

I NDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WISE ZONE BUILDERS PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of M/s Wise Zone Builders Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including other comprehensive income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, of its profit and total comprehensive income, changes in equity and its cash flows for the year then 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information in the Directors' Report, but does not include the financial statements and our auditor's report thereon.

The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements, our responsibility is to read the other confirmation identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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.

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 paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by

the Company so far as appears from our examination of those books;

- c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in equity and the Statement of Cash Flow 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.
- e. On the basis of the written representations received from the directors as on 31st March, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g. The provision of section 197 read with schedule V of the Act are not applicable to the company for the year ended 31st March, 2020.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivatives 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.

DINESH KUMAR BACHCHAS

Partner

Membership no. 097820

For and on Behalf of

K.K. MANKESHWAR & CO.

Chartered Accountants

FRN – 106009W

New Delhi, dated the
04th June 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2020, we report that:

1. (a) As the Company has maintained proper records showing full particulars, including quantitative detail and situation of fixed asset.

(b) The fixed asset have been physically verified by the management during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed asset is reasonable having regard to the size of the company and the nature of its asset.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.
2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 of the Companies Act, 2013 are applicable to the company. Further, since the company is an infrastructure company within the meaning of schedule VI of the companies Act, 2013, the provision of section 186 of companies Act, 2013 is not applicable and hence not commented upon.
5. The Company has not accepted any deposit during the year, therefore the provisions of the clause (v) of Paragraph 3 of the Order are not applicable to the Company.

6. According to the information and explanation given to us, we are informed that the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013.
7. According to the information and explanation given to us, in respect of statutory dues:
 - 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 has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Cess and any other statutory dues, as applicable with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanations given to us and the records of the Company, there is no due in respect of income tax, goods and service tax and duty of customs as on 31st March 2020 which have not been deposited on account of disputes.
8. According to the information and explanations give to us and based on our examination of the records of the Company has not defaulted in repayment of dues to any bank or debenture holder during the year. The company did not have any outstanding loans from financial institution and Government during the year.
9. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loan and debt instruments in nature of Compulsorily Convertible Debentures for the purpose for which they were raised. The Company has not raised any money way of initial public/further public offer and term loans during the year.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanation given by the management, the provision of section 197 read with schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) of the order are not applicable to the company and hence not commented upon.
12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company.
13. According to the information and explanation given by the management, all transaction with related parties are in compliance with section 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the notes to financial Statement, as required by the applicable accounting standards. The provision of section 177 are not applicable to the company and accordingly

reporting under clause 3(xiii) in so far as it relates to section 177 of the Act is not applicable to the company and hence not commented upon.

14. According to the information and explanation given to us and on an overall examination of the balance sheet the company has complied with provision of section 42 of the Act in respect of the private placement of equity shares during the year. According to the information and explanation given by the management we report that the amount raised have been used for the purposes for which those were raised.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
16. According to the information and explanation given to us, the provision of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the company and hence not commented upon.

DINESH KUMAR BACHCHAS

Partner

Membership no. 097820

For and on Behalf of

K.K. MANKESHWAR & CO.

Chartered Accountants

FRN – 106009W

New Delhi, dated the
04th June 2020

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF WISE ZONE BUILDERS PRIVATE 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 M/s Wise Zone Builders Private Limited (“the Company”) as of 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, 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 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, 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.

DINESH KUMAR BACHCHAS

Partner

Membership no. 097820

For and on Behalf of

K.K. MANKESHWAR & CO.

Chartered Accountants

FRN – 106009W

New Delhi, dated the

04th June 2020

Wise Zone Builders Private Limited
Balance sheet as at March 31, 2020

Particulars	Notes	(Rs. in Lacs)	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	1.20	2.06
Investment Property	3	42,768.92	-
Financial assets	4		
(i) Loans	5	54.16	54.16
(ii) Trade receivables	5	131.62	-
Other non current assets	6	84.40	-
		43,040.30	56.22
Current assets			
Inventories	7	78.36	70,491.06
Financial assets	8		
(i) Trade receivables		117.56	6.90
(ii) Cash and cash equivalents		126.66	114.66
(iii) Bank balances other than (ii) above		368.00	-
(iv) Loans		1,252.23	-
(v) Other financial assets		183.90	2.70
Other current assets	9	1,271.82	1,416.41
		3,398.53	72,031.73
TOTAL ASSETS		46,438.83	72,087.95
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	6,506.00	6,001.00
Other equity	10	27,624.47	25,791.71
Total equity		34,130.47	31,792.71
Non-current liabilities			
Financial liabilities	11		
(i) Borrowings		8,123.62	11,738.20
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	247.94
Long term provisions	12	7.44	8.06
Deferred tax liabilities	13	188.87	-
Other non-current liabilities	14	833.94	-
		9,153.87	11,994.20
Current liabilities			
Financial liabilities	15		
(i) Borrowings		-	11,243.19
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,322.98	2,854.68
(iii) Other financial liabilities		673.91	82.11
Short term provisions	16	30.90	15.35
Other current liabilities	17	126.70	14,105.71
		3,154.49	28,301.04
TOTAL LIABILITIES		12,308.36	40,295.24
TOTAL EQUITY AND LIABILITIES		46,438.83	72,087.95

Summary of significant accounting policies

2

Other notes on accounts

3-42

The accompanying notes are integral part of the financial statements

**For and on behalf of the Board of Directors of
Wise Zone Builders Pvt. Ltd**

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

Arjunjit Singh

(Director)

(DIN 06893703)

Kishansingh Ramsinghaney

(Director)

(DIN 00329411)

Akshay Bhardwaj

(Chief Financial Officer)

Place :

Date:

Wise Zone Builders Private Limited
Statement of profit and loss for the year ended March 31, 2020

