | | | - | | | - |
| C | **Cash Flow From Financing Activities** | | | | | | |
| | - Proceeds from Borrowings | | 3,010,063 | | | 2,991,450 | |
| | - Interest and Finance Charges Paid | | (3,010,063) | | | (3,068,706) | |
| | Net Cash (Used In)/From Financing Activities | | | - | | | (77,256) |
| | Net Increase In Cash And Equivalents | | | (4,530) | | | (3,405) |
| | Cash And Cash Equivalents (Opening Balance) | | | 67,975 | | | 71,380 |
| | Cash And Cash Equivalents (Closing Balance) | | | 63,445 | | | 67,975 |
| | **Notes :** | | | | | | |
| | Cash and cash equivalents include :- | | | | | | |
| | -Cash and bank balance (as per note 7 to the financial statements) | | | 63,445 | | | 67,975 |
| | | | | - | | | - |
| | Total | | | 63,445 | | | 67,975 |

General Information and Significant Accounting Policies 1 & 2

Notes to the standalone Ind AS financial statements 13-20

The Notes are an integral part of these financial statements

**In terms of our report of even date attached**

**For Sood Brij & Associates**
**Chartered Accountants**
**Firm Regn. No.- 00350N**

SOOD BRIJ & ASSOCIATES CHARTERED ACCOUNTANTS FRN No. 00350N NEW DELHI

A. K. Sood
**Partner**
**Membership No.-14372**

**Place: New Delhi**
**Date: 29th May,2019**

**For and on behalf of the Board of Directors**

| Vinod Kashyap | Vineet Kashyap | Vikram Kashyap |
|---|---|---|
| Director | Director | Director |
| (DIN : 00038854) | (DIN : 00038897) | (DIN : 00038937) |

**Statement of changes in Equity (SOCIE)**
**For the year Ended 31st March. 2019**

## A Equity Share Capital

| Particulars | (Amount in Rs) |
|---|---|
| **As on 31.03.2018** | |
| Balance As on 1st April 2017 | **10,000,000** |
| Additional Equity Share Issued during 2017-18 | - |
| **Balance As on 31st March 2018** | **10,000,000** |
| | |
| **As on 31.03.2019** | |
| Balance As on 1st April 2018 | 10,000,000 |
| Additional Equity Share Issued during 2018-19 | - |
| Balance As on 31st March 2019 | **10,000,000** |

## B Other Equity

(Amount in Rs)

| Particulars | Share warrant | Surplus | Total |
|---|---|---|---|
| **As on 31.03.2018** | | - | - |
| Balance As on 1st April 2017 | | | |
| Profit for the year | | (2,289,759) | **(2,289,759)** |
| Other Comprehensive income (Net of Taxes) | | - | - |
| **Total Comprehensive Income** | | **(2,289,759)** | **(2,289,759)** |
| Profit/(loss) from discontinuing operations | | (47,176,144) | |
| Issue of Share Warrant | | | |
| **Balance As on 31st March 2018** | | **(49,465,903)** | **(2,289,759)** |
| | | | |
| **As on 31.03.2019** | | | |
| Balance As on 1st April 2018 | | **(49,465,903)** | **(49,465,903)** |
| **Total Comprehensive Income for the year ended 31 March 2019** | | | |
| Profit for the year | | (3,812,301) | **(3,812,301)** |
| Other Comprehensive income (Net of Taxes) | | - | - |
| **Total Comprehensive Income** | | **(53,278,205)** | **(53,278,205)** |
| Profit/(loss) from discontinuing operations | | - | |
| Issue of Share Warrant | | | |
| **Balance As on 31st March 2019** | | **(53,278,205)** | **(53,278,205)** |

-

| | |
|---|---|
| General Information and Significant Accounting Policies | 1 & 2 |
| Notes to the standalone Ind AS financial statements | 13-20 |
| The Notes are an integral part of these financial statements | |

**In terms of our report of even date attached**

**For Sood Brij & Associates**
**Chartered Accountants**
**Firm Regn. No.- 00350N**

SOOD BRIJ & ASSOCIATES CHARTERED ACCOUNTANTS FRN No. 00350N NEW DELHI

**A. K. Sood**
**Partner**
**Membership No.-14372**

**Place: New Delhi**
**Date: 29th May,2019**

**For and on behalf of the Board of Directors**

**Vinod Kashyap**
**Director**
**(DIN: 00038854)**

**Vineet Kashyap**
**Director**
**(DIN: 00038897)**

**Vikram Kashyap**
**Director**
**(DIN : 00038937)**

**Note 1 Corporate Information**

Soul Space Hospitality Limited (CIN U52100DL2007PLC170027),having registered office 409, 4th Floor, DLF Tower A, Jasola, New Delhi-110025, is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is 100% subsidiary of Soul Space Projects Limited.

