

## INDEPENDENT AUDITOR'S REPORT

To the Members of Veegaland Developers Private Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **Veegaland Developers Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss for the year then ended, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its losses and its cash flows for the year ended on that date.

### Basis for Opinion

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



the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Other Information**

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance 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 of the assets of the Company and



for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and

prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



## Report on Other Legal and Regulatory Requirements

1. As Required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) The reporting requirement regarding payment of managerial remuneration by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act is not applicable as the Company is a Private Limited Company;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the

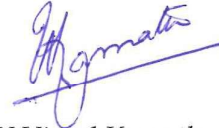


operative effectiveness of such controls, refer to our separate Report in "Annexure-B" to this report.

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 except the matters mentioned in Schedule No 2.27-6 of Notes to the financial statements.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G.Venugopal Kamath & Co.,  
Chartered Accountants  
Firm Registration Number 004674S



CA V. Vinod Kamath  
Partner  
(Membership Number.022234)

Place: Kochi,  
Date: 04-09-2019.

**"Annexure A"**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our Independent Auditor's Report of even date on the financial statements of Veegaland Developers Private Limited for the year ended 31<sup>st</sup> March, 2019:

- (i)
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) We are informed that fixed assets have been physically verified by the management at reasonable intervals and that no material discrepancies were noticed on such verification.
  - (c) The Company does not have any immovable properties as fixed assets. Hence the provision of clause 3 (i) (c) of the Order is not applicable to the Company.
- (ii) The management has conducted the physical verification of inventory at reasonable intervals. No material discrepancies were noticed on such verification of the inventory as compared to book records.
- (iii) According to the information and explanations given to us and the records of the Company examined by 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 ('the Act'). Accordingly, the reporting requirements of clause (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investments and given any guarantee to which section 186 of the Act is applicable. In our opinion and according to the information and explanations given to us, the Company has not granted any loan to which section 185 of the Act is applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable.



- (vi) To the best of our knowledge and according to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the company at this stage.
- (vii)
- (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added taxes, cess and other material statutory dues applicable to it. There are no arrears of undisputed statutory dues outstanding as on the last day of the financial year for a period of more than six months from the date on which they became payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, customs duty, service tax, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company does not have any borrowing from government or by way of debentures during the year.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by way of term loans were applied for the purposes for which those were raised. No monies were raised, during the year, by the Company by way of initial public offer or further public offer (including debt instruments).
- (x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.



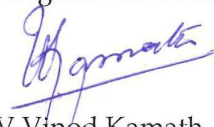


- (xi) The provisions of section 197 read with Schedule V of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.
- (xii) The Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not entered into any non cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Hence the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.

Kochi  
Date :- 04-09-2019



For G.Venugopal Kamath & Co.,  
Chartered Accountants  
Firm Registration Number:- 004674S

  
CA. V. Vinod Kamath  
(Partner)  
Membership No.022234

**"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of Veegaland Developers 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 **Veegaland Developers Private Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable



assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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

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


### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Kochi  
Date :- 04-09-2019



For **G.Venugopal Kamath & Co.,**  
Chartered Accountants  
Firm Registration Number:- 004674S

  
CA. V.Vinod Kamath  
(Partner)  
Membership No.022234

# VEEGALAND DEVELOPERS PRIVATE LIMITED

XIII/300 E-26, IVth Floor, K. Chittilappilly Tower  
Bharath Matha College Road, Kakkanadu, Thrikkakara P.O, Kochi-682021

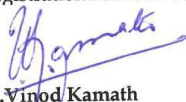
## Balance Sheet as at 31st March, 2019

(Amount in Rs)

	Notes	As at 31st March, 2019	As at 31st March, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
a) Share Capital	2.1	5,00,00,000	5,00,00,000
b) Reserves and Surplus	2.2	14,31,67,754	18,81,64,646
		<b>19,31,67,754</b>	<b>23,81,64,646</b>
<b>Non-current liabilities</b>			
a) Long-term Borrowings	2.3	20,95,58,494	19,26,53,351
b) Long-term Provisions	2.4	59,98,312	40,21,367
c) Trade Payables	2.6 (a)	87,02,147	10,45,011
		<b>22,42,58,953</b>	<b>19,77,19,729</b>
<b>Current liabilities</b>			
a) Short-term borrowings	2.5	1,00,27,75,894	60,96,91,763
b) Trade Payables	2.6 (b)	2,73,888	1,03,410
Total Outstanding dues of micro enterprises and small enterprises		89,02,000	2,56,95,525
Total Outstanding dues of creditors other than micro enterprises and small enterprises		4,61,96,129	1,32,43,899
c) Other Current Liabilities	2.7	57,23,590	2,02,36,405
d) Short-term Provisions	2.8	1,06,38,71,501	66,89,71,002
		<b>1,48,12,98,208</b>	<b>1,10,48,55,377</b>
<b>TOTAL</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, Plant and Equipment	2.9	1,08,46,561	1,07,12,336
i) Tangible Assets		-	-
ii) Intangible Assets		24,56,125	20,43,125
iii) Intangible Assets under development		1,60,06,599	9,21,099
b) Deferred Tax Assets (Net)	2.10	2,00,39,500	2,01,66,543
c) Long term Loans and Advances	2.11	4,93,48,785	3,38,43,103
<b>Current assets</b>			
a) Inventories	2.12	1,30,98,36,157	98,98,76,359
b) Trade Receivables	2.13	3,29,72,658	2,50,29,949
c) Cash and Cash Equivalents	2.14	3,14,25,243	21,72,995
d) Short term Loans and Advances	2.15	5,55,57,539	5,39,30,668
e) Other Current Assets	2.16	21,57,826	2,303
		<b>1,43,19,49,423</b>	<b>1,07,10,12,274</b>
<b>TOTAL</b>		<b>1,48,12,98,208</b>	<b>1,10,48,55,377</b>
<b>Significant accounting policies</b>	2		

The accompanying notes form an integral part of these financial statements  
As per our report of even date attached

For **G.Venugopal Kamath & Co**  
Chartered Accountants  
Firm registration number: 0046745

  
**CA. V. Vinod Kamath**  
Partner  
Membership No.: 022234



Kochi  
Date :04-09-2019

For and on behalf of the Board of Directors of  
**Veegaland Developers Private Limited**

  
**K. Vijayan**  
Joint Managing Director  
DIN: 00027586

  
**B. Jayara**  
Executive Director  
DIN: 00027479

  
**B. Vidyalakshmi**  
Company Secretary  
Kochi  
Date :04-09-2019

**VEEGALAND DEVELOPERS PRIVATE LIMITED**  
XIII/300 E-26, IVth Floor, K. Chittilappilly Tower  
Bharath Matha College Road, Kakkanadu, Thrikkakara P.O, Kochi-682021


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

(Amount in Rs.)

