

INDEPENDENT AUDITORS' REPORT**To The Members of Kolkata West International City Private Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of **Kolkata West International City Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and the 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

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 and presentation of these financial statements that give a true and fair view of the financial position, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.



Opinion

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 Act in the manner so required and 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 Company as at March 31, 2017.
- (b) in the case of the Statement of Profit & Loss, of the loss for the year ended on that date.
- (c) in the case of the Cash Flow Statement of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements



- i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of Section 143 of the Companies Act 2013, we give in the Annexure – A, a statement on the matters specified in paragraphs 3 & 4 of the Order, to the extent applicable.
- ii) 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 purpose 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 the 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 Companies Act, 2013; read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
 - e. No written representation was available from one Director, Mr. Harjano Gunadi nor have we come across any record evidencing his attendance in any of the Board meetings held during the year. Except the above, on the basis of the written representations received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017, from being appointed as a Director in terms of Section 164 (2) of the Act.



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- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- g. 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, as amended, 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 other than those disclosed in Note 38 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.
 - iv) The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBNs) during the period from 8th November’2016 to 30th December’2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.[Refer Note 40 to the financial statements].

For KGRS & Co
Chartered Accountants
Firm Registration No. 310014E

K. Dutta
Partner
Membership No 53790

Place : Kolkata

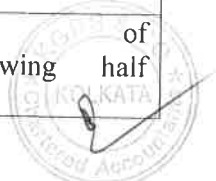
Date : 05 SEP 2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in Independent Auditors' Report on even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items, which in our opinion, is reasonable having regard to the size of the company and nature of its business and no material discrepancies between the books records and the physical fixed assets have been noticed.
 (c) According to the information and explanations given by the Management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
2. Inventory at the year-end include Work-in-Progress and finished goods in respect of which measurement sheets and other related documents supporting the work done for the on-going project are maintained. The inventories were physically verified by the management during the year at reasonable interval & no material discrepancies were noticed on such physical verification.
3. The Company had granted loans (unsecured) by way of inter corporate deposits to three companies covered u/s 189 of the Companies Act 2013 amounting to Rs. 79,37,00 thousands.

 The above loan including interest thereon upto March 31, 2017 amounting to Rs.84,10,11 thousands were not due for recovery/repayment.
4. In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief the Company has not granted any loans, made any investments, given any guarantee and security in terms of Section 185 and 186 of the Companies Act 2013. Therefore, the provisions of Clause 3 (iv) of the Order are not applicable to the Company.
5. The Company has not accepted any deposits within the meaning of Section 73 - 76 of the Act and the rules framed there under. Therefore, the provisions of Clause 3(v) of the Order are not applicable to the Company.
6. The Company is not required to maintain cost records as prescribed by the Central Government under section 148(1) of the Companies Act, 2013. Therefore, the provisions of Clause 3 (vi) of the Order are not applicable to the Company.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income-Tax, Sales tax, Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities. No amount is outstanding in respect of these dues as on balance sheet date for a period of more than six months from the date they became payable except the following:

Name of the Statute	Nature of the dues	Amount (Rs in '000)	Period to which the amount relates	Due Date
West Bengal Labour Welfare Fund Act, 1974	Labour Welfare Cess	27	FY 2014-15	15th of following half year
West Bengal Labour Welfare Fund Act, 1974	Labour Welfare Cess	974	FY 2015-16	15th of following half year



Name of the Statute	Nature of the dues	Amount (Rs in '000)	Period to which the amount relates	Due Date
West Bengal Labour Welfare Fund Act, 1974	Labour Welfare Cess	425	FY 2016-17	15th of following half year
The West Bengal value Added Tax Act 2003	Works Contract Tax	504	FY 2016-17	20 th of following month
The West Bengal value Added Tax Act 2003	VAT	10	FY 2015-16	21 st of following month
The Income Tax Act 1961	Tax deducted at source	239	FY 2016-17	7th of following month
The Finance Act, 1994	Service Tax	6,998	FY 2013-14	6th of following month
The Finance Act, 1994	Service Tax	15,866	FY 2014-15	6th of following month
The Finance Act, 1994	Service Tax	31,576	FY 2015-16	6th of following month
The Finance Act, 1994	Service Tax	1,009	FY 2016-17	6th of following month

(b) According to the information and explanations given to us and on the basis of the records of the Company examined by us, as at March 31, 2017, there were no dues in respect of Income-Tax, Sales tax, Service Tax, Value added Tax, Cess and any other statutory dues which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of the dues	Amount (Rs in '000)	Period to which the amount relates	Forum where the dispute is pending
The West Bengal Value Added Tax Act 2003	WBVAT	3,51,480	Financial Year 2007-2008	Appellate Revisional Board, West Bengal Commercial Taxes
The West Bengal Value Added Tax Act 2003	WBVAT	82,287	Financial year 2009-2010	Appellate Revisional Board, West Bengal Commercial Taxes
The Income Tax Act 1961	Income Tax	2,698*	Financial year 2011-2012	Commissioner of Income Tax (Appeals)

*Out of above amount, Rs.1,000 thousands has been paid in July 2015.

8. According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has not defaulted in repayment of dues to financial institution, bank, government nor issued any debentures.



9. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the term loans availed by the Company were applied for the purposes for which these were sanctioned as detailed below:

Particulars	Amount (Rs in '000)
Amount remaining unutilised as on 31-03-2016	1,39,535
Term loan received during FY 16-17	2,10,000
Amount utilised as on 31-03-2017	2,89,535
Amount remaining unutilised as on 31-03-2017	60,000

The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the period under audit.

10. During the course of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such cases by the Management.
11. Section 197 of Companies Act not being applicable to a Private Limited Company, the provisions of clause 3 (xi) of the Order is not applicable to the Company.
12. The Company is not a Nidhi Company as specified in Section 406 of the Companies Act 2013 and the Companies (Nidhi Companies) Rules, 2014. Therefore, the provisions of Clause 3 (xii) of the Order are not applicable to the Company.
13. In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and details thereof have been disclosed in the financial statements as required by relevant Accounting Standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company.
15. In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, the Company has not entered into any non-cash transactions with directors or persons connected with him in terms of Section 192 of the Companies Act 2013. Therefore, the provisions of Clause 3 (xv) of the Order are not applicable to the Company.



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16. During the course of our examination of the books and records of the Company, and according to the information and explanations given to us , in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

For KGRS & Co
Chartered Accountants
Firm Registration No. 310014E



K. Dutta
Partner
Membership No 53790

Place : Kolkata

Date : 05 SEP 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in Independent Auditors' Report on even date)

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 **Kolkata West International City Private Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



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(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;

(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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KGRS & Co
Chartered Accountants
Firm Registration No. 310014E



K. Dutta
Partner
Membership No 53790

Place : Kolkata

Date :

05 SEP 2017

Kolkata West International City Private Limited

CIN: U45201WB2004PTC100310

Balance Sheet as at 31st March 2017

Particulars	Note	As at 31st March, 2017 (Rs in '000)	As at 31st March, 2016 (Rs in '000)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	6,19,162	6,19,162
Reserve and surplus	3	(5,65,266)	(5,07,510)
		53,896	1,11,652
Non-current liabilities			
Long-term borrowings	4	3,36,000	2,88,500
Long-term provisions	5	1,326	1,248
		3,37,326	2,89,748
Current liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,89,233	1,46,304
Other current liabilities	6	39,22,453	36,11,065
Short-term provisions	7	15	15
		42,11,701	37,57,384
TOTAL		46,02,923	41,58,784
ASSETS			
Non-Current Assets			
Fixed Assets	8		
Property Plant & Equipment		5,155	11,297
Intangible Assets		80	17
		5,235	11,314
Non-current investments	9	305	305
Deferred tax assets (Net)	10	2,22,446	2,02,597
Long-term loans and advances	11	20,368	23,562
Other non-current assets	12	3,476	3,168
		2,51,829	2,40,946
Current Assets			
Inventories	13	27,51,197	24,10,568
Trade receivables	14	84,952	2,14,513
Cash and cash equivalents	15	68,531	1,50,846
Short-term loans and advances	16	12,27,674	9,64,743
Other current assets	17	2,18,740	1,77,168
		43,51,094	39,17,838
TOTAL		46,02,923	41,58,784

Significant accounting policies

1

Notes on accounts

2 to 41

In terms of our report of even date

For and on behalf of

KGRS & Co.

Chartered Accountants

Firm Registration No.310014E



K. Dutta

Partner

Membership No.53790

Place : Kolkata

Date : 05 SEP 2017

For and on behalf of the Board of Directors

Director

Director



Kolkata West International City Private Limited
CIN: U45201WB2004PTC100310
Statement of Profit and Loss for the year ended 31st March 2017

Particulars	Note	For the year ended 31st March, 2017 (Rs in '000)	For the year ended 31st March, 2016 (Rs in '000)
Revenue from operations	18	61,043	1,06,763
Other income	19	3,385	12,074
Total Revenue		64,428	1,18,837
Expenses			
Changes in inventories of work in progress	20	(3,40,629)	(62,579)
Construction Expenses	21	3,95,434	4,54,542
Employee benefits expense	22	7,283	6,467
Finance Costs	23	28,464	31,318
Depreciation and amortization expense	8	3,506	3,759
Other expenses	24	47,975	33,200
Total Expenses		1,42,033	4,66,707
Profit/(loss) before tax		(77,605)	(3,47,870)
Tax expense :			
Current tax		-	-
Deferred tax		19,849	1,03,241
		19,849	1,03,241
Profit /(Loss) for the year		(57,756)	(2,44,629)
Earnings per share (Face Value of Rs.100 each)			
Basic		(9.33)	(39.51)
Diluted		(9.33)	(39.51)

Significant accounting policies 1
Notes on accounts 2 to 41

In terms of our report of even date

For and on behalf of

KGRS & Co.

Chartered Accountants

Firm Registration No.310014E




K. Dutta

Partner

Membership No.53790

Place : Kolkata

Date :

05 SEP 2017

For and on behalf of the Board of Directors

Director

Director



Kolkata West International City Pvt. Ltd
CIN: U45201WB2004PTC100310
Cash Flow Statement for the year ended 31st March, 2017

	Year ended	Year ended
	31.03.2017	31.03.2016
	(Rs.'000)	(Rs.'000)
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before Taxation	(77,605)	(3,47,870)
Adjustments for:		
Interest Income	(333)	(360)
Provision for Gratuity	343	266
Provision for Leave Encashment	199	111
Depreciation	3506	3759
(Profit)/Loss on Sale of Fixed Assets	(2,697)	(29)
OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHAI	(76,587)	(3,44,123)
Adjustments for:		
Other Receivables	(3,04,500)	(61,766)
Inventories	(3,69,094)	(93,897)
Sundry Debtors	1,29,561	(86,865)
Trade and other payables	4,53,852	6,46,585
CASH GENERATED FROM /(USED IN) OPERATIONS	(1,66,768)	59,934
Direct Taxes paid	3,194	(7,462)
NET CASH FROM /(USED IN) OPERATING ACTIVITIES	(A) (1,63,574)	52,472
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	6,418	75
Purchase of Fixed Assets	(1,148)	(431)
Deposits made with Bank	(308)	334
Interest received	333	359
NET CASH USED IN INVESTING ACTIVITIES	(B) 5,295	(331)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Term Loan from Others	47,500	57,100
Interest and other finance charges paid	28,464	31,318
NET CASH FROM /(USED IN) FINANCING ACTIVITIES	(C) 75,964	88,418
Net Increase/ (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	(82,315)	1,40,559
Cash and Cash Equivalents at the beginning of the Year	1,50,846	10,287
Cash and Cash Equivalents at the end of the Year	68,531	1,50,846
	(82,315)	1,40,559

Significant accounting policies

1

Notes on accounts

2 to 41


In terms of our report of even date

For and on behalf of

KGRS & Co.

Chartered Accountants

Firm/Registration No.310014E




K. Dutta

Partner

Membership No.53790

Place : Kolkata

Date : 05 SEP 2017

For and on behalf of the Board of Directors

Director

Director



Kolkata West International City Private Limited

CIN: U45201WB2004PTC100310

Notes to the Financial Statements

Note: – 1.

Significant Accounting Policies

Basis of preparation of Financial Statements

The Financial Statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India (“Indian GAAP”). The Company has prepared these financial statements to comply in all material respects with the mandatory Accounting Standards (“AS”) specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. The financial statements have been prepared on accrual basis and under historical cost convention.

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and results of operations during the reporting period end. Although the estimates are based upon management’s best knowledge of current events and actions, actual result could differ from these estimates. Significant estimates used by the management in preparation of these financial statements include computation of percentage completion for project in progress, project cost, revenue and saleable area estimates, estimates of economic useful life of fixed assets, provision for bad and doubtful debts. Any revision in accounting estimates is recognized prospectively.

b) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost of fixed assets includes purchase price and directly attributable costs of bringing the assets to working condition for intended use.

c) Depreciation/Amortisation

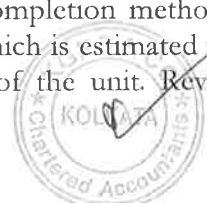
Depreciation on tangible fixed assets is provided under straight line method using the useful lives prescribed under Schedule II with effect from 1st April 2014 . Depreciation is charged on a pro-rata basis for assets purchased / sold during the period.

For assets individually costing less than or equal to Rs.5 thousands, depreciation is charged under straight line method over their useful lives as prescribed by Schedule II of the Companies Act, 2013 prospectively from the accounting periods commencing on or after April 1 , 2014.

Intangible assets- Expenditure incurred on software is amortised using straight -line method over a period of 3 years, which is estimated to be the useful life of the assets.

d) Recognition of Revenue

Revenue from constructed properties is recognized upon transfer of all significant risks and rewards of ownership of such constructed properties, as per the terms of the contracts entered into with the buyers, which generally coincides with the firming of the sales contracts/agreements. Revenue is recognized on the percentage of completion method after, when the stage of completion of each unit reaches a significant level which is estimated to be at least 30% and consideration received is of 30% of the sales value of the unit. Revenue is



Kolkata West International City Private Limited
CIN: U45201WB2004PTC100310
Notes to the Financial Statements

recognized in proportion that the contract costs incurred for work performed upto the reporting date bear to the estimated cost of the unit.

e) Unbilled receivables

Unbilled receivable disclosed under Note No.17 – “Other Current Assets” represents revenue recognized based on percentage of completion method [as per para no. d above] over and above the amount due as per the payment plans agreed with the customers.

f) Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as expenses in the profit and loss account on accrual basis over the lease term.

g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

h) Inventories

Work- in- progress is valued at cost or net realizable whichever is lower. Cost represents the amount incurred in respect of unsold area of the real estate development project or amount incurred for the real estate units under that project for which revenue is yet to be recognized.

Direct expenditure relating to construction activity is inventorised. Indirect expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period which is not directly related to construction activity is charged to profit and loss account. Cost incurred/items purchased specifically for contracts are taken as consumed as and when incurred/received.

i) Foreign Currency Transactions

Foreign currency transactions are recorded in the books of the Company at the exchange rates prevailing on the date of the transaction. Year-end monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rates.

j) Employee Benefits

(i) Short Term Employee Benefits i.e., benefits payable within one year are recognized as expense in the Profit and Loss Account in the year in which the employee services are rendered.

(ii) Post Employment Benefits:

- **Under Defined Benefit Plans** - Provisions for gratuity and accumulated leave (i.e. leave encashable at the time of resignation/retirement) are made on the basis of actuarial valuation carried out at the year-end.



Kolkata West International City Private Limited

CIN: U45201WB2004PTC100310

Notes to the Financial Statements

Actuarial gains and losses in respect of above are recognized immediately as income or expense in the Profit and Loss Account, in the year in which they occur.

- **Under Defined Contribution Plans-** Contributions to the Provident Fund and the Pension Fund, made to the office of the Employees' Provident Fund Commissioner under Employees' Provident Fund and Miscellaneous Provisions Act, 1952, are charged as expense for the year.

k) Borrowing Cost

Borrowing Costs that are attributable to the construction of a qualifying asset are capitalized as part of cost of such assets till such time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. All other borrowing costs are recognised as expense in the year in which they are incurred.

l) Earning per share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basis EPS is the weighted average number of shares outstanding during the year. The weighted diluted earnings per equity share are computed using weighted average number of shares and dilutive potential equity shares outstanding during the year.

m) Taxation

Tax expenses comprise Income Tax and Deferred Tax.

Income Tax are measured at the amount expected to be paid to the Tax Authorities in accordance with the Indian Income Tax Act, 1961.

Deferred Tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets / liability are recognized subject to the consideration of prudence. Deferred Tax Asset on unabsorbed depreciation / business loss is recognized only to the extent to which there is a virtual certainty of its recovery. Such assets / liability are reviewed as at each Balance Sheet date to re-assess reliability thereof.

n) Provisions and contingent liabilities

A provision is recognized in the financial statements where there exists a present obligation as a result of a past event, the amount of which is reliably estimable, and it is probable that an outflow of resources would be necessitated in order to settle the obligation.

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.



Kolkata West International City Private Limited

CIN: U45201WB2004PTC100310

Notes to the Financial Statements

	As at 31st March 2017		As at 31st March 2016	
	No of Shares	(Rs in '000)	No of Shares	(Rs in '000)
Note - 2				
A Share Capital				
Authorised :				
Equity shares of Rs.100 each with voting rights	62,00,000	6,20,000	62,00,000	6,20,000
Issued				
Equity shares of Rs.100 each with voting rights	61,91,620	6,19,162	61,91,620	6,19,162
Subscribed and fully paid				
Equity shares of Rs.100 each with voting rights	61,91,620	6,19,162	61,91,620	6,19,162
B Reconciliation of number of equity shares outstanding				
As at the beginning of the year	61,91,620	6,19,162	61,91,620	6,19,162
Add : Issue of shares during the year	-	-	-	-
As at the end of the year	61,91,620	6,19,162	61,91,620	6,19,162
C Shareholders holding more than 5% of the Equity Shares in the Company				
New Kolkata International Development Pvt. Ltd.	61,91,619	99.99998	61,91,619	99.99998

D Rights / preferences / restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.100 per share. Each holder of equity shares is entitled to one vote per share.

Note - 3

Reserve and Surplus

Surplus in Statement of Profit and Loss

At the beginning of the year

Add : Profit/(loss) for the year

At the end of the year

(5,07,510)

(57,756)

(5,65,266)

(2,62,881)

(2,44,629)

(5,07,510)

Note - 4

Long Term Borrowings

Secured

Term loan from LIC Housing Finance Limited*

2,70,000

1,80,000

Term loan from Credit Suisse Finance (India) Private Limited

42,500

Unsecured

Inter Company Loan

66,000

66,000

3,36,000

2,88,500

*The Term Loan from LIC Housing Finance Limited [Rs330000 thousands] is secured by Equitable Mortgage/ Registered Mortgage of 82.147 acres of free hold land / lease hold and structure thereon and carrying interest 15.70% p.a. Negative lien on unsold flats / pent houses spread blocks of the project to the extent of 1.5 times of the amount of loan. Corporate Guarantee from New Kolkata International Development Private Limited (Holding Company).

Another term loan from LIC Housing Finance Limited sanctioned during the year [Rs 150000 thousands] is secured by Registered Mortgage of 4.283 acres of Project Land and assignment of the receivables of the Builders share from the Project to the extent of 1.75 times of the amount of loan and carrying interest 14.20% p.a. New Kolkata International Development Private Limited (Holding Company) has been made Co-Borrower in respect of this facility. The loan is also secured by the personal guarantee of a Director of the Company.

The unsecured loans are repayable only after repayment of the secured loans and the rate of interest is nil.

The scheduled maturity of Term Loan from Financial Institutions is summarised as under :

Borrowings repayable

In the Financial Year 2017-18/ (Prev. Year 2016-17) (Note -6)

1,20,000

Current maturities of long-term debt

1,20,000

In the Financial Year 2018-19 / (Prev. Year 2017-18)

1,20,000

In the Financial Year 2019-20 and onwards / (Prev. Year 2018-19)

2,16,000

Long term borrowings

3,36,000

1,20,000

1,68,500

2,88,500



Kolkata West International City Private Limited
CIN: U45201WB2004PTC100310
Notes to the Financial Statements

	As at 31st March 2017	As at 31st March 2016
	(Rs in '000)	(Rs in '000)
Note - 5		
Long term provisions		
Provision for employee benefits	1,326	1,248
	1,326	1,248
Note - 6		
Other current liabilities		
Current maturities of long term debt	1,20,000	-
Overdrawn balance in bank account	18,518	-
Interest accrued but not due	4,421	4,908
Advance received from Customer *	21,56,470	19,61,538
Amount payable to related parties	10,79,770	10,47,576
Statutory taxes and dues	96,754	59,387
Employee payables	15,597	16,273
Expenses payable	328	503
Compensation payable	3,46,079	3,37,055
Other Liabilities	84,516	1,83,825
	39,22,453	36,11,065
* including Rs 1947321 thousand received from a customer. Refer Note No. 34		
Note - 7		
Short term provisions		
Provision for employee benefits	15	15
	15	15



Note - 8

Fixed Assets

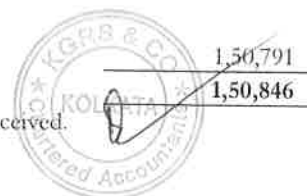
PARTICULARS	GROSS BLOCK (AT COST)		DEPRECIATION / AMORTISATION		NET BLOCK	
	As At 01.04.2016	During the Year / Deductions / Adjustments	As At 01.04.2016	During the Year / Deductions / Adjustments	As at 31.03.2017	As at 31.03.2016
A. PROPERTY PLANT & EQUIPMENT						
Leasehold land	509	199			310	509
Buildings	7,196	4,200	1,849	99	1,726	5,347
Computers (hardware)	4,999	501	4,911	114	475	88
Office Equipments	6,318	373	5,666	246	779	652
Furniture & Fixtures	19,690	191	15,474	2,929	1,478	4,216
Motor Vehicles	1,709		1,224	98	387	485
B. INTANGIBLE ASSETS						
Capitalised Software	236	83	219	20	80	17
TOTAL	40,657	1,148	29,343	3,506	5,235	11,314
PREVIOUS YEAR	41,139	431	26,450	3,759	11,314	14,689



Kolkata West International City Private Limited
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Notes to the Financial Statements

	As at 31st March 2017		As at 31st March 2016	
	No of shares	(Rs in '000) Book Value	No of shares	(Rs in '000) Book Value
Note - 9				
Non Current Investments				
In equity shares				
Trade Investment (unquoted) at cost*				
In subsidiaries				
Infospace Developers Pvt. Ltd.**	20,000	200		200
KWIC Facility Management Services Pvt Ltd.**	10,000	100		100
Mahabharat Motors Manufacturing Co. Pvt. Ltd.**	2,66,04,329	5		5
		305		305
* Equity shares of Rs.10 each, unless otherwise stated.				
** The net worth of the investee companies have completely eroded. However the management is of the opinion that the decline is temporary in nature and considering the long term strategic nature of the investment, no provision is necessary.				
Note - 10				
Deferred tax assets (Net)				
Deferred tax assets				
On timing differences		2,20,342		2,02,160
On depreciation		2,104		437
		2,22,446		2,02,597
Note - 11				
Long term loans and advances				
Advance tax (including TDS)		9,138		12,332
MAT Credit Entitlement		11,230		11,230
		20,368		23,562
Note - 12				
Other non-current assets				
Bank Deposits with maturity of more than 12 months		3,476		3,168
		3,476		3,168
(Pledged with bank against bank guarantee - Rs.3431 Thousand [Previous year : Rs 2795 thousand])				
Note - 13				
Inventories				
Finished Stock		89,761		70,631
Work in Progress		26,61,436		23,39,937
		27,51,197		24,10,568
Note - 14				
Trade receivables				
(Unsecured, considered good)				
Outstanding for more than six months		68,573		60,751
Others debts		16,379		1,53,762
		84,952		2,14,513
Note - 15				
Cash and cash equivalents				
Cash in Hand		113		55
Balances with Scheduled Banks ;				
- on Current Account **		68,418		1,50,791
		68,531		1,50,846

** Out of the above , neither bank statement nor bank confirmation for Rs 105 thousand has been received.



Kolkata West International City Private Limited
CIN: U45201WB2004PTC100310
Notes to the Financial Statements

	As at 31st March 2017 (Rs in '000)	As at 31st March 2016 (Rs in '000)
Note - 16		
Short term loans and advances		
Unsecured, considered good unless otherwise stated		
Loans and Advances to related parties	2,78,515	2,75,107
Advance - Other Taxes	20,337	18,507
Advance to Vendors *	3,63,133	1,43,202
Prepaid Expenses	341	471
Other loans and advances	5,56,186	5,27,275
Miscellaneous Deposits	9,162	181
	12,27,674	9,64,743
* Recovery suit has been filed against a vendor to whom mobilisation advance of Rs 7524 thousands has been given. No provision has been made in the accounts as the management is confident of getting a favourable verdict.		
Note - 17		
Other Current Assets		
Unbilled receivable	1,71,428	1,29,856
Interest accrued on Deposits	47,312	47,312
	2,18,740	1,77,168
	For the year ended 31st March 2017	For the year ended 31st March 2016
	(Rs in '000)	(Rs in '000)
Note - 18		
Revenue from operations		
Operating revenue		
Income recognised on percentage completion method	55,804	1,00,893
Other operating revenue		
Service receipts	5,239	5,870
	61,043	1,06,763
Note - 19		
Other Income		
Interest on:		
Deposits with bank [Tax deducted at source - Rs 24 thousand (Previous year -Rs. 26 thousand)]		
	333	360
Miscellaneous income	236	11,647
Profit from Sale of Assets	2,697	29
Insurance claim received	33	-
Others	86	38
	3,385	12,074
Note - 20		
Changes in inventories of finished goods and work in progress		
Opening Stock		
Finished Stock	70,631	36,292
Work in Progress	23,39,937	23,11,697
	24,10,568	23,47,989
Closing Stock		
Finished Stock	89,761	70,631
Work in Progress	26,61,436	23,39,937
	27,51,197	24,10,568
Changes	(3,40,629)	(62,579)



	For the year ended 31st March 2017	For the year ended 31st March 2016
	(Rs in '000)	(Rs in '000)
Note - 21		
Construction Expenses		
Construction & Infrastructure Expenses	3,21,332	3,53,923
Others	19,562	49,298
Proportionate Overhead	54,540	51,321
	<u>3,95,434</u>	<u>4,54,542</u>
Note - 22		
Employee benefit expense		
Salaries, Wages and Bonus	10,197	9,570
Contribution to Provident and other funds	739	630
Staff Welfare Expenses	2,132	1,551
Gratuity	343	266
Leave Encashment	199	111
	<u>13,610</u>	<u>12,128</u>
Less : Transferred to Construction Expenses	6,327	5,661
	<u>7,283</u>	<u>6,467</u>
Note - 23		
Finance Costs		
To Others	43,029	55,916
Less : Transferred to Construction Expenses	14,565	24,598
	<u>28,464</u>	<u>31,318</u>
Note - 24		
Other Expenses		
Advertisement	24	275
Publicity Expenses	-	-
Marketing and Brokerage Expenses	603	240
Car Hire Charges	3,050	2,697
Insurance Charges	174	38
Travelling and Conveyance	8,595	4,916
Electricity Charges	268	396
Rent, Rates and Taxes	3,573	8
Property Development Charges	-	200
Printing and Stationery	365	247
Communication Expenses	619	619
Legal and Professional Charges	19,362	10,191
Service and Maintenance Charges	2,712	2,881
Security Expenses	4,058	2,474
Donation and Charity	42	53
Administration Charges	17,506	18,293
Filing Fees	351	19
Payment to Auditors		
For Statutory Audit	200	125
For Tax Audit	50	50
Interest on late payment of Service Tax and Others	62	3,031
Rectification and other cost of completed units	3,344	3,373
Compensation for completed units	8,295	-
Interest charges and damage charges paid to allottees	-	-
Miscellaneous Expenses	8,371	4,136
	<u>81,624</u>	<u>54,262</u>
Less : Transferred to Construction Expenses	33,649	21,062
	<u>47,975</u>	<u>33,200</u>



Kolkata West International City Private Limited
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Notes to the Financial Statements

25. Employee Benefits:

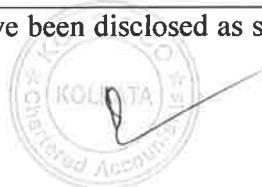
- (a) The Company has recognized in the Statement of Profit and Loss of the 12 months period ended 31.03.2017, an amount of Rs. 699 thousands under defined contribution plans. Details given below-

Benefit (Contribution to)	Year ended 31.03.2017 (Rs in '000)	Year ended 31.03.2016 (Rs in '000)
Provident Fund	4,86	4,22
Pension Fund	2,13	1,86
Total	699	6,08

- (b) Particulars in respect of unfunded defined benefit plans of the Company are as follows:

Description	Gratuity (Rs in '000)		Leave encashment (Rs. in '000)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
A. Reconciliation of Opening and Closing Balances of Present Value of Obligation				
i. Present Value of Obligation				
at the year beginning	772	612	491	463
ii. Current Service Cost	163	153	62	62
iii. Interest cost	47	45	30	34
iv. Actuarial (gain)/ loss	133	68	107	15
v. Benefits paid	(290)	(106)	(174)	(83)
vi. Present Value of Obligation at the period/year end	825	772	516	491
Description	Gratuity (Rs in '000)		Leave encashment (Rs. in '000)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
B. Expense recognised during the period/year				
i. Current Service cost	163	153	62	62
ii. Interest cost	47	45	30	34
iii. Actuarial (gain)/loss	133	68	107	15
iv. Expense recognised during the period/year (i+ii+iii)	343	266	199	111

The expenses for the abovementioned benefits have been disclosed as separate line items in Note -22 to financial statements.



Kolkata West International City Private Limited
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Notes to the Financial Statements

(c) Assumptions for the above mentioned defined benefit plans :

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Discount rate (per annum) (%)	7.50	8.00
Inflation Rate (per annum) (%)	5.00	5.00
Remaining Working Life (in Years)		
Gratuity	16	16
Leave Encashment	16	16
Method Used	Projected unit credit method	Projected unit credit method

(d) The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.

26. Earnings Per Share:

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
(a) Numerator used:		
Profit / (Loss) after taxation (Rs in '000)	(57,756)	(2,44,629)
(b) Denominator used:		
(i) Weighted average number of equity shares of Rs.100 each	6191620	6191620
(ii) Weighted average number of equity shares of used to compute diluted earnings per share of Rs.100 each	6191620	6191620
(c) Earnings Per Share– Basic (Rs.) [a/b(i)]	(9.33)	(39.51)
(d) Earnings Per Share– Diluted (Rs.) [a/b(ii)]	(9.33)	(39.51)

27. The company has recognized (net) Deferred Tax Assets of Rs. 222,446 thousands as at 31st March, 2017. The Company has recognized deferred tax asset on its accumulated losses in the accounts as the Company, in accordance with its present business plan, is confident of realizing the deferred tax asset.



Kolkata West International City Private Limited
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Notes to the Financial Statements

28. The breakup is as follows:

DEFERRED TAX ASSETS	(Rs in '000)
Gratuity and Leave Encashment	414
Carried forward loss	2,19,928
Depreciation	<u>2,104</u>
DEFERRED TAX ASSETS	2,22,446

29. The following expenses have been included in construction expenses and charged to work-in-progress adjustable on sale:

Particulars	Year ended 31.03.2017 (Rs in' 000)	Year ended 31.03.2016 (Rs in' 000)
Employee benefit expenses	6,327	56,61
Finance Cost	1,45,65	2,45,98
Other Expenses	3,36,49	2,10,62
Total	5,45,41	5,13,21

30. Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures:

a) **List of Related Parties**

i) **Key Management Personnel**

Mr. Sudip Kumar Pramanik
Mr. Chinmoy Mukherjee

ii) **Holding Company**

New Kolkata International Development Pvt. Ltd.

iii) **Subsidiaries**

Infospace Developers Pvt. Ltd.
KWIC Facility Management Pvt. Ltd.
Mahabharat Motors Manufacturing Company Pvt. Ltd.

iv) **Fellow Subsidiaries**

PCR Chemicals Pvt. Ltd.
Kolkata South Universal City Pvt. Ltd.



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Notes to the Financial Statements

b) Transactions with Related Parties during the year :

(Rs in' 000)

Sl No.	Nature of transactions	Key Management Personnel	Holding Company	Subsidiaries	Fellow subsidiaries
i.	Advance towards application for shares	- (-)	- (-)	- (-)	- (-)
ii.	Loan / Advances taken/Expenses	- (-)	38,825 (1,23,525)	- (-)	- (-)
iii.	Loan / Advances refunded/given	- (-)	- (-)	11,124 (13,216)	72 (-)
iv.	Balance at the end of year				
	Receivables	- (-)	- (-)	3,34,815 (3,23,691)	161 (89)
	Payables	- (-)	11,11,674 (10,72,849)	- (-)	- (-)

Previous year's figures are given in brackets

31. The Company is mainly engaged in the business of development of properties/management of such projects in India and therefore, according to the management, this is Single Segment Company as envisaged in the Accounting Standard- 17 "Segment Reporting".
32. Trade payables (Due to Micro, Small and Medium Scale Enterprises)
- In the absence of any specific information available with the Company in respect of any supplier affecting provision of the Micro, Small and Medium Enterprises Development Act, 2006, no disclosure / treatment as per the said Act, has been made on these accounts.
33. The value of inventory includes an amount of Rs.53,07,73 thousands paid in earlier years towards cost of land covering 218.008 acres of third, fourth and fifth phase. Out of the said area of land, the Company has received possession of 157.812 acres of land.
34. The Company has entered into an agreement to sublease on 27th November 2013 with Drashti Developers Private Limited for 37 multi storied residential buildings and other structures having total area of 36,00,000 sq.ft. on 30.385 acres of land for a total estimated consideration of Rs.411,47,44 thousands. Against this, during the year the Company has received Rs.34,12,35 thousand (Previous Year - Rs.88,18,40 thousands) as advance. The cumulative advance received on this account as on 31st March 2017 is Rs 1,94,73,21 thousand. The total consideration is guaranteed by the holding company
35. An amount of Rs. 1,75,06 thousands (Previous Year Rs. 1,86,66 thousands) has been debited by the holding company towards the expenses incurred by it on behalf of the company.
36. In accordance with the terms of the agreement entered with the allottees of bungalows, the Company has provided for compensation for delayed possession of the bungalows at the



Kolkata West International City Private Limited
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Notes to the Financial Statements

prevailing savings bank account interest rate, i.e 4% p.a.

37. Interest and holding charges received from the customer amounting to Rs.3,422 thousand (Previous year Rs. 3,847 thousand) is accounted for on cash basis.

38. Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	31-03-2017 (Rs '000)	31-03-2016 (Rs '000)
Sales tax matters in dispute	4,34,866	4,34,866
Income Tax matters in dispute #	2,698	2,698
Other litigations*	6,43,731	5,43,223
Service Tax**	48,89	41,65
TDS default***	1,18	4,171

The Company has paid Rs 1,000 thousands against the demand.

*The Company has legal proceedings and claims pending, which have arisen in the ordinary course of business, including customer litigation. These cases are resting with various courts and are scheduled for hearings. After considering the circumstances and legal advice received, management believes that these cases can be successfully contested and will not adversely affect its financial position.

**The Company has entered into contracts on which applicability of service tax is yet to be ascertained.

*** The Company has received notices from the Income Tax Department regarding TDS defaults for which appropriate corrective actions have been initiated.

39. The Company is in the process of appointing a Company Secretary in terms of section 203(1) of the Companies Act, 2013.



Kolkata West International City Private Limited
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Notes to the Financial Statements

40. Disclosure on Specified Bank Notes (SBNs):

During the year, the company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA Notification, G.S.R. 308(E) , dated 31st March'2017. The details of SBN held and transacted during the period from 8th November'2016 to 30th December'2016, the denomination-wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs (Rs)	Other denomination notes (Rs)	Total (Rs)
Closing cash in hand as on 8th November'2016	11,65,000	1,54,326	13,19,326
Add: Permitted receipts	-	4,73,005	4,73,005
Less: Permitted payments	-	4,93,662	4,93,662
Less: Amount deposited in banks	11,65,000	-	11,65,000
Closing cash in hand as on 30th December'2016	-	1,33,669	1,33,669

41. Previous year figures has been regrouped / recast, wherever considered necessary to make them comparable with those of current year.

In terms of our report of even date

For and on behalf of
KGRS & Co.
Chartered Accountants
FRN : 310014E


K. Dutta
Partner
Membership No.53790



For and on behalf of the Board of
Directors


Director


Director

Place: Kolkata

Date : 05 SEP 2017

