

# **RAJESH BHALOTIA & CO.**

Chartered Accountants

**Independent Auditor's Report**

**To the Members of AZURE CONSTRUCTION PRIVATE LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Azure Construction Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss, statement of changes in equity for the year then ended, 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, 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.

For AZURE CONSTRUCTION PVT. LTD.

*Mehul Kotecha*

- Director



## Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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, financial performance and changes in equity 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 Standards of Auditing 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 Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

For AZURE CONSTRUCTION PVT. LTD.

*Mehul Kotecha*

Director



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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. The provisions of 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 is not applicable to the Company since

- (a) It is not a subsidiary or holding company of a public company and
- (b) Its paid-up capital and reserves and surplus are not more than Rs.1 Crores as at the balance sheet date and
- (c) Its total borrowings from banks and financial institutions are not more than Rs.1 Crores at any time during the year and
- (d) Its turnover for the year is not more than Rs.10 Crores during the year.

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, the Statement of Profit and Loss and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For AZURE CONSTRUCTION PVT. LTD.  
*Mehul Kotecha*  
Director



(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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".


(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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For Rajesh Bhalotia & Co.

Chartered Accountants

(Firm Regn No. 500026N)

  
Vikas Kumar Halwai

Partner

(Membership No. 061047)

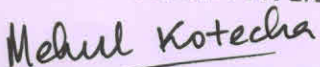


UDIN : 19061047AAAAAQ2860

Place: Kolkata

Date: 07/09/2019

For AZURE CONSTRUCTION PVT. LTD.

  
Mehul Kotecha

Director

**AZURE CONSTRUCTION PVT. LTD.**  
**13, CROOKED LANE, KOLKATA - 700069**  
**CIN : U45400WB2013PTC195267**

**Balance Sheet as at 31st March, 2019**

Particulars	Notes	31st March 2019	31st March 2018
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	1,00,000	1,00,000
Reserve & Surplus	3	(52,368)	(1,04,033)
<b>Non Current Liabilities</b>			
Long-Term Borrowings	4	78,76,065	22,22,947
Other Long Term Liabilities	5	4,66,000	3,66,000
<b>Current Liabilities</b>			
Other Current Liabilities	6	1,72,892	1,45,895
Short Term Provision		1,14,335	83,532
		<b>86,76,924</b>	<b>28,14,341</b>
<b>II. ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	7	4,83,953	5,91,431
Deferred Tax Assets (Net)	8	7,621	14,587
<b>Current assets</b>			
Inventories	9	23,53,243	6,00,446
Cash and Cash Equivalents	10	22,46,055	3,01,865
Short-Term Loans and Advances	11	35,86,052	13,06,012
		<b>86,76,924</b>	<b>28,14,341</b>

**Summary of Significant Accounting Policies** 1

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For **RAJESH BHALOTIA & CO.**  
Chartered Accountants  
Firm Registration No:- 500026N

*Hinamshu Kotecha*

**VIKAS HALWAI**  
Partner  
Membership No:- 061047



**Hinamshu Kotecha**  
DIN : 02054079

*Mehul Kotecha*

**Mehul Kotecha**  
DIN : 03488487

Place:- Kolkata  
Date:- 07/09/2019

For AZURE CONSTRUCTION PVT. LTD.

*Mehul Kotecha*

Director

**AZURE CONSTRUCTION PVT. LTD.**  
**13, CROOKED LANE, KOLKATA - 700069**  
**CIN : U45400WB2013PTC195267**

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

Particulars	Notes	31st March 2019	31st March 2018
I. Revenue From Operation	12	17,26,188	14,44,380
II. Other Income	13	1,34,897	1,423
<b>III. Total Revenue</b>		<b>18,61,085</b>	<b>14,45,803</b>
<b>IV. Expenses :</b>			
Changes in Inventories of Work in Progress	14	(17,52,797)	(6,00,446)
Employee Benefit Expense	15	7,41,758	4,96,060
Finance Costs	16	12,281	22,658
Depreciation and Amortization Expense	17	1,07,478	1,12,623
Other Expenses	18	26,62,932	16,64,013
<b>Total Expenses</b>		<b>17,71,651</b>	<b>16,94,909</b>
<b>V. Profit before exceptional and extra ordinary items and tax( III - IV)</b>		<b>89,434</b>	<b>(2,49,106)</b>
<b>VI. Tax Expenses</b>			
Current Tax		30,803	-
Deferred Tax Liability		6,966	9,352
<b>Total Tax Expenses</b>		<b>37,769</b>	<b>9,352</b>
<b>VII. Profit After Tax ( IV-V )</b>		<b>51,665</b>	<b>(2,58,458)</b>
<b>Earning per Equity Share :</b>			
Basic		5.17	(25.85)
Diluted		5.17	(25.85)