	Notes	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Income</b>			
Revenue from Operations	2.17	18,67,02,173	53,41,00,554
Other income	2.18	7,35,791	16,99,031
<b>Total income</b>		<b>18,74,37,964</b>	<b>53,57,99,585</b>
<b>Expenses</b>			
Changes in inventories of finished goods, work in progress and stock in trade	2.19	13,13,11,954	32,20,10,696
Employee benefits expense	2.20	4,06,95,013	3,14,45,754
Finance costs	2.21	3,35,35,387	1,63,52,571
Depreciation and amortisation expense	2.22	20,27,352	14,30,006
Other Expenses	2.23	3,99,50,650	4,89,50,355
<b>Total expenses</b>		<b>24,75,20,356</b>	<b>42,01,89,382</b>
<b>Profit /(Loss) before taxes</b>		<b>(6,00,82,392)</b>	<b>11,56,10,203</b>
Tax expense	2.24		
Current tax		-	3,41,93,911
Deferred Tax(Asset)		(1,50,85,500)	(1,51,480)
<b>Total Tax Expense</b>		<b>(1,50,85,500)</b>	<b>3,40,42,431</b>
<b>Profit/(Loss) for the Period</b>		<b>(4,49,96,892)</b>	<b>8,15,67,772</b>
<b>Earnings per equity share (equity share of par value Rs 10 each)</b>	2.25		
Basic and diluted		(9.00)	16.31
<b>Significant accounting policies</b>	2		

The accompanying notes form an integral part of these financial statements  
As per our report of even date attached

For **G.Venugopal Kamath &Co**  
Chartered Accountants  
Firm registration number: 004674S

  
**CA . V.Vinod Kamath**  
Partner  
Membership No.: 022234



Kochi  
Date :04-09-2019

For and on behalf of the Board of Directors of  
**Veegaland Developers Private Limited**

  
**K. Vijayan**  
Joint Managing Director  
DIN: 00027586

  
**B.Vidyalakshmi**  
Company Secretary  
Kochi  
Date :04-09-2019

  
**B.Jayaraj**  
Executive Director  
DIN: 00027479

**VEEGALAND DEVELOPERS PRIVATE LIMITED**  
XIII/300 E-26, IVth Floor, K. Chittilappilly Tower  
Bharath Matha College Road, Kakkanadu, Thrikkakara P.O, Kochi-682021  
**Cash flow statement for the For the year ended 31st March, 2019**

(Amount in Rs)

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
<b>Cash flows from operating activities</b>		
Profit before taxes	(6,00,82,392)	11,56,10,203
Adjustments for :		
Depreciation and amortisation	20,27,352	14,30,006
Loss on Asset Theft	-	62,810
Sale of Property, Plant and Equipment	-	-
Unrealised loss on foreign exchange restatement	-	-
Dividend income	-	-
Interest paid	3,35,35,387	1,63,52,571
Interest income	(10,016)	(4,27,400)
<b>Operating cash flows before working capital changes</b>	<b>(2,45,29,669)</b>	<b>13,30,28,190</b>
(Increase)/decrease in trade receivables	(79,42,709)	(2,50,29,949)
(Increase)/decrease in inventories	(31,99,59,798)	(21,86,86,918)
(Increase)/decrease in loans and advances	10,07,942	(5,03,48,876)
(Increase)/decrease in current assets	(21,55,523)	25,674
Increase/(decrease) in liabilities and provisions	40,45,34,579	21,59,54,105
<b>Cash generated from operating activities before taxes</b>	<b>5,09,54,822</b>	<b>5,49,42,226</b>
Income taxes refund received	-	30,23,885
Income taxes paid	(25,07,770)	(4,58,11,670)
<b>Net cash provided by Operating Activities (A)</b>	<b>4,84,47,052</b>	<b>1,21,54,441</b>
<b>Cash flows from investing activities</b>		
Sale of Investments	-	-
Purchase of Property, Plant and Equipment, including CWIP	(25,74,577)	(75,00,033)
Dividend received	-	-
Proceeds from sale of Property, Plant and Equipment	-	-
Interest received	10,016	4,27,400
<b>Net cash used in Investing Activities (B)</b>	<b>(25,64,561)</b>	<b>(70,72,633)</b>
<b>Cash flows from financing activities</b>		
Increase/(Decrease) in long-term borrowings	1,69,05,144	1,12,27,927
Interest paid	(3,35,35,387)	(1,63,52,571)
<b>Net cash used in Financing Activities (C)</b>	<b>(1,66,30,243)</b>	<b>(51,24,644)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>2,92,52,248</b>	<b>(42,836)</b>
Cash and cash equivalents at the beginning of the year	21,22,995	21,65,831
Effect of exchange gain on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>3,13,75,243</b>	<b>21,22,995</b>
(refer to note 2.14 - Cash and bank balances)		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **G.Venugopal Kamath & Co**  
Chartered Accountants  
Firm registration number: 004674S

**CA . V.Vinod Kamath**  
Partner  
Membership No.022234



Kochi  
Date: 04-09-2019

For and on behalf of the Board of Directors of  
**Veegaland Developers Private Limited**

**K. Vijayan**  
Joint Managing Director  
DIN: 00027586

**B.Jayaraj**  
Executive Director  
DIN: 00027479

**B.Vidyalakshmi**  
Company Secretary  
Kochi  
Date: 04-09-2019

## **VEEGALAND DEVELOPERS PRIVATE LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019.**

#### **Note 1. Corporate Information**

Veegaland Developers Private Limited is a private company incorporated and domiciled in India with its registered office at XIII/300, E-26, 4<sup>th</sup> floor, K Chittilappilly Tower, Bharat Matha College Road, Kakkanad, Kochi, Kerala. The Company is a real estate developer engaged in the field of construction, development, sales, management and operation of housing projects.