Particulars	Notes	(Rs. in Lacs)	
		for the year ended March 31, 2020	for the year ended March 31, 2019
INCOME			
Revenue from operations	18	36,904.88	-
Other income	19	8.43	-
Total income		<u>36,913.31</u>	<u>-</u>
EXPENSES			
Cost of material consumed, construction & other related project cost	20	5,744.96	14,476.45
(Increase)/decrease in inventories of finished goods and work-in-progress	21	24,879.49	(14,476.45)
Employee benefits expense	22	322.12	-
Finance costs	23	1,384.70	-
Depreciation and amortization expense	24	819.42	0.68
Other expenses	25	1,488.91	305.36
Total expenses		<u>34,639.60</u>	<u>306.04</u>
Profit/(Loss) before tax		2,273.71	(306.04)
Tax expenses			
- Current tax		374.29	-
- Deferred tax		188.87	-
Total tax expense		<u>563.16</u>	<u>-</u>
Profit/(Loss) after tax		<u>1,710.55</u>	<u>(306.04)</u>
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss		0.20	2.52
Income tax effect			
Other comprehensive income for the year, net of tax		<u>0.20</u>	<u>2.52</u>
Total comprehensive income/(loss) for the year, net of tax		<u><u>1,710.75</u></u>	<u><u>(303.52)</u></u>
Earnings per equity share (Nominal Value of share Rs.10/-) (refer note 27)			
Basic (Rs.)		2.78	(0.87)
Diluted (Rs.)		0.53	(0.87)

Summary of significant accounting policies 2
Other notes on accounts 3-42

**For and on behalf of the Board of Directors of
Wise Zone Builders Pvt. Ltd**

The accompanying notes are integral part of the financial statements

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

Arjunjit Singh

(Director)

(DIN 06893703)

Kishansingh Ramsinghane

(Director)

(DIN 00329411)

Akshay Bhardwaj

(Chief Financial Officer)

Place :

Date:

Wise Zone Builders Private Limited
Statement of cash flows for the year ended March 31, 2020

Particulars	(Rs. in Lacs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Cash flow from operating activities		
Profit/(Loss) before tax	2,273.71	(306.04)
Adjustments to reconcile profit before tax to net cash flows:		
Addition on account of equity created on guarantee fee and OCI of gratuity		
Depreciation of property, plant and equipment	819.42	0.68
Interest income	(0.70)	-
Income from mutual fund units	(0.08)	-
Finance costs	1,384.70	-
Operating profit before working capital changes	4,477.05	(305.36)
Working capital adjustments:		
Movements in provisions, gratuity and leave encashment	27.80	16.45
Increase in other current financial liabilities	325.61	80.41
Increase in Trade Receivables	(242.27)	(6.90)
Increase in other non current financial assets	-	(54.16)
Increase in other non current assets	(83.80)	-
Increase in other non current liabilities	833.92	-
Increase in inventories	26,825.24	(14,565.77)
Decrease / (increase) in other current and financial assets	(36.60)	(260.37)
Increase in trade and other payables	(14,758.69)	(3,515.98)
Cash generated from operations	17,368.26	(18,611.68)
Income tax paid	(354.94)	-
Net cash flows used in operating activities	17,013.32	(18,611.68)
Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	-	(0.84)
Interest received	0.10	-
Loan to Holding Company	(1,252.23)	-
Gain on sale of mutual fund units	0.08	-
Net cash flows used in investing activities	(1,252.05)	(0.84)
Cash flow from financing activities		
Proceeds from Issuance of equity share capital	505.00	6,000.00
Proceeds from Long term borrowings	9,383.72	10,236.14
Interest paid	(1,466.80)	-
Proceeds from Compulsorily Convertible Debentures (CCD)	90.00	25,930.00
Repayment of short-term borrowings	(11,243.19)	(24,978.73)
Proceeds from short-term borrowings	-	1,477.17
Repayment of long-term borrowings	(12,650.00)	-
Net cash flows from financing activities	(15,381.27)	18,664.58
Net increase/(decrease) in cash and cash equivalents	380.00	52.06
Cash and cash equivalents at the beginning of the year	114.66	62.60
Cash and cash equivalents at year end	494.66	114.66

Components of cash and cash equivalents :-

	(Rs. in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
On current accounts	126.11	114.63
Deposits with remaining maturity for less than 12 months	368.00	-
Cash on hand	0.55	0.03
	494.66	114.66

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	26
Other notes on accounts	3-42

The accompanying notes are integral part of the financial statements

**For and on behalf of the Board of Directors of
Wise Zone Builders Pvt. Ltd**

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on behalf of
K.K.MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

Arjunjit Singh
(Director)
(DIN 06893703)

Kishansingh Ramsinghaney
(Director)
(DIN 00329411)

Akshay Bhardwaj
(Chief Financial Officer)

New Delhi, dated the

Place:
Date:

Wise Zone Builders Private Limited
Statement of changes in equity for the year ended March 31, 2020

a) Equity share capital

Particulars	Nos.	(Rs. in Lacs)
As at March 31, 2019	60,010,000	6,001.00
Add: Equity share issued during the year (refer note 10)	5,050,000	505.00
As at March 31, 2020	65,060,000	6,506.00

b) Other equity

Particulars	Retained Earnings	Other Equity	CCD	Total equity
As at March 31, 2019	(310.43)	172.14	25,930.00	25,791.71
Profit for the year	1,710.55			1,710.55
Other comprehensive income for the year		0.20		0.20
Addition on account of equity created on guarantee fee		32.01		32.01
Equity component of compulsorily convertible debentures			90.00	90.00
As at March 31, 2020	1,400.12	204.35	26,020.00	27,624.47

Summary of significant accounting policies 2
Other notes on accounts 3-42

The accompanying notes are integral part of the financial statements

For and on behalf of the Board of Directors of
Wise Zone Builders Pvt. Ltd

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

Arjunjit Singh

(Director)

(DIN 06893703)

Kishansingh Ramsinghaney

(Director)

(DIN 00329411)

Akshay Bhardwaj

(Chief Financial Officer)

Place:

Date:

Wise Zone Builders Private Limited

1 Corporate Information

Wise Zone Builders Pvt. Ltd, (the Company) is a company registered under Companies Act, 2013 and incorporated on 27th October 2016. The Company engaged in the business of Real Estates development. Registered office of the Company is located at Max Towers, L-12, C- 001/A/1 Sector- 16B Noida Gautam Buddha Nagar UP 201301, India. The financial statements were authorised for issue in accordance with a resolution of the directors on 4th June 2020.

2 Significant accounting policies

2.1 Basis of preparation

These separate financial statement of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of division II of Schedule III to the Companies Act 2013 (Ind AS Compliant Schedule III), as applicable to these separate financial statement.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value

(i) Certain financial assets and liabilities that are measured at fair value

Financial Statement are presented in INR and all values are rounded to nearest Lacs (INR 00,000) except when otherwise stated

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realized within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemption of Ind AS 101 to continue carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit and VAT credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	Useful lives estimated by the management (years)
Furniture and fixtures	10 Years
Office equipment	5 Years
Computers	3 Years
Vehicles	8 Years

c. Investment property

Recognition and initial measurement

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties are measured initially at their cost of acquisition including transaction costs. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Property held under lease is classified as investment property when it is held to earn rentals or for capital appreciation or for both, rather than for sale in the ordinary course of business or for use in production or administrative functions. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on investment properties is provided on the straightline method, over the useful lives of the assets are as follows:

Asset category* Estimated	Useful lives
Buildings and related equipment	15 to 60
Plant & Machinery & other equipment	6 to 10

Estimated useful life of Leasehold land is over the period of lease.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by the company applying a valuation model acceptable.

De-recognition

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 3-6 years.

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e. Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In this case, the growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining economic life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

f. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

The Company classified its financial assets in the following measurement categories :-

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized 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 recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- (i) Debt instruments at amortized cost
- (ii) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

Debt instruments at amortized cost

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

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discount the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the company estimate the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at Fair value through profit and loss

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Derecognition

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

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either:
 - (a) the Company has transferred the rights to receive cash flows from the financial assets or
 - (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

Inventories

Inventories comprise completed units for sale and property under construction (Work in progress):

- (A) Completed Unsold inventory is valued at lower of cost and net realizable value. Cost is determined by including cost of land, materials, services and related overheads.
- (B) Work in progress is valued at cost. Cost comprises value of land (including development rights), materials, services and other overheads related to projects under construction.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

(ii) Financial liabilities

Initial recognition and measurement

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Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money and other payables.

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The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 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 fair value and subsequently measured at amortised cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognised less cumulative amortization.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

g. Investment in Subsidiaries

The investment in subsidiaries are carried at cost as per IND AS 27. Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Revenue is recognised over time if either of the following conditions is met:

- Buyers take all the benefits of the property as real estate developers construct the property.
- Buyers obtain physical possession of the property

c. The property unit to be delivered is specified in the contract and real estate entity does not have an alternative use of the unit; the buyer does not have the discretion to terminate the contract and the entity has right to payment for work completed to date.

In case none of these conditions is met, revenue would be recognised at a point in time when the control of the property is passed on to the customer.

(ii) Revenue from shared services

Revenue from shared services is recognized over the period of contract, as and when services are rendered.

(iii) Revenue from project management consultancy / secondment

Revenue from project management consultancy / secondment is recognized as per the terms of the agreement on the basis of services rendered.

(iv) Gain on sale of investments

On disposal of an investment, the difference between the carrying amount and net disposal proceeds is recognised to the profit and loss statement.

(v) Interest and direct expenditure attributable to specific projects are capitalized in the cost of project, other interest and indirect costs are treated as 'Period Cost' and charged to Profit & Loss account

(vi) All other incomes and expenditures are accounted for on accrual basis.

i. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 and the income computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

j. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k. Leases

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Company as a lessee

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A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the losses in expected inflationary cost increase.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l. Provision and Contingent liabilities

Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably, the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

m. Retirement and other employee benefits

Provident fund

The Company contributed to employees provident fund benefits through a trust "Max Financial Services Limited Provident Fund Trust" managed by Max Financial Services Limited (erstwhile Max India Limited) whereby amounts determined at a fixed percentage of basic salaries of the employees are deposited to the trust every month. The benefit vests upon commencement of the employment. The interest rate payable by the trust to the beneficiaries every year is notified by the government and the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company has obtained actuarial valuation to determine the shortfall, if any, as at the Balance Sheet date.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

- (i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.
- (ii) Net interest expenses or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

Short-term obligations

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

n. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

o. Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year and the weighted average number of shares outstanding during the year adjusted for the effects of all potential equity shares.

p. Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (₹) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

q. Fair value measurement

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

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Wise Zone Builders Private Limited

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments (including those carried at amortised cost)

2.3 Significant accounting judgements, estimates and assumptions

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

(a) Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset)

The Company included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised

Property lease classification – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Defined benefit plans

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis

(b) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The Company use Net asset value for valuation of investment in mutual fund.

(c) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(d) Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

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Wise Zone Builders Private Limited
Notes forming part of the financial statements

3. Property, plant and equipment (PPE)

(Rs in Lacs)

Particulars

Office equipment Computers and data processing units Total

At cost

As at March 31, 2018	0.88	1.34	2.22
Additions	-	0.84	0.84
Disposals	-	-	-
As at March 31, 2019	0.88	2.18	3.06
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2020	0.88	2.18	3.06

Depreciation

As at March 31, 2018	0.04	0.28	0.32
Additions	0.17	0.51	0.68
Disposals	-	-	-
As at March 31, 2019	0.21	0.79	1.00
Additions	0.17	0.69	0.86
Disposals	-	-	-
As at March 31, 2020	0.38	1.48	1.86

Net carrying amount

As at March 31, 2020	0.50	0.70	1.20
As at March 31, 2019	0.67	1.39	2.06

Wise Zone Builders Private Limited

4. Investment Property

	(Rs in Lacs)
	Max Towers
At cost	
As at March 31, 2019	-
Additions	43,587.47
Disposals	-
As at March 31, 2020	43,587.47
Amortization	
As at March 31, 2019	-
Additions	818.56
Disposals	-
As at March 31, 2020	818.56
Net carrying amount	
As at March 31, 2020	42,768.92
As at March 31, 2019	-

Notes:

(i) Contractual obligations

Refer note 29 for disclosure of contractual commitments for the acquisition of investment properties.