**Summary of Significant Accounting Policies 1**

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For **RAJESH BHALOTIA & CO.**  
Chartered Accountants  
Firm Registration No:- 500026N

**VIKAS HALWAI**  
Partner

Membership No:- 061047

Place:- Kolkata  
Date:- 07/09/2019



For and on behalf of the Board of Directors

✓ *Hinamshu Kotecha*

**Hinamshu Kotecha**  
DIN : 02054079

✓ *Mehul Kotecha*

**Mehul Kotecha**  
DIN : 03488487

For AZURE CONSTRUCTION PVT. LTD.

*Mehul Kotecha*  
Director

**AZURE CONSTRUCTION PVT. LTD.**

**Notes to Financial Statements for the year ended 31st March, 2019**

**2. SHARE CAPITAL**

	31st March 2019 (Rs.)	31st March 2018 (Rs.)
<b>AUTHORISED SHARE</b>		
50,000 (31st March 2018 : 50,000) Equity Shares of Rs 10/- each	5,00,000	5,00,000
	<u>5,00,000</u>	<u>5,00,000</u>

<b>ISSUED, SUBSCRIBED &amp; PAID-UP SHARE</b>		
10,000 (31st March 2018 : 10,000) Equity Shares of Rs 10/- each	1,00,000	1,00,000
	<u>1,00,000</u>	<u>1,00,000</u>

**A) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**

Equity Shares	31st March 2019		31st March 2018	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	10,000	1,00,000	10,000	1,00,000
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<u>10,000</u>	<u>1,00,000</u>	<u>10,000</u>	<u>1,00,000</u>

**B) Term/rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs10/- per share. Each holder of equity share is entitled to one vote per share.

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

**C) Details of shareholders holding more than 5% shares in the Company:**

Equity Shares of Rs 10 Each Fully paid	31st March 2019		31st March 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Mehul Kotecha	2,500	25%	2,500	25%
Himanshu Kotecha	2,500	25%	2,500	25%
Sangeeta Kotecha	5,000	50%	5,000	50%

As per records of the Company, including its register of shareholders/members and other declarations received from share holders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



For AZURE CONSTRUCTION PVT. LTD.

*Mehul Kotecha*

Director

**AZURE CONSTRUCTION PVT. LTD.**

<b>3. RESERVES &amp; SURPLUS</b>		
	31st March 2019	31st March 2018
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Opening Balance	(1,04,033)	1,54,425
Add: Profit/(Loss) for the year	51,665	(2,58,458)
<b>Net Surplus in the statement of Profit and Loss</b>	<b>(52,368)</b>	<b>(1,04,033)</b>
<b>Total Reserves and Surplus</b>	<b>(52,368)</b>	<b>(1,04,033)</b>
<b>4. LONG TERM BORROWINGS</b>		
	31st March 2019	31st March 2018
<b>Term Loans (Secured) :</b>		
From Scheduled Bank	-	59,132
<b>Other Long-term borrowings (Unsecured) :</b>		
Loans and Advances from related parties	74,22,065	18,09,815
Loans and Advances from others	4,54,000	3,54,000
	<b>78,76,065</b>	<b>22,22,947</b>
Indian Rupee loan from ICICI Bank carries interest @9.99 % p.a. The loan is repayable in 48 monthly installments along with interest. The loan is secured by charge over Car I20.		
<b>Term Loan Details :</b>		
<b>From Banks</b>		
ICICI Bank - I20	-	59,132
	-	59,132
<b>5. OTHER LONG TERM LIABILITIES</b>		
	31st March 2019	31st March 2018
Security Deposit from Customer	4,66,000	3,66,000
	<b>4,66,000</b>	<b>3,66,000</b>
<b>6. OTHER CURRENT LIABILITIES</b>		
	31st March 2019	31st March 2018
Current Maturities of long term debt	59,132	1,09,790
Other payables:		
Liability for Expenses	21,000	12,980
Advance against booking	51,000	-
Statutory & other dues payable	41,760	23,125
	<b>1,72,892</b>	<b>1,45,895</b>
<b>8. DEFERRED TAX ASSETS (NET)</b>		
	31st March 2019	31st March 2018
<b>Deferred Tax Assets</b>		
Depreciation on Fixed Assets	7,621	14,587
	<b>7,621</b>	<b>14,587</b>
<b>9. INVENTORIES</b>		
(At lower of cost and net realisable value)	31st March 2019	31st March 2018
Work in Progress	23,53,243	6,00,446
	<b>23,53,243</b>	<b>6,00,446</b>
<b>10. CASH AND CASH EQUIVALENTS</b>		
	31st March 2019	31st March 2018
<b>Balances with banks :</b>		
On current account	17,17,363	2,11,402
Cash on Hand	5,28,692	90,463
	<b>22,46,055</b>	<b>3,01,865</b>
The details of balances as on Balance Sheet dates with bank are as follows :		
<b>On Current Account</b>		
IDBI Bank	17,17,363	2,11,402
	<b>17,17,363</b>	<b>2,11,402</b>