#### **Note 2. Significant Accounting Policies**

##### **A. Basis of Accounting:**

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use. The accounting policies adopted in the preparation of financial statements are consistent with those of previous years.

##### **B. Use of Estimates:**

The preparation of the financial statements in conformity with the GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Significant estimates used by the management in the preparation of these financial statements include percentage of completion for projects in progress, project revenue and saleable area estimates, classification of assets and liabilities into current and non-current, net realizable value of inventory (including land advance/ refundable deposits). Actual results could differ from those estimates. Any revision in accounting estimates are recognized in the period in which the results are known/ materialized.



### C. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition or construction, less accumulated depreciation charged. Cost includes all direct expenses incurred to bring the asset to working condition for its intended use. The assets have been regrouped and reclassified wherever necessary for better compliance of Schedule II of the Act.

### D. Depreciation and Amortisation :

#### (i) Tangible Assets

Depreciation on Property, Plant and Equipment is provided on Straight Line basis using the estimated lives specified in Part C, Schedule II of the Companies Act, 2013.

The Company has used transitional provisions of Schedule II to adjust the impact arising from first time application of Schedule II. If Property, Plant and Equipment has zero remaining useful life on the date of Schedule II becoming effective, i.e., April 01, 2014, its carrying amount, after retaining any residual value, if any, is charged to the opening balance of retained earnings. The carrying amount of Property, Plant and Equipment whose remaining useful life is not nil on April 01, 2014, is depreciated over their remaining useful life. Accordingly, depreciation of Rs. 71,213.00 (net of deferred tax impact) has been adjusted to the opening balance of retained earnings in the financial year 2014-15, with corresponding adjustment to net book value of Property, Plant and Equipment, in accordance with the transitional provisions of Schedule II of the Act. Depreciation in respect of addition to Property, Plant and Equipment is provided on pro rata basis from the date of acquisition/ installation / started commercial production.

The Company has used the following rates to provide depreciation on its Property, Plant and Equipment.

Asset Category	Useful Life(years)	Rates Specified in Schedule
Plant & Machinery	15	6.33%
Electrical Equipments	10	9.50%
Office Equipments	5	19.00%
Scooter	10	9.50%
Motor Car	8	11.88%
Computers	3	31.67%
Computer Servers and Networks	6	15.83%
Furniture & Fittings	10	9.50%



## **(ii) 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. Intangible assets are amortized on a straight-line basis over a period of 4 years, which is estimated to be the useful life of the asset.

## **E. Inventories:**

Direct expenditure relating to construction activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable to cost of bringing the assets to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the construction and real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

- i) Work-in-progress- Real estate projects (including land inventory); Represents cost incurred in respect of the real estate development projects which includes cost of land, construction cost, allocated interest and allocated expenses or cost incurred on projects after the revenue is recognized. Real estate work-in-progress is valued at lower of cost and net realizable value.
- ii) Finished goods- Flats Valued at lower of cost and net realizable value
- iii) Finished goods-Plots: Valued at lower of cost and net realizable value.
- iv) Building materials purchased, not identified with any specific project are valued at lower of cost and net realizable value.
- v) Land inventory: Valued at lower of cost and net realizable value. Land inventory which is under development or held for development/ sale in near future is classified as current assets. Land which is held for undetermined use or for future development is classified as non current asset.

## **F. Revenue Recognition:**

Revenue Recognition from constructed properties is recognized in accordance with the provisions of Accounting Standard (AS) 9 on Revenue Recognition and Accounting standard (AS) 7 Construction Contract. The percentage of completion method is adopted by considering the total cost incurred at the end of the year. This is adopted as the outcome of the project which can be estimated reliably. Project revenues are measured as consideration received or receivable.



## Recognition of revenue from real estate projects

Revenue from real estate projects is recognized when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment. The following specific recognition criteria must also be met before revenue is recognized .

Revenue from real estate projects including revenue from sale of undivided share of land (group housing) is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the timing of the sales contracts/ agreements. Where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognized by applying the percentage of completion method only if the following thresholds have been met:

- (a) all critical approvals necessary for the commencement of the project have been obtained;
- (b) the expenditure incurred on construction and development costs (excluding land cost) is not less than 25% of the total estimated construction and development costs;
- (c) at least 25% of the saleable project area is secured by contracts/ agreements with buyers; and
- (d) at least 10% of the contracts/ agreements value are realized at the reporting date in respect of such contracts/ agreements.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied, project revenue (including from sale of undivided share of land) and project costs associated with the real estate project should be recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs).

## G. Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily take substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for inventorisation/ capitalisation are charged to statement of profit and loss.



## **H. Foreign Currency Translation**

### **Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

### **Exchange differences**

Exchange differences arising on settlement / conversion of foreign currency monetary assets and liabilities are recognized as income or expense in the statement of profit and loss in the period in which they arise.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

## **I. Taxes on income:**

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the Specified Period. In accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India MAT Credit Entitlement is accounted in the year in which the MAT credit become eligible to be recognized as an asset by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date.

Tax expense comprises of current and deferred tax.



Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act.

Deferred Tax assets/ liabilities representing timing differences between taxable income and accounting income are accounted for, using the tax rates and tax laws enacted or substantially enacted as on the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date.

