



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, 2020, 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, 2020 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



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Branches : Aluva, Cherthala, N. Paravur



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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) 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)
UDIN:-20022234AAAABX1226

Place: Kochi
Date: 07-10-2020.



"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 31st March,2020:

- (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.





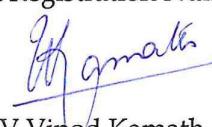
- (vi) To the best of our knowledge and according to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the company at this stage.
- (vii)
 - (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, duty of custom, 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, goods and service tax, customs duty, service tax, 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.

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




CA. V. Vinod Kamath
(Partner)
Membership No.022234
UDIN:- 20022234AAAABX1226

Place:-Kochi
Date :-07-10-2020

"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, 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 (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



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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

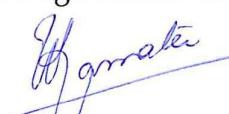
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, 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 issued by the ICAI.

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




CA. V. Vinod Kamath
(Partner)
Membership No.022234
UDIN:- 20022234AAAABX1226

Place:- Kochi
Date :- 07-10-2020

VEEGALAND DEVELOPERS PRIVATE LIMITED

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

Balance Sheet as at 31st March, 2020

(Amount in Rs)

	Notes	As at 31st March, 2020	As at 31st March, 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share Capital	2.1	5,00,00,000	5,00,00,000
b) Reserves and Surplus	2.2	8,53,87,915	14,31,67,754
		13,53,87,915	19,31,67,754
Non-current liabilities			
a) Long-term Borrowings	2.3	23,45,74,958	20,95,58,494
b) Long-term Provisions	2.4	73,03,926	59,98,312
c) Trade Payables	2.6 (a)	1,23,59,399	87,02,147
		25,42,38,283	22,42,58,953
Current liabilities			
a) Short-term borrowings	2.5	1,21,35,90,842	1,00,27,75,894
b) Trade Payables	2.6 (b)	2,478	2,73,888
Total Outstanding dues of micro enterprises and small enterprises			
Total Outstanding dues of creditors other than micro enterprises and small enterprises			
c) Other Current Liabilities	2.7	3,47,74,670	89,02,000
d) Short-term Provisions	2.8	8,92,69,376	4,61,96,129
		52,14,333	57,23,590
		1,34,28,51,699	1,06,38,71,501
TOTAL		1,73,24,77,897	1,48,12,98,208
ASSETS			
Non-current assets			
a) Property, Plant and Equipment			
i) Tangible Assets	2.9	2,56,06,070	1,08,46,561
ii) Intangible Assets		18,42,094	
iii) Intangible Assets under development		-	24,56,125
b) Deferred Tax Assets (Net)	2.10	3,57,59,435	1,60,06,599
c) Long term Loans and Advances	2.11	2,02,97,614	2,00,39,500
		8,35,05,213	4,93,48,785
Current assets			
a) Inventories	2.12	1,55,39,48,816	1,30,98,36,157
b) Trade Receivables	2.13	5,32,01,058	3,29,72,658
c) Cash and Cash Equivalents	2.14	1,45,39,523	3,14,25,243
d) Short term Loans and Advances	2.15	2,23,31,351	5,55,57,539
e) Other Current Assets	2.16	49,51,936	21,57,826
		1,64,89,72,684	1,43,19,49,423
TOTAL		1,73,24,77,897	1,48,12,98,208
Significant Accounting Policies	2		

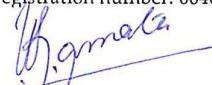
The accompanying notes form an integral part of these financial statements

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 : 07-10-2020

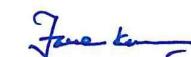
For and on behalf of the Board of Directors of
Veegaland Developers Private Limited



Kochouseph Chittilappilly
Managing Director
DIN: 00020512



B.Jayaraj
Executive Director
DIN: 00027479



A.Jacob Kuruvilla
Chief Financial Officer
Kochi
Date : 07-10-2020

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

Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in Rs.)

	Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Income			
Revenue from Operations	2.17	21,84,00,490	18,67,02,173
Other income	2.18	2,41,767	7,35,791
Total income		21,86,42,257	18,74,37,964
Expenses			
Changes in inventories of finished goods, work in progress and stock in trade	2.19	16,94,15,900	13,13,11,954
Employee benefits expense	2.20	3,11,28,609	4,06,95,013
Finance costs	2.21	4,73,53,749	3,35,35,387
Depreciation and amortisation expense	2.22	28,48,147	20,27,352
Other Expenses	2.23	4,54,28,527	3,99,50,650
Total expenses		29,61,74,932	24,75,20,356
Profit /(Loss) before taxes		(7,75,32,675)	(6,00,82,392)
Tax expense	2.24	-	-
Current tax		(1,97,52,836)	(1,50,85,500)
Deferred Tax(Asset)		(1,97,52,836)	(1,50,85,500)
Total Tax Expense		(5,77,79,839)	(4,49,96,892)
Profit/(Loss) for the Period			
Earnings per equity share (equity share of par value Rs 10 each)	2.25	(11.56)	(9.00)
Significant accounting policies	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



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

Kochouseph Chittillappilly
 Managing Director
 DIN: 00020512

B.Jayaraj
 Executive Director
 DIN: 00027479

A.Jacob Kuruvilla
 Chief Financial Officer
 Kochi
 Date : 07-10-2020

Kochi

Date : 07-10-2020

VEEGALAND DEVELOPERS PRIVATE LIMITED
 XIII/300 E-26, IVth Floor, K. Chittilappilly Tower
 Bharath Matha College Road, Kakkadu, Thrikkakara P.O, Kochi-682021
 Cash flow statement For the year ended 31st March, 2020

(Amount in Rs)

	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Cash flows from operating activities		
Profit before taxes	(7,75,32,675)	(6,00,82,392)
Adjustments for :		
Depreciation and amortisation	28,48,147	20,27,352
Sale of Property, Plant and Equipment	-	-
Unrealised loss on foreign exchange restatement	-	-
Dividend income	-	-
Interest paid	4,73,53,749	3,35,35,387
Interest income	(14,608)	(10,016)
Operating cash flows before working capital changes		
(Increase)/ decrease in trade receivables	(2,73,45,387)	(2,45,29,669)
(Increase)/ decrease in inventories	(2,02,28,400)	(79,42,709)
(Increase)/ decrease in loans and advances	(24,41,12,659)	(31,99,59,798)
(Increase)/ decrease in current assets	3,19,85,778	10,07,942
Increase/ (decrease) in liabilities and provisions	(27,94,110)	(21,55,523)
Cash generated from operating activities before taxes	28,39,43,065	40,45,34,579
Income taxes refund received	2,14,48,286	5,09,54,822
Income taxes paid	31,70,240	-
Net cash provided by Operating Activities (A)	(21,87,944)	(25,07,770)
2,24,30,582	4,84,47,052	
Cash flows from investing activities		
Sale of Investments	-	-
Purchase of Property, Plant and Equipment, including CWIP	(1,69,93,625)	(25,74,577)
Dividend received	-	-
Proceeds from sale of Property, Plant and Equipment	-	-
Interest received	14,608	10,016
Net cash used in Investing Activities (B)	(1,69,79,017)	(25,64,561)
Cash flows from financing activities		
Increase/(Decrease) in long-term borrowings	2,50,16,463	1,69,05,144
Interest paid	(4,73,53,749)	(3,35,35,387)
Net cash used in Financing Activities (C)	(2,23,37,286)	(1,66,30,243)
Net increase in cash and cash equivalents (A+B+C)	(1,68,85,721)	2,92,52,248
Cash and cash equivalents at the beginning of the year	3,13,75,243	21,22,995
Effect of exchange gain on cash and cash equivalents	-	-
Cash and cash equivalents at end of the year	1,44,89,522	3,13,75,243
(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

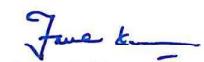


For and on behalf of the Board of Directors of
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Kochouseph Chittilappilly
 Managing Director
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 Executive Director
 DIN: 00027479


 A. Jacob Kuruvilla
 Chief Financial Officer

Kochi

Date: 07-10-2020

Kochi

Date: 07-10-2020

VEEGALAND DEVELOPERS PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

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, 4th 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 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 Earnings 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 Rs. 13,60,230/- towards CSR due. There is no un-spent CSR expenditure outstanding as on 31st March, 2020.