(ii) Capitalised borrowing cost

During the year company has capitalised borrowing cost of Rs. 105.29 lacs (Previous year 14,96.05 lacs) under investment property under CWIP

(iii) Amount recognised in profit and loss for investment properties

	(Rs in Lacs)
Rental income	984.73
Less: Direct operating expenses generating rental income	4.31
Profit from leasing of investment properties	980.42
Less: depreciation expense	819.42
Profit from leasing of investment properties after depreciation	161.01

(iv) Fair value

Fair value hierarchy and valuation technique

The fair value of investment property has been determined by the company internally, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value has been arrived using discounted cash flow projections based on reliable estimates of future cash flows considering growth in rental of 15% on every 3 years, and discount rate of 12.00%.

Reconciliation of fair value:

	(Rs in Lacs)
Opening balance as at 1 April 2019	NA
Increase of Fair value	NA
Decline in fair value	NA
Closing balance as at 31 March 2020	Rs.43500 to 47850 lacs

Valuation models applied for valuation:

Discounted cash flow method - net present value is determined based on projected cash flows discounted at an appropriate rate

(v) Leasing Arrangements

Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly (refer note 41).

Wise Zone Builders Private Limited
Notes forming part of the financial statements

Particulars	(Rs. in Lacs)	
	As at March 31, 2020	As at March 31, 2019
5. Non Current financial assets		
(i) Loans (unsecured considered good)		
Security deposits	54.16	54.16
	<u>54.16</u>	<u>54.16</u>
(ii) Trade receivables		
Unsecured :-		
Trade receivables - considered good	131.62	-
	<u>131.62</u>	<u>-</u>
6. Other non current assets (unsecured considered good)		
Deferred guarantee fee	84.40	-
	<u>84.40</u>	<u>-</u>
7. Inventories		
Construction Materials	78.36	114.94
Work in progress #	-	70,376.12
	<u>78.36</u>	<u>70,491.06</u>
# Inventory of work in progress in previous year includes Rs.19.09 Crs balance with statutory authorities on account of CENVAT of GST.		

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Wise Zone Builders Private Limited
Notes forming part of the financial statements

Particulars	(Rs. in Lacs)	
	As at March 31, 2020	As at March 31, 2019
8. Current financial assets		
(i) Trade receivables		
Unsecured :-		
Trade receivables - considered good	117.56	6.90
	117.56	6.90
(ii) Cash and cash equivalents		
Balances with banks:		
On current accounts	126.11	114.63
Cash in hand	0.55	0.03
	126.66	114.66
(iii) Bank balances other than (ii) above		
Deposits with remaining maturity for less than 12 months	368.00	-
	368.00	-
(iv) Loans		
Loans to related parties (refer note 34)	1,252.23	-
	1,252.23	-
(v) Other financial assets		
Security Deposit*	35.85	2.70
Interest accrued on fixed deposits	0.60	-
Rent receivable (Equalisation)	147.45	-
* (includes FDR which is pledged with Asst. Commissioner of Commercial Tax, Noida towards UPVAT Registration)	183.90	2.70
9. Other current assets (unsecured considered good, unless otherwise stated)		
Unsecured, considered good		
Advances to suppliers, employees etc	328.84	825.94
Prepaid expenses	3.00	16.81
Balance with statutory authorities (read with footnote under note 7 of inventory)	931.47	476.59
Deferred guarantee fee	8.51	97.07
	1,271.82	1,416.41

10. Share capital and other equity

(i) Equity share capital

Particulars	(Rs in Lacs)	
	As at March 31, 2020	As at March 31, 2019
a) Authorized		
6,50,60,000 equity shares of Rs. 10/- each	6,506.00	6,506.00
(Previous year 6,50,60,000 equity shares of Rs. 10/- each)	<u>6,506.00</u>	<u>6,506.00</u>
Issued, subscribed and fully paid-up		
6,50,60,000 equity shares of Rs. 10/- each	6,506.00	6,001.00
(Previous year 600,10,000 equity shares of Rs. 10/- each fully paid up)	<u>6,506.00</u>	<u>6,001.00</u>
Total issued, subscribed and fully paid-up share capital	<u>6,506.00</u>	<u>6,001.00</u>

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	March 31, 2020		March 31, 2019	
	No. of shares	(Rs. In lacs)	No. of shares	(Rs. In lacs)
At the beginning of the year	60,010,000	6,001.00	10,000	1.00
Add: Shares issued during the year	<u>5,050,000</u>	<u>505.00</u>	<u>60,000,000</u>	<u>6,000.00</u>
Outstanding at the end of the year	<u>65,060,000</u>	<u>6,506.00</u>	<u>60,010,000</u>	<u>6,001.00</u>

c) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2020		March 31, 2019	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up				
Max Estates Limited	65,059,994	99.9999%	60,009,994	99.9999%

e) Aggregate number of Shares issued for consideration other than cash during the year of five years immediately preceding the reporting date - NIL

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Wise Zone Builders Private Limited
Notes forming part of the financial statements

(ii) Other equity

Particulars	(Rs. in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Retained earnings (refer note a below)	1,400.12	(310.43)
Other equity (refer note b below)	204.35	172.14
Compulsorily Convertible Debentures (CCD) (refer note c below)	26,020.00	25,930.00
	<u>27,624.47</u>	<u>25,791.71</u>
Notes:		
a) Retained earnings		
At the beginning of the year	(310.43)	(4.39)
Profit/(Loss) for the year	1,710.55	(306.04)
At the end of the year	<u>1,400.12</u>	<u>(310.43)</u>
b) Other equity		
At the beginning of the year	172.14	95.45
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	0.20	2.52
Addition on account of equity created on guarantee fee	32.01	74.17
At the end of the year	<u>204.35</u>	<u>172.14</u>
c) Compulsorily Convertible Debentures (CCD)		
At the beginning of the year	25,930.00	-
Additions during the year	90.00	25,930.00
At the end of the year	<u>26,020.00</u>	<u>25,930.00</u>

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Wise Zone Builders Private Limited
Notes forming part of the financial statements

11. (i) Borrowings

Particulars	(Rs. in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Non-current borrowings :-		
Term Loan from Banks	8,471.92	11,738.20
	8,471.92	11,738.20
Less: Amount disclosed under "other current financial liabilities" [refer note 15(iii)]	348.30	-
	<u>8,123.62</u>	<u>11,738.20</u>
Aggregate Secured loans	8,471.92	11,738.20
Aggregate Unsecured loans	-	-

Note: The Company has taken secured term loan facility for 11,700 Lakhs loan from ICICI Bank Limited. Out of this facility the company has drawn 86,000 lakhs till March 31, 2020. Exclusive charge by way of mortgage/hypothecation/assignment/security interest / charge / pledge upon following (both present and future) on:

- i) Pari passu charge over project developed on the property;
- ii) All present and future tangible moveable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixture and all other moveable fixed assets in relation to the property
- iii) All present and future scheduled receivables to the extent received by the borrower
- iv) The escrow account alongwith all monies credited / deposited therein
- v) The Debt Service Reserve Account
- vi) 30% of shareholding of the company held by Max Estates Limited
- vii) The security as required by the lender shall be created and perfected in form and manner satisfactory to the lenders and shared on pari passu basis between the lenders
- viii) Post creation of security, the project shall provide a security cover of 2 times during the entire tenure of facility on outstanding loan amount

Repayment terms:-

The repayment of principal amount of facility need to be made in 144 instalments commencing from 1 month from the first drawdown date

Wise Zone Builders Private Limited
Notes forming part of the financial statements

Particulars	(Rs. in Lacs)	
	As at March 31, 2020	As at March 31, 2019
11. (ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	247.94
	<u>-</u>	<u>247.94</u>
12. Long term provision		
Provision for employee benefits		
Provision for gratuity (refer note 30)	7.44	8.06
	<u>7.44</u>	<u>8.06</u>
13. Deferred tax liabilities		
(i) Deferred tax liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	331.05	-
Gross deferred tax liability	<u>331.05</u>	<u>-</u>
(ii) Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the period but allowed for tax purposes on payment basis	142.18	-
Gross deferred tax assets	<u>142.18</u>	<u>-</u>
Deferred Tax liability	<u>188.87</u>	<u>-</u>
14. Other non current liability		
Deferred Assured Rental	239.30	-
Security Deposit received	594.64	-
	<u>833.94</u>	<u>-</u>
15. Current financial liabilities		
(i) Borrowings		
Loan from related party (Unsecured) (Refer Note 34 (b))	-	11,243.19
	<u>-</u>	<u>11,243.19</u>
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,322.98	2,854.68
	<u>2,322.98</u>	<u>2,854.68</u>
* Details of dues to micro and small enterprises as per MSMED Act, 2006		
As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with such suppliers. Based on the information available with the Company, none of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.		
(iii) Other current financial liabilities		
Current maturity of long term borrowings (refer note 11 (i))	348.30	-
Interest accrued & due on short term borrowings	-	82.11
Deferred Assured Rental	325.61	-
	<u>673.91</u>	<u>82.11</u>
16. Short term provision		
Provision for employee benefits		
Provision for leave encashment	11.53	15.33
Provision for gratuity (refer note 30)	0.02	0.02
Provision for taxation (Net of Advance tax and TDS receivables)	19.35	-
	<u>30.90</u>	<u>15.35</u>
17. Other current liabilities		
Statutory dues	126.70	75.71
Advance from related party	-	14,030.00
	<u>126.70</u>	<u>14,105.71</u>

Wise Zone Builders Private Limited
Notes forming part of the financial statements

Particulars	(Rs. in Lacs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
18. Revenue from Project	35,890.35	
Revenue from Rentals	984.73	
Security deposit written back	29.80	
Total	36,904.88	-
19. Other income		
Income from Scrap sales	0.43	-
Interest received	0.70	-
Income from Mutual funds	0.08	-
Finance income	0.14	-
Miscellaneous Income	7.08	-
	8.43	-
20 Cost of material consumed, construction & other related project cost		
Inventories at beginning of year	114.94	25.63
Add: Purchases		
Construction & development Cost	5,708.38	14,565.76
	5,823.32	14,591.39
Less: inventory at the end of year	78.36	114.94
Cost of material consumed, construction & other related project cost	5,744.96	14,476.45
21 (Increase)/ decrease in work-in-progress and finished goods		
Inventories at end of year		
Work-in-process #	(0)	70,376.12
	(0)	70,376.12
Inventories at beginning of the year		
Work-in-process	70,376.12	55,899.67
	70,376.12	55,899.67
Less: Cenvat credit of GST	(1,909.16)	-
Less: Transferred to Investment Property	(43,587.47)	-
	24,879.49	(14,476.45)

Inventory of work in progress in previous year includes Rs.19.09 Crs balance with statutory authorities on account of CENVAT of GST.

Wise Zone Builders Private Limited
Notes forming part of the financial statements

(Rs. in Lacs)

Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
22. Salaries, wages and bonus	291.21	-
Contribution to provident and other funds	5.98	-
Gratuity expense (refer note 30)	2.79	-
Staff welfare expenses	22.14	-
	<u>322.12</u>	<u>-</u>
23. Finance costs		
		(Rs. in Lacs)
	for the year ended March 31, 2020	for the year ended March 31, 2019
Interest on debts and borrowings	1,339.76	-
Interest on lease - Ind AS	44.94	-
	<u>1,384.70</u>	<u>-</u>
24. Depreciation and amortization expense		
Depreciation of property, plant and equipment (refer note 3)	819.42	0.68
	<u>819.42</u>	<u>0.68</u>
25. Other expense		
Legal and professional	330.74	3.24
Marketing Expenses	509.16	251.88
Rates and taxes	0.19	50.24
Communication	3.06	-
Insurance	4.31	-
Rent	590.11	-
Establishment expenses	22.00	-
Business Promotion	1.29	-
Miscellaneous expenses	28.05	-
	<u>1,488.91</u>	<u>305.36</u>
Payment to auditor (included in legal and professional fee)		
As auditor:		
Audit fee	0.50	0.50
Other services (certification fees)	0.72	0.59
	<u>1.22</u>	<u>1.09</u>

Wise Zone Builders Private Limited
Notes forming part of the financial statements

26 Other comprehensive income

Particulars	(Rs. in Lacs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Re-measurement losses on defined benefit plans	0.20	2.52
Income tax effect	-	-
	<u>0.20</u>	<u>2.52</u>

27 Earning Per Share

Particulars	(Rs. in Lacs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Basic EPS		
Profit after tax (Rs. in Lacs)	1,710.55	(306.04)
Less: dividends on convertible preference shares & tax thereon	-	-
Net profit/(loss) for calculation of basic EPS	<u>1,710.55</u>	<u>(306.04)</u>
Weighted average number of equity shares outstanding during the period/year (Nos.)	61,569,153	35,051,096
Basic earnings per share (Rs.)	<u>2.78</u>	<u>(0.87)</u>
Dilutive EPS		
Profit after tax (Rs. in Lacs)	1,710.55	(306.04)
Weighted average number of equity shares outstanding during the period/year for dilutive earnings per share (Nos)	320,896,202	35,051,096
Diluted earnings per share (Rs.)	<u>0.53</u>	<u>(0.87)</u>

28

Income Tax

The major components of income tax expense for the period ended March 31, 2020 and March 31, 2019 :

Statement of profit and loss :

Profit and loss section

Particulars	(Rs. in Lacs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Current income tax :		
Current tax	374.29	-
Deferred tax :		
Relating to origination and reversal of temporary differences	188.87	-
Income tax expense reported in the statement of profit and loss	563.16	-

Deferred tax relates to the following:

	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	-	-
Differences in depreciation in block of fixed assets as per tax books and financial books	331.05	-
Gross deferred tax liabilities (a)	331.05	-
Deferred tax assets	-	-
Effect of expenditure debited to the statement of Profit and Loss in the current period/earlier periods but allowed for tax purposes in following periods	142.18	-
Gross deferred tax assets (b)	142.18	-
Deferred tax liabilities (net)	188.87	-

Reconciliation of deferred tax liabilities (net):

Particulars	(Rs. in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Opening balance as of April 1	-	-
Tax expense/(income) during the period recognised in profit or loss	188.87	-
Tax expense/(income) during the period recognised in OCI	-	-
Closing balance as at March 31	188.87	-

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Wise Zone Builders Private Limited
Notes forming part of the financial statements

29 Commitments and contingencies

a) Other commitments

Particulars	(Rs. In lacs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Estimated amount of contracts remaining to be executed and not accounted for	174.56	2,990.67
Less Capital advances	-	(823.44)
Net commitments	174.57	2,167.22

30 Gratuity

The Company has a defined benefit gratuity plan. Under Gratuity Plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

	(Rs. in lacs)	
	As at March 31, 2020	As at March 31, 2019
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the year	8.08	1.85
Current service cost	2.17	3.33
Interest expense	0.62	0.38
Benefit paid	(3.60)	-
Acquisition adjustment	-	-
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	0.20	2.52
Actuarial changes arising from changes in experience adjustments	-	-
Defined benefit obligation at year end	7.47	8.08
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Employer contribution	-	-
Remeasurement of (Gain)/loss in other comprehensive income	-	-
Fair value of plan assets at year end	-	-
c) Net defined benefit asset/ (liability) recognized in the balance sheet		
Fair value of plan assets		
Present value of defined benefit obligation	7.47	8.08
Amount recognized in balance sheet- asset / (liability)	(7.47)	(8.08)
d) Net defined benefit expense (recognized in the statement of profit and loss for the year)		
Current service cost	2.17	3.33
Past service cost		
Interest cost on benefit obligation	0.62	0.38
Expected return on plan assets		
Net defined benefit expense debited to statement of profit and loss	2.79	3.71
(e) Remeasurement gain/(loss) recognised in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	0.20	2.52
Actuarial changes arising from changes in experience adjustments	-	-
Recognised in other comprehensive income	0.20	2.52
f) Broad categories of plan assets as a percentage of total assets		
Insurer managed funds	0%	0%
g) Principal assumptions used in determining defined benefit obligation		
Assumption particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
Discount rate	7.79%	7.66%
Salary escalation rate	10.00%	10.00%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
h) Quantitative sensitivity analysis for significant assumptions is as below:	for the year ended March 31, 2020	for the year ended March 31, 2019
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<u>Discount rate</u>		
Increase by 0.50%	(0.42)	(0.56)
Decrease by 0.50%	0.46	0.61
<u>Salary growth rate</u>		
Increase by 0.50%	0.45	0.59
Decrease by 0.50%	(0.42)	(0.55)
i) The average duration of the defined benefit plan obligation at the end of the reporting year is 19 Years (March 31, 2018 : 20 years)		
j) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.		
k) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.		
l) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.		

30.01 Leave Encashment (unfunded)

The Company recognises the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation.

The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year :

Particulars	(Rs. in lacs)	
	for the year ended March 31, 2020	for the year ended March 31, 2019
Liability at the beginning of the year	15.33	7.63
Benefits paid during the year	(6.72)	-
Provided during the year	2.92	7.70
Liability at the end of the year	11.53	15.33

Wise Zone Builders Private Limited
Notes forming part of the financial statements

31 Segment reporting

The Company is a one segment company in the business of real estates development. All its operations are located in India , accordingly, the Company views these activities as one business segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Segment Reporting'.

32 Financial instruments

The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value are as follows:

(Rs. in Lacs)

Category	Carrying value			Fair Value	
	March 31, 2020	March 31, 2019	April 1, 2016	March 31, 2020	March 31, 2019
1) Financial asset at amortized cost					
Loans	1,306.39	54.16	-	1,306.39	54.16
Trade receivables	249.18	6.90	-	249.18	6.90
Cash and cash equivalents	494.66	114.66	-	494.66	114.66
Other financial assets	183.90	2.70	-	183.90	2.70
2) Financial liabilities at amortized cost					
Non current & current					
Borrowings	8,123.62	22,981.39	-	8,123.62	22,981.39
Other financial liabilities	673.91	82.11	-	673.91	82.11
Trade payables	2,322.98	3,102.63	-	2,322.98	3,102.63

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

32.01 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2020

Particulars	Carrying value March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Loans	1,306.39	-	-	1,306.39
Other financial assets	131.62	-	-	131.62
Trade receivables	249.18	-	-	249.18

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2019

Particulars	Carrying value March 31, 2019	Fair value		
		Level 1	Level 2	Level 3
Loans	54.16	-	-	54.16
Other financial assets	2.70	-	-	2.70
Trade receivables	6.90	-	-	6.90

(iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2020

Particulars	Carrying value March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Non current & current				
Borrowings	8,123.62	-	8,123.62	-
Other financial liabilities	673.91	-	-	673.91
Trade payables	2,322.98	-	-	2,322.98

(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2019

Particulars	Carrying value March 31, 2019	Fair value		
		Level 1	Level 2	Level 3
Borrowings	22,981.39	-	22,981.39	-
Other financial liabilities	82.11	-	-	82.11
Trade payables	3,102.63	-	-	3,102.63

Wise Zone Builders Private Limited
Notes forming part of the financial statements

33 Financial risk management objectives and policies

The Company's has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Corporate Finance department, evaluates financial risks in close co-operation with the various stakeholders.

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committees.

a) Capital risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 8, cash and cash equivalents disclosed in note 5 and equity as disclosed in the statement of financial position.

b) 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 employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Investment and Performance Review Committee of the Board.

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2019 based on contractual undiscounted payments :-

March 31, 2019	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	11,243.19	11,738.20	-	22,981.39
Trade payable	2,854.68	247.94	-	3,102.63
Other financial liabilities	82.11	-	-	82.11
% to Total	54.19%	45.81%	0.00%	100.00%
March 31, 2020				
Borrowings	348.30	8,123.62	-	8,471.92
Trade payable	2,322.98	-	-	2,322.98
Other financial liabilities	325.61	-	-	325.61
% to Total	26.95%	73.05%	0.00%	100.00%

c) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company provides credit to individuals on exceptional basis only. An impairment analysis is performed at each reporting date on an individual basis.

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 is the carrying amounts as illustrated in note 27.8 (A) and the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2019. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2019.

(i) Interest rate risk

Interest rate 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 the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at fixed interest rate.

Year	Increase/decrease in interest rate	Effect on profit before tax
March 31,2020	0.50%	40.62
March 31,2019	0.50%	58.69

(Rs. in Laacs)

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34 Related party disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Ultimate Holding Company	Max Ventures & Industries Limited
Holding Company	Max Estates Limited
Fellow Subsidiary Company	Pharmax Corporation Limited
	Northern Propmart Solutions Limited
Names of other related parties with whom transactions have taken place during the year	
Directors and Key management personnel	Mr. Kishansingh Ramsinghaney (Director) Mr. Arjunjit Singh (Whole Time Director) Mr. Akshay Bhardwaj (Director and Chief Financial Officer) Mr. Anish Kumar- Company Secretary (w.e.f.Feb 10, 2020)
Entities controlled or jointly controlled by person or entities where person has significantly influence or entities where person having control is Key Management personnel	Max India Limited Max Life Insurance Co. Limited Riga Foods LLP Antara Senior Living Limited New Delhi House Services Ltd. Max Asset Services Limited Vanavastra Private Limited

34 (a) Details of transactions with related parties

S.No	Nature of transaction	Particulars	(Rs. In lacs)	
			for the year ended March 31, 2020	for the year ended March 31, 2019
1	Reimbursement of Expenses (Paid)	Max Ventures & Industries Limited (incl. shared services)	266.93	293.10
		Max Ventures & Industries Limited	9.93	-
		Max Estates Limited (Shared services)	196.12	-
		Max Estates Limited	338.65	527.47
		Mr. Arjunjit Singh	0.22	0.59
		Mr. Rohit Rajput	-	0.51
		Mr. Kishansingh Ramsinghaney (Professional Charges)	31.90	44.45
		Antara Senior Living Limited	-	15.63
		New Delhi House Services Ltd.	3.68	3.13
		RIGA Foods LLP	-	2.30
		Total	847.43	887.17
2	Revenue from Project	Max India Limited	8,234.78	-
		Max Life Insurance Company Limited	27,990.79	-
		Total	36,225.57	-
3	Revenue from Other Charges	Max Asset Services Limited	5.33	-
		Max Ventures & Industries Limited	0.28	-
		Antara Senior Living Limited	0.11	-
		Total	5.72	-
4	Revenue from Rental Charges	Max Asset Services Limited	4.54	-
		Max Ventures & Industries Limited	152.03	-
		Vanavastra Private Limited	10.59	-
		Total	167.16	-
5	Security Deposit Received	Max Asset Services Limited	124.08	-
		Max Ventures & Industries Limited	167.89	-
		Vanavastra Private Limited	10.59	-
		RIGA Foods LLP	6.18	-
		Total	308.74	-
6	Rent paid	Max Life Insurance Company Limited	590.19	-
		Total	590.19	-
7	Security Deposit Repaid	Max Ventures & Industries Limited	167.89	-
		Total	167.89	-
8	Project Management Consultancy	Max Asset Services Limited	6.00	-
		Total	6.00	-
9	Electricity Charges	Max Asset Services Limited	13.04	-
		Total	13.04	-
10	DG Power Back-up Charges	Max Asset Services Limited	0.31	-
		Total	0.31	-
11	Secondment Fee	Antara Senior Living Limited	36.90	-
		Total	36.90	-
12	Guarantee Fee	Max Ventures & Industries Limited	20.12	(22.69)
		Total	20.12	(22.69)
13	Compulsory Convertible Debentures	Max Estates Limited	90.00	25,930.00
		Total	90.00	25,930.00
14	Equity Share Capital Issued	Max Estates Limited	505.00	-
		Total	505.00	-
15	Loan given/(taken)	Max Estates Limited	8,225.00	(1,477.17)
		Total	8,225.00	(1,477.17)
16	Loan given repaid	Max Estates Limited	6,972.77	-
		Total	6,972.77	-
17	Guarantee Fee	Max Estates Limited	-	74.17
		Total	-	74.17