For AZURE CONSTRUCTION PVT. LTD.  
*Mehul Kotecha*  
 Director





11. SHORT-TERM LOANS AND ADVANCES (Unsecured, Considered goods)		
	31st March 2019	31st March 2018
Loans and Advances to Related Party	-	3,49,750
Loans and Advances to Others	35,86,052	9,56,262
	<u>35,86,052</u>	<u>13,06,012</u>
12. REVENUE FROM OPERATIONS		
	31st March 2019	31st March 2018
Rental Income	17,26,188	14,44,380
	<u>17,26,188</u>	<u>14,44,380</u>
13. OTHER INCOME		
	31st March 2019	31st March 2018
Misc Income	1,34,897	1,423
	<u>1,34,897</u>	<u>1,423</u>
14. CHANGES IN INVENTORIES		
	31st March 2019	31st March 2018
Closing Stock		
Work in Progress	23,53,243	6,00,446
Less:		
Opening Stock	6,00,446	-
Work in Progress	<u>(17,52,797)</u>	<u>6,00,446</u>
15. EMPLOYEE BENEFIT EXPENSE		
	31st March 2019	31st March 2018
Salary & Bonus	5,56,774	3,10,695
Staff Welfare	1,84,984	1,85,365
	<u>7,41,758</u>	<u>4,96,060</u>
16. FINANCE COST		
	31st March 2019	31st March 2018
Bank Charges	330	301
Interest on Car Loan	11,950	22,357
	<u>12,281</u>	<u>22,658</u>
17. DEPRECIATION AND AMORTIZATION EXPENSE		
	31st March 2019	31st March 2018
Depreciation of Tangible Goods	1,07,478	1,12,623
	<u>1,07,478</u>	<u>1,12,623</u>
18. OTHER EXPENSES		
	31st March 2019	31st March 2018
60 Santosh Roy Road	3,02,412	2,67,524
97 Kailash Ghosh Road	14,50,385	3,32,922
Audit Fees	21,000	12,980
Car Insurance	10,969	11,905
Preliminary Expenses Written Off	-	6,414
Brokerage & Commission	-	3,76,500
Donation & Subscription	35,500	28,000
Misc Expenses	60,385	2,88,457
Legal Expenses	9,765	-
Office Expenses	1,30,630	5,483
Professional fees	12,980	26,980
Repair & Maintenance	2,18,484	2,74,043
Security Service Charges	34,000	24,000
Travelling & Conveyance Exp	3,74,272	1,000
Telephone & Internet Exp	-	3,405
Trade licence	2,150	4,400
	<u>26,62,932</u>	<u>16,64,013</u>
Details of Auditors' Remuneration :		
Audit Fees	21,000	12,980
	<u>21,000</u>	<u>12,980</u>

For AZURE CONSTRUCTION PVT. LTD.  
*Mehul Kotecha*  
 Director



**AZURE CONSTRUCTION PVT. LTD.**

7. FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS ON	ADDITION	(DEDUCTION)	AS ON	UP TO	SALE/ADJUSTMENT	DURING	UP TO	AS ON	AS ON
	01-04-2018	Rs.	Rs.	31-03-2019	01-04-2018	DURING THE YEAR	THE YEAR	31-03-2019	31-03-2019	31-03-2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS										
FURNITURE & FIXTURE	1,17,865	-	-	1,17,865	53,174	-	11,760	64,934	52,931	64,691
CAR I20	6,94,496	-	-	6,94,496	2,11,272	-	82,471	2,93,743	4,00,753	4,83,224
COMPUTER SOFTWARE	17,200	-	-	17,200	12,169	-	4,171	16,340	860	5,031
HP LAPTOP	34,100	-	-	34,100	25,466	-	6,929	32,395	1,705	8,634
AIR CONDITIONER	33,900	-	-	33,900	4,049	-	2,147	6,196	27,704	29,851
<b>TOTAL</b>	<b>8,97,561</b>	<b>-</b>	<b>-</b>	<b>8,97,561</b>	<b>3,06,130</b>	<b>-</b>	<b>1,07,478</b>	<b>4,13,608</b>	<b>4,83,953</b>	<b>5,91,431</b>
Previous Year	8,63,661	33,900	-	8,97,561	81,129	-	1,12,623	1,93,507	7,04,054	7,82,532



For AZURE CONSTRUCTION PVT. LTD.

*Mehul Kotecha*  
Director

## AZURE CONSTRUCTION PRIVATE LIMITED

### Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2019

#### 1. Summary of Significant Accounting Policies

##### (a) Basis of preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 as applicable. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

##### (b) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation/amortisation. Costs include all expenses incurred to bring the assets to its present location and condition.

Fixed assets exclude assets individually costing 5,000 or less which are not capitalised except when they are part of a larger capital investment programme.

##### (c) Depreciation on fixed assets

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/amortisation is charged so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

##### (d) Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribed useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher / lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, these rates are same with the lives prescribed under Schedule II. Hence, this change in accounting policy did not have any material impact on financial statements of the Company.

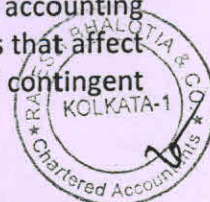
##### (e) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent

For AZURE CONSTRUCTION PVT. LTD.

Mehul Kotecha

Director



liabilities at the date of financial statements and the results of operations during year end. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

**(f) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**(g) Impairment of Assets**

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**(h) Borrowing Costs**

Borrowing costs relating to acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one which necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**(i) Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

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

**(j) Taxation**

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, 1961.

For AZURE CONSTRUCTION PVT. LTD.

*Mehul Kotzela*

Director



Deferred Income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax asset is reviewed at each Balance Sheet date. The company writes down the carrying amount of a Deferred Tax Asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each Balance Sheet date, the company recognizes the unrecognized deferred tax asset to the extent that it has become reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realized.

**(k) Provisions**

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

**(l) Contingent Liabilities**

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

**(m) Cash and Cash Equivalents**

Cash and cash equivalents includes Cash at Bank, Cash/Cheque on Hand and fixed deposits with Bank comprise time deposits, which can be withdrawn by the company at any point without prior notice or penalty on the principal.

- (n) The Company is a Small Company as defined in section 2 (85) of the Companies Act, 2013. Accordingly the Company is not required to prepare Cash Flow Statement.**

For AZURE CONSTRUCTION PVT. LTD.

*Mehul Kotecha*

Director



(o) Related Party Disclosure:

In accordance with the requirements of Accounting Standard 18, "Related Party Disclosures" notified pursuant to the Companies (Accounting Standards) Rules, 2006, the details of related party transactions are given below:

Sl. No.	Name of Concern	Nature of Relationship	Transaction	Opening Amount	Received	Payment	Closing Amount
1.	Hansa Kotecha	Relative of Director	Unsecured Loans	3,49,750/- dr	7,00,000/-	-	3,50,250/-
2.	Himanshu Kotecha	Director	Unsecured Loans	13,38,050/-	6,62,000/-	-	20,00,050/-
3.	KRS Developers	Firm in which Director is Partner	Unsecured Loans	-	50,00,000/-	25,00,000/-	25,00,000/-
4.	Mehul Kotecha	Director	Unsecured Loans	69,999/-	-	-	69,999/-
5.	Sangeeta Kotecha	Director	Unsecured Loans	4,01,766/-	-	-	4,01,766/-

(p) There are no contingent liabilities as on the balance sheet date.

SIGNATURE TO NOTES 1 TO 18

In terms of our report of even date.

For RAJESH BHALOTIA & CO.

Chartered Accountants

Firm Registration Number:-500026N



VIKAS KUMAR HALWAI

Partner

Membership Number:-061047

Place:-Kolkata

Date:- 07/09/2019

For AZURE CONSTRUCTION PVT. LTD.

✓ Himanshu Kotecha  
Director

Director  
For AZURE CONSTRUCTION PVT. LTD.

✓ Mehul Kotecha  
Director

Director

For AZURE CONSTRUCTION PVT. LTD.

✓ Mehul Kotecha  
Director