Notes to the financial statements (continued)

		As at 31st March, 2020		As at 31st March, 2019	
		Number of shares	Amount	Number of shares	Amount
2.1	a) Share capital				
	Authorised				
	Equity shares of Rs. 10 each				
		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
	Issued, subscribed and paid-up				
	Equity shares of Rs. 10 each fully paid-up				
	At the beginning of the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	Issued during the year	-	-	-	-
	Total	50,00,000	5,00,00,000	50,00,000	5,00,00,000
2.1	b) Reconciliation of number of shares				
		As at 31st March, 2020		As at 31st March, 2019	
		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, 2019: 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				
		As at 31st March, 2020		As at 31st March, 2019	
		Number of shares	% holding in the class	Number of shares	% holding in the class
	Equity shares of Rs. 10 each fully paid up held by:				
	Arun.K.Chittilappilly	5,00,000	10.00%	5,00,000	10.00%
	Mithun.K.Chittilappilly	5,00,000	10.00%	5,00,000	10.00%
	Kochouseph Chittilappilly	18,50,000	37.00%	18,50,300	37.00%
	Kochouseph Chittilappilly, Managing Trustee -K Chittilappilly Trust	16,50,000	33.00%	16,50,000	33.00%
	Sheela Kochouseph	5,00,000	10.00%	5,00,000	10.00%



Notes to the financial statements (continued)

				As at 31st March, 2020	As at 31st March, 2019	
2.2	Reserves and surplus					
	<i>Surplus in the Statement of Profit and Loss</i>					
	Balance at the beginning of the year (Period)			14,31,67,754	18,81,64,646	
	Add: Profit/(Loss) for the year			(5,77,79,839)	(4,49,96,892)	
	Balance at the end of the year			8,53,87,915	14,31,67,754	
2.3	Long-term borrowings	Secured/ Unsecured	Non-current portion		Current maturities	
			As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	
					As at 31st March, 2019	
	<i>Term loans from Directors</i>					
	Kochouseph Chittilappilly					
	Sheela Kochouseph					
			12,48,78,350	11,64,90,998	-	
			9,59,63,345	8,95,18,046	-	
			22,08,41,695	20,60,09,044	-	
	<i>Auto Loan</i>					
	HDFC Bank Ltd - Auto Loan (<i>Hypothecated Innova car</i>)					
	HDFC Bank Ltd - Auto Loan (<i>Hypothecated Honda Jazz car</i>)					
	HDFC Bank Ltd - Auto Loan (<i>Hypothecated Leyland Dost</i>)					
	HDFC Bank Ltd - Auto Loan (<i>Hypothecated Hyundai Creta car</i>)					
	HDFC Bank Ltd - Auto Loan (<i>Hypothecated Hyundai Creta car-2</i>)					
	Daimler Fin. Services India P.Ltd-Auto (<i>Hypothecated Benz car</i>)					
	Total					
			23,45,74,958	20,95,58,494	34,33,906	
					14,29,514	
	Terms of Repayment of Auto loans are as per the schedule of loan on an equated monthly installment at the agreed date.					
2.4	Long Term Provisions				As at 31st March, 2020	
	Provision for Employee Benefits				As at 31st March, 2019	
	Gratuity				28,97,866	
	Leave encashment				44,06,060	
					73,03,926	
					59,98,312	



2.5	Short term Borrowings	As at 31st March, 2020	As at 31st March, 2019
	<u>Short Term loans from Directors (Unsecured)</u> Kochouseph Chittilappilly Sheela Kochouseph	36,05,96,645 2,00,94,999	20,48,61,610 -
	<u>Short Term loan for Projects - from Directors (Unsecured)</u> Kochouseph Chittilappilly Sheela Kochouseph	56,14,73,513 12,47,66,222	52,13,46,561 10,65,54,312
	<u>Over Draft A/c</u>		
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)	7,21,66,453	9,55,67,112
2	HDFC Bank C C A/c (Secured by Mutual Fund Debt Instruments owned by Director Mr. Kochouseph Chittilappilly)	7,44,93,010	7,44,46,299
		1,21,35,90,842	1,00,27,75,894
2.6	Trade Payables	As at 31st March, 2020	As at 31st March, 2019
	(a) Long term liability: Retention Money Payable	1,23,59,399	87,02,147
	Sub-Total	1,23,59,399	87,02,147
	(b) Short term liability: Due to Mirco and Small Industries (Refer Note 1) Due to Suppliers & Contractors Retention Money Payable	2,478 3,42,62,150 5,12,520	2,73,888 67,07,825 21,94,175
	Sub-Total	3,47,77,148	91,75,888
	Total	4,71,36,547	1,78,78,035
2.7	Other current liabilities	As at 31st March, 2020	As at 31st March, 2019
	Current maturities of long-term debt Interest accrued but not due on borrowings Advance Booking for Land & Con. Cost (to the extent not recognised as revenue as per revenue recognition method) Booking Advance Received From Customers Statutory levies payable Other payables	33,69,066 64,840 5,45,69,471 1,58,83,704 1,33,28,431 20,53,864	14,00,375 29,139 3,34,55,934 13,52,514 89,57,984 10,00,183
	Total	8,92,69,376	4,61,96,129
2.8	Short-term provisions	As at 31st March, 2020	As at 31st March, 2019
	Bonus & Exgratia Payable Leave Travel Allowance Payable Provision for project expenditure PLIS Payable	11,42,502 17,76,204 15,85,011 7,10,616	13,59,916 17,16,516 20,12,576 6,34,582
	Total	52,14,333	57,23,590