#### **J. Employee Benefits:**

##### Short Term Employee Benefits:

All employee benefits due wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service.

##### Defined Contribution Plans:

The company has defined contribution plan for employees comprising of Provident Fund and Employees State Insurance. The contributions paid/payable to this plan during the year are charged to the Statement of Profit and Loss for the year.

##### Defined Benefit Plans:

##### Gratuity

The Company's Gratuity Scheme is administered through the Employee Group Gratuity - cum- Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation, conducted annually using the projected Unit Credit Method as adjusted for unrecognized past service cost if any and as reduced by the fair value of plan assets, is recognized in the accounts. Actuarial gains/ losses are recognized in the statement of profit and loss for the period in which they occur.

##### Compensated Absences

The Company has a scheme of compensated absences for employees, the liability other than for short term compensated absences is determined on the basis of an independent actuarial valuation carried out at the end of the year, using projected Unit Credit Method. Actuarial gains/ losses are recognized in full in the profit and loss account for the period in which they occur.



**K. Earnings Per Share:**

Basic Earning per share is calculated by dividing the profits for the year attributable to equity shareholders of the company by weighted average number of equity shares as at the end of the year.

**L. Segment Reporting:**

The company is dealing in only one segment viz. Real Estate Development. Hence it is considered that separate reporting under Segment Reporting is not required.

**M. Investments:**

Short term investments are carried at cost or market value whichever is less. The aggregate amount of each mutual fund is quoted separately.

**N. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates.

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

Contingent assets are neither recognized nor disclosed in the accounts.

**O. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

**P. Corporate Social Responsibility**

The Company has complied with the provisions of Section 135 of the Companies Act and has spent the sum amounting to Rs. 15,35,634/-. The amount spent for identified projects approved during the year under review was Rs. 3,50,000/- short compared to CSR Budget. The said difference was occurred due to the ongoing projects which are under process.



Notes to the financial statements (continued)

2.1 a) Share capital		As at 31st March, 2019		As at 31st March, 2018	
		Number of shares	Amount	Number of shares	Amount
Authorised Equity shares of Rs. 10 each  Issued, subscribed and paid-up Equity shares of Rs. 10 each fully paid-up At the beginning of the year Issued during the year Total		50,00,000	5,00,00,000	50,00,000	5,00,00,000
		50,00,000	5,00,00,000	50,00,000	5,00,00,000
		50,00,000	5,00,00,000	50,00,000	5,00,00,000
		-	-	-	-
		50,00,000	5,00,00,000	50,00,000	5,00,00,000
2.1 b) Reconcilaition of number of shares		As at 31st March, 2019		As at 31st March, 2018	
		Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the Year		50,00,000	5,00,00,000	50,00,000	5,00,00,000
Number of shares at the end of the Year		50,00,000	5,00,00,000	50,00,000	5,00,00,000
2.1 c) Terms/rights attached to Equity Shares					
The Company has issued only one class of equity shares having a face value of Rs. 10 per share (March 31, 2018: Rs. 10 per share). Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the equity share holders will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.					
2.1 d) Details of shareholders holding more than 5% shares of the Company					
Equity shares of Rs. 10 each fully paid up held by: Arun.K.Chittilappilly Mithun.K.Chittilappilly Kochouseph Chittilappilly Kochouseph Chittilappilly, Managing Trustee -K Chittilappilly Trust Sheela Kochouseph		As at 31st March, 2019		As at 31st March, 2018	
		Number of shares	% holding in the class	Number of shares	% holding in the class
		5,00,000	10.00%	5,00,000	10.00%
		5,00,000	10.00%	5,00,000	10.00%
		18,50,000	37.00%	18,50,000	37.00%
		16,50,000	33.00%	16,50,000	33.00%
		5,00,000	10.00%	5,00,000	10.00%



## Notes to the financial statements (continued)

				As at March, 2019	As at March, 2018
2.2	<b>Reserves and surplus</b>				
	<i>Surplus in the Statement of Profit and Loss</i>				
	Balance at the beginning of the year (Period)			18,81,64,646	10,65,96,874
	Add: Profit/ (Loss) for the year			(4,49,96,892)	8,15,67,772
	Balance at the end of the year			14,31,67,754	18,81,64,646
2.3	<b>Long-term borrowings</b>				
	Secured/ Unsecured	Non-current portion		Current maturities	
		As at 31st March, 2019	As at 31st March, 2018	As at March, 2019	As at March, 2018
	Unsecured				
		Term loans from Directors			
		Kochouseph Chittilappilly	11,64,90,998	-	-
		Sheela Kochouseph	8,95,18,046	-	-
			20,60,09,044		
	Secured	<b>Auto Loan</b>			
		HDFC Bank Ltd - Auto Loan (Hypothecated Innova car)	9,81,684	4,39,970	4,07,163
		HDFC Bank Ltd - Auto Loan (Hypothecated Honda Jazz car)	5,34,396	1,72,130	1,59,511
		HDFC Bank Ltd - Auto Loan (Hypothecated Leyland Dost)	2,77,072	1,41,573	1,30,100
		HDFC Bank Ltd - Auto Loan (Hypothecated Hyundai Creta car)	7,90,819	3,37,973	2,78,453
		HDFC Bank Ltd - Auto Loan (Hypothecated Hyundai Creta car-2)	9,65,479	3,37,868	
		<b>Total</b>	<b>20,95,58,494</b>	<b>14,29,514</b>	<b>9,75,227</b>
Terms of Repayment of Auto loans are as per the schedule of loan on an equated monthly installment at the agreed date.					
2.4	<b>Long Term Provisions</b>			As at March, 2019	As at March, 2018
	Provision for Employee Benefits				
	Gratuity			23,32,247	13,58,339
	Leave encashment			36,66,065	26,63,028
				59,98,312	40,21,367



