K.-One Infraspace LLP

Annual Accounts

For the year ended 31st March 2018

AUDITORS

K C Mehta & Co.

Chartered Accountants

Meghdhanush,
Race Course,
Vadodara - 390 007

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INDEPENDENT AUDITORS' REPORT

To,
The Partners of
K.-One Infraspace LLP

We have audited the accompanying financial statements of **K.-One Infraspace LLP**, which comprise the Balance Sheet as at 31st March 2018, the Profit and Loss account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the generally accepted accounting principles in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Firm's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the firm as at 31st March 2018;
(b) in the case of the Profit and Loss account, of the Loss for the year ended on that date; and
(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Neela R. Shah
Partner
Membership No. 45027
Place: Vadodara
Date: 18th July, 2018

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

K.-ONE INFRASPACE LLP

BALANCE SHEET AS AT 31ST MARCH, 2018

	Schedule No.	As at 31st March, 2018 Amount in (₹)	As at 31st March, 2017 Amount in (₹)
FUND EMPLOYED			
Partners' Capital	1	**142,297,570**	122,326,678
	TOTAL	**142,297,570**	122,326,678
APPLICATION OF FUNDS			
Current Assets, Loans and Advances			
Inventory	2	**142,008,448**	121,133,216
Cash & Bank Balances	3	**118,576**	1,037,655
Loans and Advances	4	**11,340**	-
		142,138,363	122,170,871
Less: Current Liabilities and Provisions			
Current Liabilities	5	**21,150**	9,000
Expenses Payable	6	**17,500**	11,500
Net Current Assets		**142,099,713**	122,150,371
Accumulated losses		**197,856**	176,308
	TOTAL	**142,297,570**	122,326,678
Significant Accounting Policies and Notes on Accounts	11		

As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

Neela R. Shah
Partner
Membership No. 45027
Place : Vadodara
Date : 18th July, 2018

For K.-One Infraspace LLP

Niral K. Patel — **Partner**

Rajesh C. Doshi — **Partner**

Place: Vadodara
Date : 18th July, 2018

K.-ONE INFRASPACE LLP

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018

	Schedule No.	For the Year ended 31st March, 2018 Amount in (₹)	For the Year ended 31st March, 2017 Amount in (₹)
INCOME			
Other Income		-	-
	TOTAL	-	-
EXPENDITURE			
Purchase and other direct cost	7	**20,875,232**	11,722,178
(Increase)/Decrease in inventory	8	**(20,875,232)**	(11,722,178)
Administration and Other Expenses	9	**20,900**	13,606
Financial Charges	10	**649**	633
	TOTAL	**21,549**	14,239
Net Loss before tax		**(21,549)**	(14,239)
Significant Accounting Policies and Notes on Accounts	11		

As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants

Neela R. Shah
Partner
Membership No. 45027
Place : Vadodara
Date : 18th July, 2018

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

For K.-One Infraspace LLP

Niral Patel
Partner

Rajesh C. Doshi
Partner

Place: Vadodara
Date : 18th July, 2018

K.-ONE INFRASPACE LLP

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Amount in ₹)

Particulars	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
A. CASH FLOW FROM OPERATIONS		
Net Profit/(Loss) before Tax	(21,549)	(14,239)
Operating Profit Before Working Capital Changes	(21,549)	(14,239)
Adjustment for change in working capital and provisions		
(Increase)/Decrease in Inventories	(7,405,610)	(108,000)
Increase/(Decrease) in Trade Payables	12,150	2,140
Increase/(Decrease) in Loans and Advances	(11,340)	-
Increase/(Decrease) in Liabilities	6,000	2,875
Cash Generated From Operations	(7,420,349)	(117,224)
Net Cash Flow From Operating Activities	(7,420,349)	(117,224)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Net Cash Used For Investment Activities	-	-
C. CASH FLOW FROM FINANCIAL ACTIVITIES	-	-
Interest paid	(13,469,622)	(11,614,178)
Capital contribution	19,970,892	11,616,264
Net Cash Used in Financing Activities	6,501,270	2,086
Net Change in Cash and Cash equivalents (A+B+C)	(919,079)	(115,138)
Cash and Cash Equivalents at beginning of the year	1,037,655	1,152,792
Cash and Cash Equivalents at End of the year	118,576	1,037,655
	(919,079)	(115,138)

Notes:

1. Cash and Cash equivalent comprise of:		
Cash on Hand	-	-
Balance with Scheduled Banks		
- In Current Accounts	118,576	1,037,655
	118,576	1,037,655
2. Figures of the previous year have been regrouped / reclassified wherever necessary.		