2.9 (Amount in Rs.)										
a) Tangible assets		Gross block				Accumulated depreciation				Net block
Description	As at 1st April 2019	Additions	Deletions	As at 31st March 2020	As at 1st April 2019	For the year	Deletions	As at 31st March 2020	As at 31st March 2020	
Land	-			-				-	-	
Furniture and fixtures	29,19,889	-		29,19,889	14,69,992	2,58,623	-	17,28,615	11,91,274	
	29,19,889			29,19,889	12,11,368	2,58,624	-	14,69,992	14,49,897	
Vehicles	81,40,525	1,66,11,449	-	2,47,51,974	22,60,270	11,32,103	-	33,92,373	2,13,59,601	
	65,34,657	16,05,868	81,40,525	13,66,780	8,93,490	-	22,60,270	58,80,255	58,80,255	
Electrical Fittings	1,81,515	-		1,81,515	72,084	16,722	-	88,806	92,709	
	1,81,515			1,81,515	55,362	16,722	-	72,084	1,09,431	
Office equipments	5,09,513	24,018		5,33,531	2,03,146	78,243		2,81,389	2,52,142	
	3,49,514	1,59,999	5,09,513	1,36,678	66,468	-	2,03,146	3,06,367	3,06,367	
Computers	42,34,011	89,600		43,23,611	25,27,683	6,22,488	-	31,50,171	11,73,440	
	40,67,021	1,66,990	42,34,011	18,45,082	6,82,601	-	25,27,683	17,06,328	17,06,328	
Plant & Machinery	20,54,263	2,68,558		23,22,821	6,59,980	1,25,937	-	7,85,917	15,36,904	
	18,25,543.00	2,28,720	20,54,263	5,50,533	1,09,447	-	6,59,980	13,94,283	13,94,283	
Total	1,80,39,716	1,69,93,625	-	3,50,33,341	71,93,155	22,34,116	-	94,27,271	2,56,06,070	
<i>Previous year</i>	<i>1,58,78,139</i>	<i>21,61,577</i>	<i>-</i>	<i>1,80,39,716</i>	<i>51,65,803</i>	<i>20,27,552</i>	<i>-</i>	<i>71,93,155</i>	<i>1,08,46,561</i>	
									<i>1,07,12,336</i>	
Intangible assets										
b)		Cost				Amortisation				
Description	As at 1st April 2019	Additions	Deletions	As at 31st March 2020	As at 1st April 2019	For the year	Deletions	As at 31st March 2020	As at 31st March 2020	
Trade Mark	33,30,000	-		33,30,000	33,30,000	-	6,14,031	33,30,000	-	
ERP Software		24,56,125		24,56,125	-			6,14,031	18,42,094	
Total	33,30,000	24,56,125	-	57,86,125	33,30,000	6,14,031	-	39,44,031	-	
<i>Previous year</i>	<i>33,30,000</i>	<i>-</i>	<i>33,30,000</i>	<i>33,30,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>33,30,000</i>	<i>-</i>	
c) Capital Work in Progress										
Description	As at 1st April 2019	Additions				Transfer				
ERP Software	24,56,125	0				24,56,125				
<i>Note: Previous year figures are shown in Italics</i>						As at 31st March 2020				
						0				