**Basis of Preparation**

**(a) Statement of compliance**

These standalone Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Acts amended from time to time.

These standalone Ind AS financial statements were approved and authorized for issue by the Company's Board of Directors on 29th May, 2019.

Details of the Company's accounting policies are included in Note 2.

**(b) Functional and presentation currency**

These standalone Ind AS financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All the financial information have been presented in Indian Rupess (INR) all amounts have been rounded-off to the nearest Rupees, unless otherwise stated.

**(c) Basis of Measurement**

The standalone Ind AS financial statements have been prepared on a historical cost basis unless otherwise stated.

**(d) Use of estimates and judgments**

The preparation of the standalone Ind AS financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected

The areas involving critical estimates and judgments are:

(i) Estimation of recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used (refer note -5)

**(e) Measurement of fair values**

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuation meet the requirements of Ind AS including the level in the fair value hierarchy in which such valuations could be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follow:

Level 1: quoted prices ( unadjusted ) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Input for the assets or liability that are not based on observable market data ( unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an assets or a liability fall into different level of the fair value hierarchy. then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**Note 2 Significant Accounting Policies**

**2.1 Current and Non -Current Classification**

All assets and liabilities have been classified as current or non- current as per the company's normal operating cycle and other criteria set -out in the Act. Deferred tax assets and liabilities are classified as non- current assets and non- current liabilities , as the case may be.

**2.2 Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of operations, the time between the acquisition of assets for processing and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

**2.3 Revenue recognition**

**2.3.1** *Accounting standards*

The Company has adopted Ind AS 115: Revenue from Contract with Customers from 1 April 2018.

The Company has adopted Ind AS 115 retrospectively and has chosen to apply the modified retrospective approach and hence, it has changed its income recognition policy in line with Ind AS 115 and the impact of the same on the financial results for the year ended 31st March, 2019 is not material. Under modified retrospective approach, the comparative for the previous year are not required to be restated and hence are not comparable to the current year.

**2.3.2** *Revenue recognition*

The Company recognises revenue when it transfers control over a product or service to its customer. Revenue is measured based on the consideration specified in a contract with a Customer and excludes amounts collected on behalf of third parties. The consideration recognised is the amount which is highly probable not to result in a significant reversal in future periods.

*Revenue is recognised as follows:*

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In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**2.6 Cash and cash equivalents**

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

**2.7 Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost , less provision for impairment.

**2.8 Inventories**

Inventory are stated at the lower of cost which includes all costs incurred in bringing the inventories to their present location and condition.

**2.9 Financial instruments**

**2.9.1 Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the Management. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

**2.9.2 Classification and subsequent measurement**

**A) Financial Assets**

**Classification**

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Debt instruments at amortized cost**

1. A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

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

b) Contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

2. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

3. Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

**Derecognition**

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

1. The rights to receive cash flows from the asset have expired, or

2. The Company has transferred its rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

3. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

4. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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- Building 30 years
- Machinery 15 years
- Computers 3 years
- Furniture, fittings and equipment 10 and 5 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are similar or higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**Reclassification to investment property**

When the use of a property changes from owner occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

**2.12 Investment Property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Based on technical evaluation and consequent advice, the management believes a period of 25-40 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties using the straight-line method over their estimated useful lives.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

**2.13 Intangible assets**

**Computer software**

Costs associated with maintaining software programmed are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use.
- management intends to complete the software and use or sell it.
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits.
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**Amortisation methods and periods**

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer software 6 years

**2.14 Trade and other payable**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid unless and otherwise agreed. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**2.15 Borrowings**

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

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

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## Non Current Assets

### Note 3 Intangible Assets

| Particulars | Trademark | Total Tangible Assets |
|---|---|---|
| Year ended 31st March, 2019 | | |
| Cost or deemed cost (Gross carrying amount) | | |
| Deemed cost as at 1st April, 2018 | 10,000 | 10,000 |
| Additions | - | - |
| Disposals | - | - |
| Balance as at 31st March,2019 (Gross carrying cost) | 10,000 | 10,000 |
| Accumulated depreciation as at 1st April,2018 | - | - |
| On disposals | - | - |
| Depreciation for the year | - | - |
| Balance as at 31st March, 2019 (Accumulated Depreciation) | - | - |
| Net carrying amount | 10,000 | 10,000 |

### Note 4 Non Current Financial Assets

Loans

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| | ( Amount in Rs) | ( Amount in Rs) |
| Security Deposits (Refundable) | 25,000,000 | 25,000,000 |
| (Unsecured, considered good) | | |
| | 25,000,000 | 25,000,000 |

### Note 5 Deferred Tax Assets

The balance comprises temporary differences attributable to :

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| Deferred Tax assets arising on account of : | | |
| Unabsorbed Business Losses | 8,184 | 794,092 |
| Total | 8,184 | 794,092 |

Movement in deferred tax assets (net)

( Amount in Rs)

| Particulars | As at 31st March 2018 | Recognized in other comprehensive | Recognized in profit and loss | As at 31st March 2019 |
|---|---|---|---|---|
| Unabsorbed Business Losses | 794,092 | - | (785,908) | 8,184 |
| Total | - | - | (785,908) | 8,184 |

### Note 6 Current Financial Assets

Cash And Cash Equivalents

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| | ( Amount in Rs) | ( Amount in Rs) |
| Balances with banks | 52,039 | 63,539 |
| Cash on hand | 11,406 | 4,436 |
| Total | 63,445 | 67,975 |

### Note 7 (A) Share Capital

(Amount In Rs)

| Particulars | As at 31st March 2019 | | As at 31st March 2018 | |
|---|---|---|---|---|
| | Number | ( Amount in Rs) | Number | ( Amount in Rs) |
| **Authorised** | | | | |
| Equity Shares of Rs 10 each | 2,000,000 | 20,000,000 | 2,000,000 | 20,000,000 |
| **Issued** | | | | |
| Equity Shares of Rs. 10 each | 1,000,000 | 10,000,000 | 1,000,000 | 10,000,000 |
| **Subscribed & Paid up** | | | | |
| Equity Shares of Rs. 10 each fully paid | 1,000,000 | 10,000,000 | 1,000,000 | 10,000,000 |
| Total | 1,000,000 | 10,000,000 | 1,000,000 | 10,000,000 |

### Note 7 (a) -i Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

| Particulars | As at 31st March 2019 | | As at 31st March 2018 | |
|---|---|---|---|---|
| | Number | ( Amount in Rs) | Number | ( Amount in Rs) |
| Shares outstanding at the beginning of the year | 1,000,000 | 10,000,000 | 1,000,000 | 10,000,000 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 1,000,000 | 10,000,000 | 1,000,000 | 10,000,000 |

### Note 7 (a)- ii Details of Shareholders holding more than 5% shares in company

10,00,000 Equity Shares (Previous year 10,00,000) are held by Soul Space Projects Ltd, the holding company and its Nominees.

| Name of Shareholder | As at 31st March 2019 | | As at 31st March 2018 | | - | |
|---|---|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| SOUL SPACE PROJECTS LIMITED | 1,000,000 | 100% | 1,000,000 | 100% | 1,000,000 | 100% |

Note 7 (a)- iii 10,00,000 Equity Shares (Previous year 10,00,000) are held by Soul Space Projects Ltd, the holding company and its Nominees.

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Note 7 (b) Other equity

| Particulars | As at 31st March 2019 | As at 31st March, 2018 |
|---|---|---|
| **Retained earning** | | |
| Opening Balance | (49,465,903) | - |
| (+) Net Profit/(Net Loss) For the current year | (3,812,301) | (49,465,903) |
| Closing Balance | **(53,278,205)** | **(49,465,903)** |

Note 8 Non Current Financial Liabilities :

Loans

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| | ( Amount in Rs) | ( Amount in Rs) |
| Unsecured | | |
| (a) Loans and advances from related parties | | |
| Inter Corporate Deposits from Soul Space Projects Limited (Holding Company) | 42,752,949 | 42,735,000 |
| Interest Payable (Holding Company) | 24,530,090 | 21,537,976 |
| Total | 67,283,039 | 64,272,976 |

Note : Unsecured Long Term Loan from Holding Company including interest is repayable on demand. This has been classified as 'Non-current loan' as the company has obtained the view from holding company's management that considering tight liquidity position of the company there is no likelihood of their asking for whole of its repayment, at least within next 1 years.

Note 9 Current Financial Liabilities

Other current liabilities

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| | ( Amount in Rs) | ( Amount in Rs) |
| Expenses Payable | 35,100 | 23,300 |
| Other Liabilities (Related parties) | 1,041,694 | 1,041,694 |
| Total | 1,076,794 | 1,064,994 |

Note 10 Finance Cost

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| | ( Amount in Rs) | ( Amount in Rs) |
| Interest expenses | 3,010,063 | 3,068,646 |
| Bank charges | - | 60 |
| **Total** | **3,010,063** | **3,068,706** |

Note 11 Other expenses

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| | ( Amount in Rs) | ( Amount in Rs) |
| Legal & consultancy | 1,500 | 1,500 |
| Rates & taxes | 3,030 | 1,845 |
| Audit fees | 11,800 | 11,800 |
| Total | 16,330 | 15,145 |

Note 11.1 Payment to Auditors

| Payment to Auditors | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| | ( Amount in Rs) | ( Amount in Rs) |
| As Audit fees | 10,000 | 10,000 |
| GST | 1,800 | 1,800 |
| Total | 11,800 | 11,800 |

Note 12 Profit/Losses from discontinuing operations

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| | ( Amount in Rs) | ( Amount in Rs) |
| Project Abandon Cost | - | (47,176,144) |
| Total | - | (47,176,144) |

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**Note 13 Earning Per Share**

Amount in Rs.

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|
| i) Net Profit after tax as per Standalone Statement of profit and loss attributable to equity shareholders | (3,812,301) | (49,465,903) |
| (ii)Weighted average number of equity shares used as denominator for calculating EPS (Re-stated pursuant to share issue ) | 1,000,000 | 1,000,000 |
| (iii) Basic earning per share | (3.81) | (49.47) |
| (iv) Diluted earning per share | (3.81) | (49.47) |
| (v) Face value of equity share | 10.00 | 10.00 |

**14 Related Party**

**Note 14.1 Disclosures**

| **(i) Holding Company** | **Status** |
|---|---|
| Soul Space Projects Ltd. | Limited Company |
| B. L. Kashyap & Sons Limited (Holding Company of Soul Space Projects Ltd) | Limited Company |

| **(ii) Fellow Subsidiary of Holding Company** | **Status** |
|---|---|
| (a) Soul Space Realty Limited | Limited Company |
| (b) B L K Lifestyle Limited | Limited Company |
| (c) BLK Infrastructure Ltd. | Limited Company |
| (d) Security Information Systems (I) Ltd. | Limited Company |

| **(iv) Associates** | **Status** |
|---|---|
| (a) BLK NCC Consortium | Association of Persons |
| (b) Aureus Financial Services Limited | Limited Company |
| (c) B.L.K. Securities Private Limited | Private Limited Company |
| (d) Ahuja Kashyap Malt Pvt. Ltd. | Private Limited Company |
| (e) Bezel Investments & Finance Pvt. Ltd. | Private Limited Company |
| (f) B.L. Kashyap & Sons | Partnership Firm |
| (g) Aiyana Trading Pvt. Ltd. | Private Limited Company |
| (h) Chrysalis Trading Pvt. Ltd. | Private Limited Company |
| (I) Chrysalis Realty Projects Pvt. Ltd. | Private Limited Company |
| (j) EON Auto Industries Private Limited | Private Limited Company |
| (k) Kasturi Ram Herbals Industries | Partnership Firm |
| (l) Suryakant Kakade & Soul Space | Partnership Firm |
| (m) BLK BILIL Consortium | Association of Persons |
| (n) Behari Lal Kashyap (HUF) | Hindu Undivided Family |
| (o ) B L Kashyap & Sons Software Pvt.Ltd | Private Limited Company |
| (p) Becon (I) | Partnership Firm |
| (q) Baltic Motor Private Limited | Private Limited Company |

| **(iv) Key Management Personnel** | **Status** |
|---|---|
| a) Mr. Vinod Kashyap | Director (DIN : 00038854) |
| b) Mr. Vineet Kashyap | Director (DIN : 00038897) |
| c) Mr. Vikram Kashyap | Director (DIN : 00038937) |

| **(v) Relatives of Key Management Personnel** | **Status** |
|---|---|
| Ms. Anjoo Kashyap | Wife of Mr. Vinod Kashyap |
| Ms. Aradhana Kashyap | Wife of Mr. Vineet Kashyap |
| Ms. Amrita Kashyap | Wife of Mr. Vikram Kashyap |
| Mr. Mohit Kashyap | Son of Mr. Vinod Kashyap |
| Ms. Nikita Kashyap | Wife of Mr. Mohit Kashyap |
| Ms. Malini Kashyap | Daughter of Mr. Vinod Kashyap |
| Mr. Saurabh Kashyap | Son of Mr. Vineet Kashyap |
| Ms. Mayali Kashyap | Wife of Mr. Saurabh Kashyap |
| Ms. Shruti Choudhari | Daughter of Mr. Vineet Kashyap |
| Ms. Sanjana Kashyap Kapoor | Daughter of Mr. Vikram Kashyap |
| Mr. Sahil Kashyap | Son of Mr. Vikram Kashyap |
| Mrs. Divya Mohindroo Kashyap | Wife of Mr. Sahil Kashyap |

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**Note 14.2 Transactions with related parties during the year :**

Rs. in Lakhs

| Particulars | Holding | Fellow Subsidiary of Holding Company | Associates | Key Management | Relatives | Total |
|---|---|---|---|---|---|---|
| Interest Expense on Inter Corporate loan -Taken | 29.92<br>*(29.91)* | - | - | - | - | 29.92<br>(29.91) |
| Inter Corporate Deposit -Taken | 0.18<br>- | | | | | |

**Balances With Related Parties as at 31.03.2019**

| Particulars | Holding | Fellow Subsidiary of Holding Company | Associates | Key Management | Relatives | Total |
|---|---|---|---|---|---|---|
| Inter corporate deposit including interest | 672.83<br>*(642.73)* | -<br>- | -<br>- | -<br>- | -<br>- | 672.83<br>*(642.73)* |
| Other Payables | 10.42<br>*(10.42)* | -<br>- | -<br>- | -<br>- | -<br>- | 10.42<br>*(10.42)* |

Terms and conditions of transactions with related parties. The transaction with related parties are on arm's-length basis. There have been no guarantees provided or received for any related party's receivables or payables.

All balances outstanding with related parties are unsecured. Figures shown in bracket represents corresponding amounts of previous year.

**Note 15 Micro and small enterprises**

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis or the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small mid Medium Enterprises Development Act, 2006.

**Note 16 Financial instruments – Fair values and risk management**

**Risk management framework**

The business of the Company involves market risk, credit risk and liquidity risk. Among these risks, market risk is given paramount importance so as to minimize its adverse affects on the Company's performance. The Company has policies and process to identify, evaluate and manage risks and to take corrective actions, if required, for their control and mitigation on continuous basis. And regular monitoring of the said policies and process for their compliance is responsibility of the management under the supervision of the Board of Directors and Audit Committee. The policies and process are regularly reviewed to adapt them in tune with the prevailing market conditions and business activities of the Company. The Board of Directors and Audit Committee are responsible for the risk assessment and management through formulation of policies and processes for the same.

**Credit risk**

Credit risk is part of the business of the Company due to extension of credit in its normal course having a potential to cause financial loss to the Company. It mainly arises from the receivables of the Company due to failure of its customer or a counter party to a financial instrument to meet obligations under a contract with the Company. Credit risk management starts with checking the credit worthiness of a prospective customer before entering into a contract with him by taking into account, his individual characteristics, demographics, default risk in his industry. A customer's credit worthiness is also continuously is checked during the period of a contract. However, risk on trade receivables and unbilled work in progress is limited as the customers of the company are either government promoted entities or have strong credit worthiness. In order to make provisions against dues from the customers other than government promoted entities, the Company takes into account available external and internal credit risk factors such as credit rating from credit rating agencies, financial condition, aging of accounts receivables and the Company's historical experience for customers. However, in Company's line of business, delay in meeting financial obligation by a customer is a regular feature especially towards the end of a contract and is as such factored in at the time of initial engagement.

Expected credit loss/ lifetime credit loss assessment for customers as at 31 March 2018 and 31 March 2019

**Cash and Cash equivalents**

The Company held cash and cash equivalents with credit worthy banks and financial institutions of INR 63,445/- AND INR 67,975/- as at 31 March 2019, 31 March 2018 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from loans from banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As of 31 March 2019, the Company had working capital (Total current assets - Total current liabilities) of INR -10,13,349/-including cash and cash equivalents of INR 63,445/.As of 31 March 2018, the Company had working capital (Total current assets - Total current liabilities) of INR -9,97,019/- including cash and cash equivalents of INR 67,975/.

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**Exposure to liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities are as follows:

**Amount in Rs.**

| Particulars | Carrying amount | 31 March 2019 | | | | |
|---|---|---|---|---|---|---|
| | | Contractual cash flow | | | | |
| | | Total | 0-12 months | 1-2 year | 2-5 years | More than 5 years |
| **Non -derivatives financial liabilities** | | | | | | |
| Loans* | 67,283,039 | 67,283,039 | | 67,283,039 | | |
| Other Payables | 1,076,794 | 1,076,794 | 1,076,794 | - | | |

**Amount in Rs.**

| Particulars | Carrying amount | 31 March 2018 | | | | |
|---|---|---|---|---|---|---|
| | | Contractual cash flow | | | | |
| | | Total | 0-12 months | 1-2 year | 2-5 years | More than 5 years |
| **Non -derivatives financial liabilities** | | | | | | |
| Loans* | 64,272,976 | 64,272,976 | | 64272976 | | |
| Other Payables | 1,064,994 | 1,064,994 | 1064994 | - | | |

* Unsecured long term loan from holding company (including interest) are repayable on demand. This has been classified as 'Non-current loans' as the company has obtained the view from holding company's management that considering tight liquidity position of the company, there is no likelihood of their asking for its repayment, repayment at least within next 1 year.

**Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt.

**Currency Risk**

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

**Exposure to currency risk**

The company has no exposure to currency risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions.

**Interest rate sensitivity - fixed rate instruments**

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

**Interest rate sensitivity - variable rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

SOOD BRIJ & ASSOCIATES CHARTERED ACCOUNTANTS FRN No. 00350N NEW DELHI

(Amount in Rs.)

| Particulars | Effect on Profit or (Loss) | |
|---|---|---|
| | 100 bp increase | 100 bp decrease |
| As as 31 March 2019 | | |
| Unsecured Loan - Rupee Loans - From related party | (427,529) | 427,529 |
| sensitivity (net) | (427,529) | 427,529 |

(Amount in Rs.)

| Particulars | Effect on Profit or (Loss) | |
|---|---|---|
| | 100 bp increase | 100 bp decrease |
| As as 31 March 2018 | | |
| Unsecured Loan - Rupee Loans - From related party | (427,350) | 427,350 |
| sensitivity (net) | (427,350) | 427,350 |

(Note: The impact is indicated on the profit/loss and equity before tax basis)

**Note 17 Capital management**

The Company's objectives when managing capital are to:-

(i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'net debt' (total borrowings net of cash & cash equivalents) to 'total equity' (as shown in the balance sheet).

The Company's net debt to equity ratios are as follows:

**Amount in Rs.**

| Particular | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| Net debts | 67219594 | 64205001 |
| Total equity | -43278205 | -39465903 |
| Net debts to equity ratio | ** | ** |

** Negative Net worth

**Note 18**

In the opinion of Board of Directors, all assets other than Fixed assets and non current investments has a value of realization in the ordinary course of business at least equal to the amount at which they stated in the balance sheet.

**Note 19**

Balances outstanding in the name of the parties are subject to the confirmation.

**Note 20**

Previous year's figures have been regrouped and / or rearranged wherever necessary.

In terms of our report of even date attached

**For Sood Brij & Associates**
**Chartered Accountants**
**Firm Regn. No.- 00350N**

SOOD BRIJ & ASSOCIATES CHARTERED ACCOUNTANTS FRN No. 00350N NEW DELHI

**A. K. Sood**
**Partner**
**Membership No.-14372**

**Place: New Delhi**
**Date: 29th May,2019**

**For and on behalf of the Board of Directors**

**Vinod Kashyap**
**Director**
**(DIN : 00038854)**

**Vineet Kashyap**
**Director**
**(DIN : 00038897)**

**Vikram Kashyap**
**Director**
**(DIN : 00038937)**