2.5	Short term Borrowings	As at March, 2019	31st As at March, 2018
	Short Term loans from Directors (Unsecured)		
	Kochouseph Chittilappilly	20,48,61,610	10,77,165
	Short Term loan for Projects (Unsecured)		
	Kochouseph Chittilappilly	52,13,46,561	34,41,39,999
	Sheela Kochouseph	10,65,54,312	9,77,56,250
	Over Draft A/c		
1	Axis Bank OD A/c (Secured by 68.52 cents of commercial land owned by the company in Sy No. 327/11 in Block No. 8, Vazhakkala Village in addition to the personal guarantee of directors Mr. Kochouseph Chittilappilly and Mrs. Sheela Kochouseph)	9,55,67,112	9,45,19,913
2	HDFC Bank C C A/c (Secured by Mutual Fund Debt Instruments owned by Director Mr. Kochouseph Chittilappilly)	7,44,46,299	7,21,98,436
		1,00,27,75,894	60,96,91,763
2.6	Trade Payables	As at March, 2019	31st As at March, 2018
	(a) Long term liability: Retention Money Payable	87,02,147	10,45,011
	Sub-Total	87,02,147	10,45,011
	(b) Short term liability: Due to Mirco and Small Industries (Refer Note 1) Due to Suppliers & Contractors Retention Money Payable	2,73,888 67,07,825 21,94,175	1,03,410 1,13,76,764 1,43,18,761
	Sub-Total	91,75,888	2,57,98,935
	Total	1,78,78,035	2,68,43,946
2.7	Other current liabilities	As at March, 2019	31st As at March, 2018
	Current maturities of long-term debt	14,00,375	9,57,342
	Interest accrued but not due on borrowings	29,139	17,885
	Advance Booking for Land & Con. Cost (to the extent not recognised as revenue as per revenue recognition method )	3,34,55,934	-
	Booking Advance Received From Customers	13,52,514	11,00,000
	Statutory levies payable	89,57,984	53,26,923
	Other payables	10,00,183	8,15,124
	Maintenance Deposit Payable to Apartment Owners Association	-	50,26,625
	Total	4,61,96,129	1,32,43,899
2.8	Short-term provisions	As at March, 2019	31st As at March, 2018
	Bonus & Exgratia Payable	13,59,916	13,83,720
	Leave Travel Allowance Payable	17,16,516	12,56,569
	Provision for project expenditure	20,12,576	1,62,63,403
	Directors Remuneration Payable	-	7,73,000
	PLIS Payable	6,34,582	5,59,713
	Total	57,23,590	2,02,36,405



## i) Property, Plant and Equipment

(Amount in Rs.)

Description	Gross block			Accumulated depreciation			Net block	
	As at 1st April 2018	Additions	Deletions	As at 31st March, 2019	For the year	Deletions	As at 31st March, 2019	As at 31st March 2018
Land	-	-	-	-	-	-	-	-
Furniture and fixtures	29,19,889	-	-	29,19,889	2,58,624	-	14,49,897	17,08,521
	27,86,731	1,33,158	-	29,19,889	2,55,850	-	17,08,521	18,31,213
Vehicles	65,34,657	16,05,868	-	81,40,525	8,93,490	-	58,80,255	51,67,877
	37,44,025	27,90,632	-	65,34,657	5,15,628	-	51,67,877	28,92,873
Electrical Fittings	1,81,515	-	-	1,81,515	16,722	-	1,09,431	1,26,153
	99,699	81,816	-	1,81,515	15,018	-	1,26,153	59,355
Office equipments	3,49,514	1,59,999	67,900	5,09,513	66,468	5,090	3,06,367	2,12,836
	1,60,816	2,56,598	-	3,49,514	37,927	-	2,12,836	56,975
Computers	40,67,021	1,66,990	-	42,34,011	6,82,601	-	17,06,328	22,21,939
	20,79,531	19,87,490	-	40,67,021	5,11,621	-	22,21,939	7,46,070
Plant & Machinery	18,25,543	2,28,720	-	20,54,263	1,09,447	-	13,94,283	12,75,010
	16,18,329	2,07,214	-	18,25,543	93,962	-	12,75,010	11,61,758
<b>Total</b>	<b>1,58,78,139</b>	<b>21,61,577</b>	<b>-</b>	<b>1,80,39,716</b>	<b>20,27,352</b>	<b>-</b>	<b>1,08,46,561</b>	<b>1,07,12,336</b>
<i>Previous year</i>	<i>1,04,89,131</i>	<i>54,56,908</i>	<i>67,900</i>	<i>1,58,78,139</i>	<i>14,30,006</i>	<i>5,090</i>	<i>1,07,12,336</i>	<i>67,48,244</i>

## Intangible assets

Description	Cost			Amortisation			Net block	
	As at 1st April 2018	Additions	Deletions	As at 31st March, 2019	For the year	Deletions	As at 31st March, 2019	As at 31st March 2018
Trade Mark	33,30,000	-	-	33,30,000	-	-	-	-
<b>Total</b>	<b>33,30,000</b>	<b>-</b>	<b>-</b>	<b>33,30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Previous year</i>	<i>33,30,000</i>	<i>-</i>	<i>-</i>	<i>33,30,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

## iii) Intangible assets under development

Description	As at 1st April 2018	Additions	Transfer	As at 31st March 2019
ERP Software	20,43,125	4,13,000	-	24,56,125
<i>(Previous Year)</i>	<i>-</i>	<i>20,43,125</i>	<i>-</i>	<i>20,43,125</i>

Note: Previous year figures are shown in Italics



2.10	Deferred tax asset	As at March, 2019	31st As at March, 2018
	Opening balance	9,21,099	7,69,619
	Difference due to rate change	8,942	(1,28,270)
	Arising from timing difference in respect of depreciation etc.	(9,442)	(1,38,354)
		9,20,599	5,02,995
	Expenditure Debited to Statement of Profit & Loss allowable on payment basis	5,14,006	4,18,104
	Deferred tax asset on Carried forward loss	1,45,71,994	-
	Deferred tax Asset, net	1,60,06,599	9,21,099
2.11	Long-term loans and advances	As at March, 2019	31st As at 31st March, 2018
	Unsecured, considered good		
	Telephone Deposits	15,500	3,500
	Electricity Deposits	10,000	10,000
	Rent Deposit	14,000	7,000
	Deposit with Landowners for JV Projects	2,00,00,000	2,00,00,000
	Advance for Capital Expenditure	-	1,46,043
	Total	2,00,39,500	2,01,66,543
2.12	Inventories	As at March, 2019	31st As at March, 2018
	Stock in Trade		
	Land	45,78,12,539	40,46,11,501
	Finished Goods (Apartments)	18,90,96,213	25,80,97,632
	Project Work in Progress	66,29,27,405	32,71,67,226
	Total	1,30,98,36,157	98,98,76,359
2.13	Trade Receivables	As at March, 2019	31st As at March, 2018
	Unsecured considered good;		
	a) Outstanding for a period exceeding Six months from the date they are due for payment		
	Debts due by Directors	55,25,627	55,25,627
	Debts due from Others	1,51,551	52,88,952
	b) Other Trade Receivable	2,72,95,480	1,42,15,370
	Total	3,29,72,658	2,50,29,949



2.14	Cash and Cash Equivalents	As at 31st March, 2019	As at 31st March, 2018
	Cash in Hand	34,470	14,543
	Balances with banks		
	a) In current accounts	3,13,40,773	21,08,452
	b) Short Term Deposits with more than three months maturity *	50,000	50,000
	<b>Total</b>	<b>3,14,25,243</b>	<b>21,72,995</b>
* Fixed Deposit with HDFC Bank has been pledged with Commercial Tax Office as Security Deposit for KVAT registration			
2.15	Short-term loans and advances	As at 31st March, 2019	As at 31st March, 2018
	<i>Unsecured, considered good</i>		
	Advance for supply of goods or rendering of services	14,05,240	44,67,541
	Advance for Land Purchase	-	3,00,00,000
	Balance with statutory/ government authorities	130	130
	Prepaid expenses	2,54,085	6,18,459
	Refund due	24,205	24,205
	<b>Others :</b>		
	Staff advances	1,53,265	78,575
	Income tax refund- AY- 2018- 19	31,71,252	31,71,252
	Income tax refund- AY- 2019- 20	25,07,770	-
	GST Input Tax Credit	4,79,53,734	1,55,70,506
	Other Advances	87,858	-
	<b>Total</b>	<b>5,55,57,539</b>	<b>5,39,30,668</b>
2.16	Other current assets	As at 31st March, 2019	As at 31st March, 2018
	Interest accrued on fixed deposits	5,534	2,303
	Interest Subvention to the extent not written off	21,52,292	-
	<b>Total</b>	<b>21,57,826</b>	<b>2,303</b>



(Amount in Rs)			
2.17	Revenue from operations	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Revenue Recognised from Completed Projects	11,96,24,000	53,41,00,554
	Revenue Recognised from Ongoing Projects	6,70,78,173	-
		<b>18,67,02,173</b>	<b>53,41,00,554</b>
* Revenue is recognised based on percentage of completion basis.			
2.18	Other income	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Interest income	10,016	4,27,400
	Other non-operating income	7,25,775	12,71,631
	<b>Total</b>	<b>7,35,791</b>	<b>16,99,031</b>
2.19	Changes in inventories of finished goods, work-in-progress and stock-in-trade	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Opening Stock in Trade (Land)	40,46,11,501	22,62,41,834
	Add: Current year Additions	18,10,40,312	28,87,46,748
	Less: Transferred to WIP	12,78,39,274	11,03,77,081
	Closing Stock in Trade	45,78,12,539	40,46,11,501
	Opening Finished Goods (Apartments)	25,80,97,632	-
	Add: Current Year Additions	-	43,38,09,833
	Less: Closing Stock of Finished Goods	18,90,96,213	25,80,97,632
	<b>Change in Finished Goods</b>	<b>6,90,01,419</b>	<b>17,57,12,201</b>
	Opening Work-in-progress	32,71,67,226	54,49,47,607
	Add: Cost incurred during the year transferred to WIP	39,80,70,715	36,23,27,947
	Less: Transferred to Finished Goods	-	43,38,09,833
	Less: Closing Work in progress	72,52,37,940	47,34,65,721
	<b>Net (Increase)/ decrease in Work in progress/Stock in Trade</b>	<b>13,13,11,954</b>	<b>32,20,10,696</b>
2.20	Employee benefits expense	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Salaries, wages and bonus	3,47,70,674	2,86,32,187
	Contribution to provident and other funds	12,26,814	11,10,137
	Staff welfare expenses	16,97,063	10,23,361
	Gratuity	30,00,462	6,80,069
	<b>Total</b>	<b>4,06,95,013</b>	<b>3,14,45,754</b>
2.21	Finance costs	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Interest on Bank OD	1,60,91,353	68,77,495
	Interest on Unsecured Loans from Directors	1,70,17,366	92,67,578
	Interest on H.P Loan	4,26,668	2,07,498
	<b>Total</b>	<b>3,35,35,387</b>	<b>1,63,52,571</b>



(Amount in Rs)			
2.22	Depreciation and amortisation expense	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Depreciation on tangible assets	20,27,352	14,30,006
	Amortisation on intangible assets	-	-
	<b>Total</b>	<b>20,27,352</b>	<b>14,30,006</b>
2.23	Other Expenses	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Discount Allowed	6,00,000	94,60,000
	CSR Projects	15,35,634	17,49,675
	Project Maintenance Expenses	60,36,425	32,95,756
	Rent	49,50,459	50,42,278
	Repairs Maintenance	11,13,286	5,60,963
	Insurance	2,62,465	1,54,219
	Rates and taxes	59,163	4,09,039
	Travelling and conveyance expenses	17,32,726	12,65,898
	Advertisement Expenses	1,81,77,631	2,21,38,569
	Legal and professional fees	3,62,033	4,45,013
	Audit Fees	3,00,000	2,50,000
	Membership and Subscription fee	58,664	51,255
	Printing and stationery	2,76,223	2,46,055
	Consultancy Charges	37,644	81,390
	Office Expenses	33,47,751	30,36,928
	Donations	5,60,000	50,000
	Bank Charges	4,40,125	6,50,507
	Foreign Travel Expenses	1,00,421	-
	Loss on Asset Theft	-	62,810
	<b>Total</b>	<b>3,99,50,650</b>	<b>4,89,50,355</b>
2.24	Tax expense	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Current tax	-	3,41,93,911
	Less :- MAT Credit Entitlement	-	-
	Deferred tax	(1,50,85,500)	(1,51,480)
	<b>Total</b>	<b>(1,50,85,500)</b>	<b>3,40,42,431</b>
2.25	Basic /Diluted EPS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Profit for the year	(4,49,96,892)	8,15,67,772
	Weighted Average Number of Equity Shares	50,00,000	50,00,000
	Earnings Per Share (Basic and Diluted)	(9.00)	16.31
	Face Value of Equity Shares (Rs.)	10	10
2.26	<b>Details of expenses on corporate social responsibility activities:</b> a. Gross amount required to be spent by the company during the year Rs. 18,85,000/- b. Amount spent during the year Rs.15,35,634/- The amount spent for identified projects falls short compared to CSR budget which occurred due to the ongoing projects which are under process		



(Amount in Rs.)

2.27 Notes on Accounts

1. The company has initiated the process of identifying the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. **Disclosures relating to amounts unpaid as at the year end have been furnished below.** In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

Creditors Name	Principal Amount outstanding as on 31.03.2019	Interest Amount payable as on 31.03.2019	Justification for holding
Siddhi Engineers	2,00,267.00	-	Amount Retained against the water proofing work and as agreed per the terms of Work order.
Siddhi Engineers	60,956.00	-	Amount Retained against the water proofing work and as agreed per the terms of Work order.
Sreelakshmi Energy Systems Pvt Ltd	12,665.00		Amount Retained against the supply, erecting and commissioning of LPG Reticulate System for quality assurance test pass and as agreed per the terms of Work order.

2. Auditors Remuneration

Particulars	Year end March 31 <sup>st</sup> 2019	Year end March 31 <sup>st</sup> 2018
For Audit Fees (Excluding Goods & Service Tax)	3,00,000.00	2,50,000.00
For Other Services (Excluding Goods & Service Tax )	2,000.00	7,000.00



Defined Benefit Plans.

Gratuity – Funded

Compensated absences – Unfunded Obligation

Particulars	2018-19		2017-18	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Actuarial Assumptions</b>				
Discount Rate	7.50%	7.50%	7.50%	7.50%
Expected Return on plan assets	8%	NA	8%	NA
Salary escalation rate	7%	7%	7%	7%
Retirement Age	58	58	58	58

(Amount in Rs.)

Particulars	2018-2019		2017-2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Reconciliation of present value of obligations</b>				
Present Value of obligations at the beginning of the year	24,45,174	26,63,028	16,87,733	16,98,332
Interest Cost	2,03,548	2,38,143	1,38,565	1,53,565
Current Service Cost	5,37,600	10,24,424	3,19,613	8,98,424
Benefits Paid	(0)	(1,18,797)	(0)	(75,420)
Actuarial Gain/ (loss)	24,01,001	(1,40,733)	2,99,263	(11,873)
Present Value of obligations at the end of the year	55,87,323	36,66,065	24,45,174	26,63,028



Particulars	2018-19		2017-18	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Reconciliation of Fair Value of Plan Assets</b>				
Fair Value of plan assets at the beginning of the year	10,86,835	NA	9,88,403	NA
Expected Return on plan assets	86,946	NA	79,072	NA
Contributions	20,26,554	NA	21,060	NA
Benefits paid	(0)	NA	(0)	NA
Actuarial Gain/(loss)	54,741	NA	(1,700)	NA
Fair Value of plan assets at the end of the year	32,55,076	NA	10,86,835	NA

Particulars	2018-2019		2017-2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Net (Asset)/liability recognized in the Balance Sheet as at year end</b>				
Present value of obligations as at the end of the year.	55,87,323	36,66,065	24,45,174	26,63,028
Fair Value of plan assets at the end of the year	32,55,076	-	10,86,835	-
Net present value of funded/ unfunded obligation recognized as liability in the Balance Sheet	23,32,247	36,66,065	13,58,339	26,63,028



Particulars	2018-19		2017-18	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Expenses Recognized in the Profit and Loss Account</b>				
Current Service Cost	5,37,600	10,24,424	3,19,613	8,98,424
Interest Cost	2,03,548	2,38,143	1,38,565	1,53,565
Expected Return on plan assets	(86,946)	-	(79,072)	-
Net Actuarial (gain)/ loss recognized in the period	23,46,260	(1,40,733)	3,00,963	(11,873)
Total Expenses recognized in Profit and Loss Account for the year	30,00,462	11,21,834	6,80,069	10,40,116

### 3. Related Party Transactions

#### A. Details of Related Parties :

Description of relationship	Names of Related Parties
Key Managerial Personnel (KMP)	<p>Mr. Kochouseph Chittilappilly- Non Executive Chairman [Managing Director till 04.07.2018]</p> <p>Mrs. Sheela Kochouseph – Director</p> <p>Mr. K Vijayan – Joint Managing Director</p> <p>Mr. B Jayaraj – Whole Time Director</p> <p>Mr. Jacob Kuruvilla A – Chief Financial Officer [Resigned on 27.10.2018 and Re-joined on 09.08.2019]</p>
Relative of Directors & Members	<p>Mr. Arun K Chittilappilly – Part Time Employee</p> <p>Mr. Mithun K Chittilappilly</p>