2.10	Deferred tax asset	As at 31st March, 2020	As at 31st March, 2019
	<i>Opening balance</i>	1,60,06,599	9,21,099
	<i>Difference due to rate change</i>	-	8,942
	Arising from timing difference in respect of depreciation etc.	(5,29,653)	(9,442)
		1,54,76,946	9,20,599
	Expenditure Debited to Statement of Profit & Loss allowable on payment basis	3,39,460	5,14,006
	<i>Deferred tax asset on Carried forward loss</i>	1,99,43,029	1,45,71,994
	Deferred tax Asset, net	3,57,59,435	1,60,06,599
2.11	Long-term loans and advances	As at 31st March, 2020	As at 31st March, 2019
	<i>Unsecured, considered good</i>		
	Telephone Deposits	14,740	15,500
	Electricity Deposits	10,000	10,000
	Rent Deposit	14,000	14,000
	Deposit with Landowners for JV Projects	2,00,00,000	2,00,00,000
	Other Deposit	2,58,874	-
	Total	2,02,97,614	2,00,39,500
2.12	Inventories	As at 31st March, 2020	As at 31st March, 2019
	Stock in Trade		
	Land	29,94,60,175	45,78,12,539
	Finished Goods (Apartments)	16,98,33,390	18,90,96,213
	Project Work in Progress	1,08,46,55,251	66,29,27,405
	Total	1,55,39,48,816	1,30,98,36,157
2.13	Trade Receivables	As at 31st March, 2020	As at 31st March, 2019
	<i>Unsecured considered good;</i>		
	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	83,10,142	1,51,551
	b) Other Trade Receivable	3,93,65,289	2,72,95,480
	Total	5,32,01,058	3,29,72,658



2.14	Cash and Cash Equivalents	As at 31st March, 2020	As at 31st March, 2019
	Cash in Hand	1,43,499	34,470
	Balances with banks		
	a) In current accounts	1,43,46,024	3,13,40,773
	b) Short Term Deposits with more than three months maturity *	50,000	50,000
	Total	1,45,39,523	3,14,25,243
* 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, 2020	As at 31st March, 2019
	<i>Unsecured, considered good</i>		
	Advance for supply of goods or rendering of services	13,96,846	14,05,240
	Balance with statutory / government authorities	130	130
	Prepaid expenses	23,30,989	2,54,085
	Refund due	24,205	24,205
	Others :		
	Staff advances	1,16,910	1,53,265
	Income tax refund- AY- 2018- 19	1,012	31,71,252
	Income tax refund- AY- 2019- 20	25,07,770	25,07,770
	Income tax refund- AY- 2020- 21	21,87,944	-
	GST Input Tax Credit	1,37,65,545	4,79,53,734
	Other Advances	-	87,858
	Total	2,23,31,351	5,55,57,539
2.16	Other current assets	As at 31st March, 2020	As at 31st March, 2019
	Interest accrued on fixed deposits	8,918	5,534
	Discount Allowed through Interest Subvention to the extent not written off	49,43,018	21,52,292
	Total	49,51,936	21,57,826



(Amount in Rs)			
2.17	Revenue from operations	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Revenue Recognised from Completed Projects	6,08,50,000	11,96,24,000
	Revenue Recognised from Ongoing Projects	15,75,50,490	6,70,78,173
		21,84,00,490	18,67,02,173
* Revenue is recognised based on percentage of completion basis.			
2.18	Other income	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Interest income	14,608	10,016
	Other non-operating income	2,27,159	7,25,775
	Total	2,41,767	7,35,791
2.19	Changes in inventories of finished goods, work-in-progress and stock-in-trade	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Opening Stock in Trade (Land)	45,78,12,539	40,46,11,501
	Add: Current year Additions	2,08,60,885	18,10,40,312
	Less: Transferred to WIP	17,92,13,249	12,78,39,274
	Closing Stock in Trade	29,94,60,175	45,78,12,539
	Opening Finished Goods (Apartments)	18,90,96,213	25,80,97,632
	Add: Current Year Additions	2,31,69,217	-
	Less: Closing Stock of Finished Goods	16,98,33,390	18,90,96,213
	Change in Finished Goods	4,24,32,040	6,90,01,419
	Opening Work-in-progress	66,29,27,405	32,71,67,226
	Add: Cost incurred during the year transferred to WIP	57,18,80,923	39,80,70,715
	Less: Transferred to Finished Goods	2,31,69,217	-
	Less: Closing Work in progress	1,21,16,39,111	72,52,37,940
	Net (Increase)/ decrease in Work in progress/Stock in Trade	1,08,46,55,251	66,29,27,405
		16,94,15,900	13,13,11,954
2.20	Employee benefits expense	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Salaries, wages and bonus	2,72,95,903	3,47,70,674
	Contribution to provident and other funds	11,71,734	12,26,814
	Staff welfare expenses	15,03,322	16,97,063
	Gratuity	11,57,650	30,00,462
	Total	3,11,28,609	4,06,95,013



(Amount in Rs)

2.21	Finance costs	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Interest on Bank OD	1,40,42,734	1,60,91,353
	Interest on Unsecured Loans from Directors	3,27,99,450	1,70,17,366
	Interest on H.P Loan	5,11,565	4,26,668
	Total	4,73,53,749	3,35,35,387
2.22	Depreciation and amortisation expense	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Depreciation on tangible assets	22,34,116	20,27,352
	Amortisation on intangible assets	6,14,031	-
	Total	28,48,147	20,27,352
2.23	Other Expenses	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Discount Allowed	36,26,320	6,00,000
	CSR Projects	13,60,230	15,35,634
	Project Maintenance Expenses	47,19,116	60,36,425
	Rent	56,39,016	49,50,459
	Repairs Maintenance	8,95,049	11,13,286
	Insurance	2,20,259	2,62,465
	Rates and taxes	1,33,983	59,163
	Travelling and convey ance expenses	15,82,344	17,32,726
	Advertisement Expenses	1,93,93,530	1,81,77,631
	Legal and professional fees	3,87,714	3,62,033
	Audit Fees	3,00,000	3,00,000
	Membership and Subscription fee	2,63,687	58,664
	Printing and stationery	2,44,630	2,76,223
	Consultancy Charges	35,000	37,644
	Office Expenses	59,18,255	33,47,751
	Donations	2,00,000	5,60,000
	Bank Charges	2,60,743	4,40,125
	Foreign Travel Expenses	-	1,00,421
	Stipend To Apprentice Trainees	2,48,651	-
	Total	4,54,28,527	3,99,50,650



(Amount in Rs)			
2.24	Tax expense	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Current tax	-	-
	Less :- MAT Credit Entitlement	-	-
	Deferred tax	(1,97,52,836)	(1,50,85,500)
	Total	(1,97,52,836)	(1,50,85,500)
2.25	Basic /Diluted EPS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Profit for the year	(5,77,79,839)	(4,49,96,892)
	Weighted Average Number of Equity Shares	50,00,000	50,00,000
	Earnings Per Share (Basic and Diluted)	(11.56)	(9.00)
	Face Value of Equity Shares (Rs.)	10	10
2.26	Details of expenses on corporate social responsibility activities:	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Gross amount required to be spent during the year (Including unspent of earlier year, if any)	13,52,533	18,85,634
	Amount spent during the year:	13,60,230	15,35,634
	Amount unspent during the year	-	3,50,000



(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 31.03.2020	Interest Amount payable as on 31.03.2020	Principal Amount outstanding as on 31.03.2019	Interest Amount payable as on 31.03.2019	Justification for holding
Forerun Computers and Systems Pvt Ltd	2478.00	-	-	-	Amount payable towards purchase of V Guard UPS materials for Administration
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 Sysytems 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 st 2020	Year end March 31 st 2019
For Audit Fees (Excluding Goods & Service Tax)	3,00,000.00	3,00,000.00
For Other Services (Excluding Goods & Service Tax)	3,000.00	2,000.00



Defined Benefit Plans.

Gratuity – Funded

Compensated absences – Unfunded Obligation

Particulars	2019-20		2018-19	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Actuarial Assumptions				
Discount Rate	7.50%	7.50%	7.50%	7.50%
Expected Return on plan assets	7.50%	NA	8%	NA
Salary escalation rate	7%	7%	7%	7%
Retirement Age	58	58	58	58

(Amount in Rs.)

Particulars	2019-2020		2018-2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Reconciliation of present value of obligations				
Present Value of obligations at the beginning of the year	55,87,323	36,66,065	24,45,174	26,63,028
Interest Cost	4,42,425	3,18,564	2,03,548	2,38,143
Current Service Cost	6,23,362	11,62,934	5,37,600	10,24,424
Benefits Paid	(2,95,728)	(5,96,812)	(0)	(1,18,797)
Actuarial Gain/ (loss)	3,44,614	(1,44,691)	24,01,001	(1,40,733)
Present Value of obligations at the end of the year	67,01,996	44,06,060	55,87,323	36,66,065



Particulars	2019-20		2018-19	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Reconciliation of Fair Value of Plan Assets				
Fair Value of plan assets at the beginning of the year	32,55,076	NA	10,86,835	NA
Expected Return on plan assets	2,44,130	NA	86,946	NA
Contributions	5,92,031	NA	20,26,554	NA
Benefits paid	(2,95,728)	NA	(0)	NA
Actuarial Gain/(loss)	8,621	NA	54,741	NA
Fair Value of plan assets at the end of the year	38,04,130	NA	32,55,076	NA

Particulars	2019-2020		2018-2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Net (Asset)/liability recognized in the Balance Sheet as at year end				
Present value of obligations as at the end of the year.	67,01,996	44,06,060	55,87,323	36,66,065
Fair Value of plan assets at the end of the year	38,04,130	-	32,55,076	-
Net present value of funded/ unfunded obligation recognized as liability in the Balance Sheet	28,97,866	44,06,060	23,32,247	36,66,065



Particulars	2019-20		2018-19	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Expenses Recognized in the Profit and Loss Account				
Current Service Cost	6,23,362	11,62,934	5,37,600	10,24,424
Interest Cost	4,42,425	3,18,564	2,03,548	2,38,143
Expected Return on plan assets	(2,44,130)	-	(86,946)	-
Net Actuarial (gain)/ loss recognized in the period	3,35,993	(1,44,691)	23,46,260	(1,40,733)
Total Expenses recognized in Profit and Loss Account for the year	11,57,650	13,36,807	30,00,462	11,21,834

3. Related Party Transactions

A. Details of Related Parties :

Description of relationship	Names of Related Parties
Key Managerial Personnel (KMP)	<p>Mr. Kochouseph Chittilappilly- Managing Director [w.e.f 01.05.2020]</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 27.07.2018 and Re-joined on 09.08.2019]</p>
Relative of Directors & Members	<p>Mr. Arun K Chittilappilly</p> <p>Mr. Mithun K Chittilappilly</p> <p>Mrs. Sheela Kochouseph</p>



B. Enterprises where control exists

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

C. Details of the transactions with above parties during the year and balance outstanding as at 31.03.2020

Particulars	Key Management Personnel	Relative of Key Management Personnel	Enterprise in which Key Management Personnel has significant influence
Transactions during the year			
Loan Received	14,05,00,000 (33,93,85,000)	7,75,00,000 -	NIL (NIL)
Remuneration	77,22,323 [87,66,687]	15,00,000 [25,54,839]	NIL (NIL)
Loan Repaid	- [25,00,000]	5,00,00,000 -	NIL (NIL)
Interest Payment	7,08,32,600 [5,96,93,923]	1,91,69,122 [1,79,88,290]	NIL (NIL)



Rent Paid to K Chittilappilly Foundation (Excl.Taxes)	-	-	48,77,734 [44,80,000]
Reimbursement of Common Expenses - K Chittilappilly Foundation [Excl. Taxes]	-	-	16,33,716 [9,53,671]
Amount Receivable on account of sale of Apartments	- [64,83,271]	NIL	NIL
Refund for Cancellation of flat [Excl. Taxes]	-	NIL	NIL
Amount Received on Sale of Flat [Excl.Taxes]	69,64,288 [8,03,570]	- [41,40,045]	NIL -
Payment to K Chittilappilly Foundation towards CSR	-	-	10,50,000 [NIL]
Balance Outstanding as at 31.03.2020			
Amount Receivable on account of Transfer of right on Apartment sale	55,25,627 [1,20,08,898]		
Loans and Interest Payable	128,77,73,074 [103,87,71,527]		

4. Expenditure in foreign currency.

[Amount in Rs.]

	2019-2020	2018-2019
Raw Materials (Including Project Items)	NIL	NIL
CIF Value		
Capital Goods	NIL	NIL
Foreign Travel Expenditure	NIL	1,00,421

5. Earnings in Foreign Exchange:

[Amount in Rs.]

Particulars	2019-2020	2018-2019
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



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

Kochouseph Chittillappilly

Managing Director

DIN: 00020512

B. Jayaraj

Executive Director

DIN: 00027479

A . Jacob Kuruvilla

Chief Financial Officer

Place: Kochi

Date : 07-10-2020

Place: Kochi

Date : 07-10-2020