34 (b) Balances outstanding at year end

		(Rs. In lacs)		
S.No	Nature of transaction	Particulars	As at March 31, 2020	As at March 31, 2019
1	Trade payables			
		Max Ventures & Industries Limited	7.40	77.65
		Max Estates Limited	100.37	643.08
		Antara Senior Living Limited	(2.88)	5.63
		New Delhi House Services Ltd.	1.05	0.34
		Mr. Kishansingh Ramsinghaney (Director)	22.54	6.41
		Mr. Arjunjit Singh (Director)	0.06	0.06
		Max Life Insurance Company Limited	207.54	-
		Max Asset Services Limited	5.62	-
		Total	341.69	733.18
2	Loan outstanding/(receivable)			
		Max Estates Limited	(1,252.23)	11,243.19
		Total	(1,252.23)	11,243.19
3	Security Deposits received			
		Max Asset Services Limited	124.08	-
		Vanavastra Private Limited	10.59	-
		RIGA Foods LLP	6.18	-
		Total	140.85	-
4	Deferred guarantee fees			
		Max Ventures & Industries Limited	92.90	45.44
		Total	92.90	45.44
5	Advance from customers on area cancellation			
		Max India Limited	-	7,320.00
		Max Life Insurance Company Limited	-	6,710.00
		Total	-	14,030.00
6	Compulsory Convertible Debentures			
		Max Estates Limited	26,020.00	25,930.00
		Total	26,020.00	25,930.00
7	Deferred guarantee fees			
		Max Estates Limited	-	45.35
		Total	-	45.35

Terms and conditions of transactions with related parties

- a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions
b) There have been no guarantees provided or received for any related party receivables or payables

Wise Zone Builders Pvt. Ltd.**Notes forming part of the financial statements****35 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, share premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	Rs. In lacs	
	As at March 31, 2020	As at March 31, 2019
Borrowings	8,471.92	22,981.39
Trade payables	2,322.98	3,102.63
Less: Cash and Cash equivalents	(126.66)	(114.66)
Net Debt	10,668.24	25,969.35
Equity	34,130.47	31,792.71
Total Equity	34,130.47	31,792.71
Total Capital and net debt	44,798.71	57,762.06
Gearing ratio	31%	82%

36 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosures as per Section 22 of 'The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006' are as follows:

	(Rs. In lacs)	
	As at March 31, 2020	As at March 31, 2019
i) The principal amount and the interest due thereon remaining unpaid to any supplier		
- Principal amount	Nil	Nil
- Interest thereon	Nil	Nil
ii) The amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
iii) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	Nil	Nil
iv) The amount of interest accrued and remaining unpaid.	Nil	Nil
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor.	Nil	Nil

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED.

37 The Company has adopted Ind AS 116 "Leases" effective 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on transition period and during the year.

38 Loan covenants

Under the terms of major borrowing facilities, the company is required to comply with following financial covenants:

	As at March 31, 2020	As at March 31, 2019
Debt equity ratio not to exceed 0.68 at the time of DCCO	-	0.25
Borrowing limit not to exceed Rs. 11700 lacs	-	8,471.92
Any assets related to project to be done with permission of lender	-	No assets sale
Any lease rental before 30th June,2019 to compulsorily utilised towards reduction of term loan	-	No Lease rental received

39 Revenue related disclosures

Disclosure in respect of projects under the Guidance Note on "Accounting for Real Estate Transactions"

	(Rs. In lacs)	
	As at 31-Mar-20	As at 31-Mar-19
Amount of project revenue recognised as revenue during the period	35,890.35	-
Aggregate amount of costs incurred and profits recognised to date	30,624.45	-
Amount of Advance received	-	14,030.00
Amount of work-in-progress and value of inventories	78.36	70,491.06
Excess of revenue recognised over actual bills raised (unbilled revenue)	-	-

40 The outbreak of Coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including ban on travel, quarantine, social distancing, and closure of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Covid-19 is significantly impacting business operation of the companies, by way of interruption in real estate development, production, supply chain disruption, unavailability of personnel, closure/ lock down of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till May 17, 2020 to prevent community spread of Covid-19 in India resulting in significant reduction in economic activities.

The Company is engaged in the business of implementation of real estate projects, which includes, inter alia, construction, development, operation, marketing, management, planning, sales and leasing. As the advisory issued by the Ministry of Home Affairs, Central Government (vide notification no. 40-3/2020-DM-1(A) dated March 24, 2020 read with addendum order dated March 25, 2020), was that the companies may continue to conduct its operations by allowing employees to work from home. The Company, ensured that the Facility Management team at Max Towers is present and working to maintain continuity of essential and critical services, such as security, electricity. This was done to ensure that premises is secure and the servers continue to function so that each of the tenants is able to seamlessly remotely access their respective servers housed at their respective premises within Max Towers, and thereby avoid any business disruption and to ensure continuity of business for our tenants.

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying values of its assets and investments up to the date of approval of these Ind AS financial statements and have concluded that no material adjustments required at this stage in the financial statements of the Company for the year ended March 31, 2020.

However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of Covid-19 may be different from that estimated as at the date of approval of these Ind AS financial statements and the Company will continue to monitor any material changes to future economic conditions.

41 Operating Leases-Assets given on lease

The company has leased out office premises under non cancellable operating leases. The contractual future minimum lease related receivables in respect of these leases are :

	(Rs. In Lacs)	
Particulars	As at March 31, 2020	As at March 31, 2019
Not later than 1 year	1,218.37	-
later than 1 year but not later than 5 years	4,873.47	-
more than 5 years	3,788.94	-
Total	9,880.78	-

42 Figures relating March 31, 2019 has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.

As per our report of even date

**For and on behalf of the Board of Directors of
Wise Zone Builders Pvt. Ltd.**

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

Arjunjit Singh

(Director)

(DIN 06893703)

Akshay Bhardwaj

(Chief Financial Officer)

Place :

Date:

Kishansingh Ramsinghaney

(Director)

(DIN 00329411)