**B. Enterprises where control exists**

1) Nature of Relationship	
Enterprise in which Key Management Personnel has significant influence	<p>Wonderla Holidays Limited  V - Guard Industries Limited  K Chittilappilly Foundation  K Chittilappilly Trust  V - Star Creations Private Limited  Guts Electro-mech Limited  Arav Chittilappilly Trust  <u>Under Liquidation</u>  Vindico Properties Private Limited  Formose Properties Private Limited  Eventus Properties Private Limited</p>

**C. Details of the transactions with above parties during the year and balance outstanding as at 31.03.2019**

Particulars	Key Management Personnel	Relative of Key Management Personnel	Enterprise in which Key Management Personnel has significant influence
<b>Transactions during the year</b>			
Loan Received	33,93,85,000 (24,95,00,000)	- [3,50,00,000]	NIL (NIL)
Advance for Sale of Flats (Excl. taxes)	- (5,43,637)	NIL (NIL)	NIL (NIL)
Remuneration	87,66,687 [1,16,87,236]	25,54,839 (NIL)	NIL (NIL)
Loan Repaid	25,00,000 [7,77,70,349]	- [3,50,00,000]	NIL (NIL)
Interest Payment	7,76,82,213 [4,65,08,353]	- [5,41,667]	NIL (NIL)



Rent Paid to K Chittilappilly Foundation (Excl.Taxes)	-	-	44,80,000 [41,61,150]
Reimbursement of Common Expenses - K Chittilappilly Foundation [Excl. Taxes]	-	-	9,53,671 [10,11,272]
Amount Receivable on account of sale of Apartments	64,83,271 [55,25,627]	NIL	NIL
Refund for Cancellation of flat [Excl. Taxes]	- [4,34,16,207]	NIL	NIL
Amount Received on Sale of Flat [Excl.Taxes]	8,03,570 -	41,40,045 -	NIL -
<b>Balance Outstanding as at 31.03.2019</b>			
Amount Receivable on account of Transfer of right on Apartment sale	1,20,08,898 [55,25,627]		
Loans and Interest Payable	103,87,71,527 NIL		

4. Expenditure in foreign currency.

[Amount in Rs.]

	2018-2019	2017-2018
Raw Materials (Including Project Items) CIF Value	NIL	NIL
Capital Goods	NIL	NIL
Foreign Travel Expenditure	1,00,421	NIL

5. Earnings in Foreign Exchange:

[Amount in Rs.]

Particulars	2018-2019	2017-2018
Nil	NIL	NIL

6. Contingent Liabilities and Commitments :-

i. Contingent Liabilities

Claims against the Company not acknowledged as Debt. Rs. 26.09 Lakhs (Previous Year 26.09 Lakhs)

Guarantees:- Nil

Other money for which the Company is Contingently liable:- Nil



ii. Commitments:-

Estimated amount of contract remaining to be executed on capital account and not provided for:- Nil  
Uncalled liability on shares and other investments partly paid:- Nil  
Other Commitments:- Nil

7. Previous Year's figures have been regrouped /reclassified wherever necessary.

As per our report of even date attached  
For **G.Venugopal Kamath & Co**  
Chartered Accountants  
Firm Registration Number 04674S

**CA.V.Vinod Kamath**  
Partner  
Membership Number: 022234



Place: Kochi  
Date : 04-09-2019

For and on behalf of the Board of Directors of  
**Veegaland Developers Private Limited**

**K. Vijayan**  
Joint Managing Director  
DIN: 00027586

**B. Jayaraj**  
Executive Director  
DIN: 00027479

**B. Vidyalakshmi**  
Company Secretary

Place: Kochi  
Date : 04-09-2019

## VEEGALAND DEVELOPERS PRIVATE LIMITED

XIII/300 E-26, IVth Floor, KCF Tower

Bharath Matha College Road, Kakkanadu, Thrikkakara P.O, Kochi-682021

Date of Incorporation:- 10-08-2007

Status : Company

PA No: AACCV5457F

## Statement of Total Income for the Assessment year 2019-2020

**I. Income from Business**

Net profit before tax as per Profit & Loss Account	(6,00,82,392)
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Add: Inadmissible expenses

43 B Disallowance:

Employer's contribution to ESI	3,882	
Employer's contribution to PF	92,801	
Employer's contribution to KSEWWF	1,000	
Bonus payable to employees	13,59,916	14,57,599
Provision for Gratuity		30,00,462
Provision for Leave encashment		11,21,834
Disallowance u/s 37: Donation		5,60,000
Loss of Asset Theft		-
CSR Expense		15,35,634
Depreciation as per books		20,27,352
		97,02,881
		(5,03,79,512)

Less: Interest and Other Income separately considered

Interest income

10,016

(5,03,89,528)

Less: Admissible expenses

43 B Allowance: Paid within due date

Employer's contribution to ESI	3,882	
Employer's contribution to PF	92,801	
Employer's contribution to KSEWWF	1,000	
Bonus	13,59,916	14,57,599
Gratuity paid		20,26,554
Leave encashment paid		1,18,797
Depreciation as per Income Tax Act		20,63,669
		56,66,619

Profit from business

(5,60,56,147)

**II. Income from Other Sources**

Interest on Fixed Deposits  
Interest on IT Refund

10,016

10,016

**Total Income**

(5,60,46,131)

**Less: Deductions under Chapter VIA**

Under Section 80G - Payment to Chief Ministers Distress Relief Fund

(5,60,46,131)

Tax Due @ 25%  
Surcharge @ 12 %  
Add: Health and Education cess: @ 4 %

-

-

-

**Less: TDS u/s**

194 IA (statement attached)

17,93,208

194A Kerala State Electricity Board Ltd

1,212

17,94,420

Less: TCS

13,350

18,07,770

18,07,770

**Less: Advance tax paid**

Date  
14.06.2018  
14.09.2018  
15.12.2018  
15.12.2018  
15.03.2019

BSR CodeChallan no:Amount

01736

5,00,000

09342

2,00,000

7,00,000

Refund Due

25,07,770

Interest u/s 234B  
234C

-

-

Refund Due

25,07,770

**Refund Due Rounded to Rs.**

25,07,770