As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants

Neela R. Shah
Partner
Membership No. 45027
Place : Vadodara
Date : 18th July, 2018

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

For K.-One Infraspace LLP

Niral K. Patel — **Partner**

Rajesh C. Doshi — **Partner**

Place: Vadodara
Date : 18th July, 2018

K.-ONE INFRASPACE LLP

SCHEDULES FORMING PART OF THE BALANCE SHEET

			As at 31st March, 2018 Amount in (₹)	As at 31st March, 2017 Amount in (₹)
SCHEDULE 1 : PARTNER'S CAPITAL ACCOUNTS				
A. FIXED CAPITAL				
1) Neptune Realty Pvt. Ltd.				
Opening balance			60,000	60,000
Add: Additions/Adjustments			-	-
			60,000	60,000
Less: Withdrawals			-	-
	Total	(i)	60,000	60,000
2) Rajesh Chimanlal Doshi				
Opening balance			31,000	31,000
Add: Additions/Adjustments			-	-
			31,000	31,000
Less: Withdrawals			-	-
	Total	(ii)	31,000	31,000
3) Sangita Rajesh Doshi				
Opening balance			9,000	9,000
Add: Additions/Adjustments			-	-
			9,000	9,000
Less: Withdrawals			-	-
	Total	(iii)	9,000	9,000
	TOTAL	(A)=(i to iii)	100,000	100,000
B. CURRENT CAPITAL				
1) Neptune Realty Pvt. Ltd.				
Opening balance			73,164,823	66,210,545
Add: Additions/Adjustments			6,501,270	2,086
Add: Interest on Capital			8,318,127	6,952,192
			87,984,220	73,164,823
Less: Withdrawals			-	-
			87,984,220	73,164,823
Profit/(Loss) for the year			-	-
	Total	(i)	87,984,220	73,164,823
2) Rajesh Chimanlal Doshi				
Opening balance			49,061,855	44,399,869
Add: Interest on Capital			5,151,495	4,661,986
			54,213,350	49,061,855
Less: Withdrawals			-	-
			54,213,350	49,061,855
Profit/(Loss) for the year			-	-
	Total	(ii)	54,213,350	49,061,855
	TOTAL	(B)=(i to ii)	142,197,570	122,226,678
	TOTAL CAPITAL	(A)+(B)	142,297,570	122,326,678

K.C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

K.-ONE INFRASPACE LLP

SCHEDULES FORMING PART OF THE BALANCE SHEET

		As at 31st March, 2018 Amount in (₹)	As at 31st March, 2017 Amount in (₹)
SCHEDULE 2 : INVENTORY			
Opening Stock		**121,133,216**	109,411,038
Add: Direct expenses		**20,875,232**	11,722,178
Closing balance		**142,008,448**	121,133,216
SCHEDULE 3 : CASH & BANK BALANCES			
Cash on Hand		-	-
Bank Balances with scheduled Banks in			
-Current Account With State Bank of India		**118,576**	1,037,655
	TOTAL	**118,576**	1,037,655
SCHEDULE 4: LOANS AND ADVANCES			
Balances with Government authorities		**11,340**	-
		11,340	-
SCHEDULE 5 : CURRENT LIABILITIES			
Sundry Creditors		**21,060**	8,820
Statutory Dues Payable			
TDS Payable		**90**	180
	TOTAL	**21,150**	9,000
SCHEDULE 6 : EXPENSES PAYABLE			
Audit Fees Payable		**17,500**	11,500
	TOTAL	**17,500**	11,500

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

K.-ONE INFRASPACE LLP

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

		For the Year ended 31st March, 2018 Amount in (₹)	For the Year ended 31st March, 2017 Amount in (₹)
SCHEDULE 7 : PURCHASE & OTHER DIRECT COST			
Borrowing cost -Interest on Loan		**13,469,622**	11,614,178
(Refer Note No. 2 of Schedule 11B)			
Direct Expenses		**7,405,610**	108,000
	TOTAL	**20,875,232**	11,722,178
SCHEDULE 8 : (INCREASE)/DECREASE IN INVENTORY			
Closing Stock		**142,008,448**	121,133,216
Less: Opening Stock		**121,133,216**	109,411,038
	TOTAL	**(20,875,232)**	(11,722,178)
SCHEDULE 9 : ADMINISTRATIVE & OTHER EXPENSES			
Audit Fees		**17,800**	11,500
Filling Fees		**100**	100
Professional Fees		**3,000**	2,000
Interest on Government Tax		**-**	6
	TOTAL	**20,900**	13,606
SCHEDULE 10 : FINANCIAL CHARGES			
Bank Charges		**649**	633
	TOTAL	**649**	633

K.-ONE INFRASPACE LLP

SCHEDULE 11: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the applicable accounting standards.

2. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates. Differences between the actual results and the estimates are recognised in the period in which the same are known/materialised.

3. Revenue Recognition:

i. Other Income

Other income is recognized on accrual basis except when realisation of such income is uncertain.

4. Inventories:

Inventories represents expenditure incurred in respect of capital projects under development and is carried at cost or Net realizable value whichever is lower. Cost includes land, related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure including advances to contractors and others.

5. Borrowing Cost :

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

6. Taxes on Income:

Current Tax:

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred Tax

Deferred tax assets and liabilities are recognized on timing differences, being the differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods using tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Deferred Tax assets are reviewed at each balance sheet date for their realisability.

7. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit or loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associates with investing or financing cash flows. The cash flows from operating, investing and financing activities of Company are segregated.

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

8. **Provisions, Contingent Liabilities and Contingent Assets:**
The firm recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.Contingent assets are neither recognized nor disclosed.

B. NOTES FORMING PART OF ACCOUNTS

1. Contingent liabilities not provide for ₹ **Nil** (Previous Year ₹Nil)

2. During the year entire borrowing cost have been capitalized as inventory.

3. The value of realisation of Current Assets in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

4. The balances of Creditors are subject to adjustments, if any, on reconciliation / settlement.

5. **Related Party Disclosures :**
Disclosures as required by Accounting Standard -18 are as under:

Party Name	Nature of relationship
Neptune Realty Pvt Ltd	Partner
Rajesh C. Doshi	Partner
Sangita R. Doshi	Partner

(Amount in ₹)

Nature of Transaction	Partners	Total
Interest Paid	**1,34,69,622**	**1,34,69,622**
	(1,16,14,178)	(1,16,14,178)
Neptune Realty Pvt Ltd	**83,18,127**	**83,18,127**
	(69,52,192)	(69,52,192)
Rajesh C. Doshi	**51,51,495**	**51,51,495**
	(46,61,986)	(46,61,986)
	1,360	**1,360**
Payments made by Partner on behalf of LLP	(2,086)	(2,086)
Neptune Realty Pvt Ltd	**1,360**	**1,360**
	(2,086)	(2,086)
Balance as on 31st March		
Partner's Capital	**14,22,97,570**	**14,22,97,570**
	(12,23,26,678)	(12,23,26,678)
Neptune Realty Pvt Ltd	**8,80,44,220**	**8,80,44,220**

K. C. MEHTA & CO. CHARTERED ACCOUNTANTS VADODARA

	(7,32,24,823)	(7,32,24,823)
Rajesh C. Doshi	**5,42,44,350**	**5,42,44,350**
	(4,90,92,855)	(4,90,92,855)
Sangita Doshi	**9,000**	**9,000**
	(9,000)	(9,000)

Previous Year figures are in brackets

6. The Company's operations fall under single segment namely "Real Estate", hence no separate disclosure of segment reporting is required to be made as required under AS-17.

For K. C. Mehta & Co.,
Chartered Accountants

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

Neela R. Shah
Partner
Membership No.: 45027
Place: Vadodara
Date: 18th July, 2018

For K.-One Infraspace LLP

Niral K. Patel
Partner

Rajesh C. Doshi
Partner

Place: Vadodara
Date: 18th July, 2018

K.-ONE INFRASPACE LLP

Groupings to the Accounts

		As at 31st March, 2018 Amount in (₹)	As at 31st March, 2017 Amount in (₹)
Grouping 1 : Sundry Creditors			
Gujarat Security Services		**21,060**	8,820
	Total	**21,060**	8,820
Grouping 2 : Direct Expenses			
Security expenses		**111,240**	108,000
Land development expenses		**7,294,370**	-
	Total	**7,405,610**	108,000

K.C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS