



**S K AGRAWAL AND CO**

*Chartered Accountants*

Firm Registration No. 306033E

SUITE NOS : 606-608

THE CHAMBERS, OPP. GITANJALI STADIUM

1865, RAJDANGA MAIN ROAD, KASBA

KOLKATA - 700 107

PHONE : 033-4008 9902 / 9903 / 9904

FAX : 033-40089905, Website : [www.skagrwal.co.in](http://www.skagrwal.co.in)

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of INDOCEAN DEVELOPERS PRIVATE LIMITED**

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

### **Opinion**

We have checked the accompanying Ind AS financial statements of **INDOCEAN DEVELOPERS PRIVATE LIMITED** ("the Company") incorporated at Sri Lanka, which comprise the balance sheet as at 31<sup>st</sup> March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information made in accordance with the requirements of Indian Companies Act ("the Indian Act") from the audited accounts of the company under the statute of the country of its incorporation which have been relied upon by us.

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

### **Basis for Opinion**

We did not audit the Financial Statements of the company. These Ind AS Financial Statements were audited by the local auditor whose reports have been furnished to us, and our opinion is based solely on the reports of other auditors. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

### **Other Information**

The Company's Board of Directors is responsible for the other information.

Our opinion on the Ind AS 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 Ind As 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 on the other information obtained prior to the date of this auditor's report, 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.





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#### **Responsibility of Management and Those Charged with Governance for Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

The Audit was conducted under the statute of the country of incorporation of the company, by the local auditor at Sri Lanka in LKR currency, followed by our further check of true and fairness of accounts drawn up in terms of requirement of Indian Act. Management has prepared Financial Statements based on the audited accounts in accordance with the provisions of the Indian Act, in Indian Rupees. We have checked the conversion of financial statements prepared by the management in Indian currency.

#### **Report on Other Legal and Regulatory Requirements**

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, is not applicable to the company.

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

- 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.
- In our opinion and based on the audit report of local auditor, proper books of account as required by law have been kept by the Company.
- In our opinion and based on the audit report of local auditor, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.







# S K AGRAWAL AND CO

Chartered Accountants

Firm Registration No. 306033E

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- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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, we have not audited the internal financial controls over financial reporting since our report is solely based on the audited financial statements.
- (g) With respect to the matter to be included in the Auditor's Report under section 197(16)
- In our opinion and according to the information and explanation given to us, no remuneration has been paid by the Company to its directors during the current year and accordingly the provisions of section 197 of the Act is not applicable.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position in its Ind AS financial statements.
  - The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no such sum which needs to be transferred to the Investor Education and Protection Fund by the Company

Place: Kolkata

Dated: 22<sup>nd</sup> June, 2019



For S K AGRAWAL AND CO

Chartered Accountants

(Firm Registration No.306033E)

(J.K. Choudhary)

Partner

Membership No. 9367

**INDOCEAN DEVELOPERS PRIVATE LIMITED**
**Balance Sheet as at 31st March 2019**

|  |       | Amount in INR         |                       |
|--|-------|-----------------------|-----------------------|
|  | Notes | As at 31.03.2019      | As at 31.03.2018      |
| <b>ASSETS</b>  |       |                       |                       |
| <b>Non-Current Assets</b>  |       |                       |                       |
| Property, Plant and Equipment  | 4a    | 16,096,585            | 29,878,703            |
| Investment Property  | 4b    | 10,724,117            | -                     |
| Intangible Assets  | 4c    | 669,548               | 1,044,579             |
| Other Non-Current Assets   | 6     | 948,734,853           | 1,020,224,126         |
|  |       | <b>976,225,103</b>    | <b>1,051,147,408</b>  |
| <b>Current Assets</b>  |       |                       |                       |
| Inventories  | 7     | 12,920,849,854        | 9,024,487,590         |
| Financial Assets   |       |                       |                       |
| (a) Cash and Cash Equivalents  | 8     | 38,710,855            | 60,305,403            |
| (b) Loans  | 5a    | 5,571,639             | 805,522               |
| (c) Other Financial assets   | 5b    | 127,240               | -                     |
| Current Tax Assets (Net)   | 9     | -                     | 292,234               |
| Other Current Assets   | 6     | 517,587,110           | 597,367,857           |
|  |       | <b>13,482,846,698</b> | <b>9,683,258,606</b>  |
| <b>Total Assets</b>  |       | <b>14,459,071,801</b> | <b>10,734,406,014</b> |
| <b>EQUITY AND LIABILITIES</b>  |       |                       |                       |
| <b>Equity</b>  |       |                       |                       |
| Equity Share Capital   | 10    | 289,569,000           | 289,569,000           |
| Other Equity   | 11    | (411,071,321)         | (259,896,574)         |
| <b>Total Equity</b>  |       | <b>(121,502,321)</b>  | <b>29,672,426</b>     |
| <b>Liabilities</b>   |       |                       |                       |
| <b>Non-Current Liabilities</b>   |       |                       |                       |
| Financial Liabilities  |       |                       |                       |
| (a) Borrowings   | 12a   | 3,375,581,590         | 2,253,428,792         |
| (b) Other Financial Liabilities  | 12c   | 75,243,653            | 63,265,916            |
| Provisions   | 13    | 2,833,384             | 1,868,749             |
| Deferred Tax Liabilities (Net)   | 14    | 1,081,303             | -                     |
|  |       | <b>3,454,739,930</b>  | <b>2,318,563,457</b>  |
| <b>Current Liabilities</b>   |       |                       |                       |
| Financial Liabilities  |       |                       |                       |
| (a) Borrowings   | 12b   | 3,129,183,825         | 1,532,989,514         |
| (b) Trade Payables   | 12d   |                       |                       |
| - Total outstanding dues of Micro & small enterprises                      |       |                       |                       |
| - Total outstanding dues of creditors other than Micro & Small Enterprises |       | 6,522,379             | 4,911,587             |
| (c) Other Financial Liabilities  | 12e   | 798,935,861           | 518,315,755           |
| Other Current Liabilities  | 15    | 7,190,416,318         | 6,329,953,275         |
| Current Tax Liabilities (Net)  | 9     | 775,809               | -                     |
|  |       | <b>11,125,834,192</b> | <b>8,386,170,131</b>  |
| <b>Total Liabilities</b>   |       | <b>14,580,574,122</b> | <b>10,704,733,588</b> |
| <b>Total Equity and Liabilities</b>  |       | <b>14,459,071,801</b> | <b>10,734,406,014</b> |

**Significant Accounting Policies**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

In terms of our attached report of even date

For **S K AGRAWAL AND CO**

Chartered Accountants

Firm Registration No: 306033E

*Signature*  
**J. K. Choudhury**  
 Partner

Membership No-9367

Place: Kolkata

Dated: **22 JUN 2019**



*Signature*  
**Director**

*Signature*  
**Director**

**INDOCEAN DEVELOPERS PRIVATE LIMITED**

Statement of Profit & Loss for the year ended March 31, 2019

|  | Notes | Amount in INR        |                     |
|--|-------|----------------------|---------------------|
|  |       | 2018-19              | 2017-18             |
| <b>Income</b>  |       |                      |                     |
| Revenue from Operations                                | 17    | 71,187               | -                   |
| Other Income   | 18    | 4,850,820            | 14,162,712          |
| <b>Total Income</b>                                    |       | <b>4,922,007</b>     | <b>14,162,712</b>   |
| <b>Expenses</b>  |       |                      |                     |
| Construction Cost                                      | 19    | 4,436,867,471        | 2,405,243,927       |
| (Increase)/Decrease in Inventories of Work-in-Progress | 20    | (4,436,867,471)      | (2,405,243,927)     |
| Finance Costs  | 21    | 96,419,791           | -                   |
| Depreciation and Amortisation Expenses                 | 22    | 10,116,067           | 10,405,843          |
| Other Expenses   | 23    | 52,123,247           | 61,605,015          |
| <b>Total Expenses</b>                                  |       | <b>158,659,105</b>   | <b>72,010,858</b>   |
| <b>Profit/(Loss) Before Tax</b>                        |       | <b>(153,737,098)</b> | <b>(57,848,146)</b> |
| <b>Tax Expense</b>                                     |       |                      |                     |
| Current Tax  |       | (1,293,341)          | -                   |
| Deferred Tax   | 14    | (1,081,303)          | -                   |
| Income Tax of Earlier Years                            |       | -                    | 472,029             |
|  |       | <b>(2,374,644)</b>   | <b>472,029</b>      |
| <b>Profit/(Loss) for the Year (I)</b>                  |       | <b>(156,111,742)</b> | <b>(57,376,117)</b> |
| <b>Other Comprehensive Income:</b>                     |       |                      |                     |

Items that will be Reclassified to profit or loss in subsequent periods:

|   |                      |                     |
|---|----------------------|---------------------|
| Exchange differences on translating financial statements of a foreign operation | 4,936,995            | (1,626,934)         |
| <b>Total Other comprehensive income/(loss) for the year, net of tax (II)</b>    | <b>4,936,995</b>     | <b>(1,626,934)</b>  |
| <b>Total comprehensive income for the year, net of tax (I + II)</b>             | <b>(151,174,747)</b> | <b>(59,003,051)</b> |

|   |    |         |        |
|---|----|---------|--------|
| Earnings per Equity Share of Rs.10 each | 23 |         |        |
| Basic & Diluted                         |    | (22.35) | (8.21) |

**Significant accounting policies** 3

The accompanying notes are an integral part of the financial statements.

As per our report on even date

In terms of our attached report of even date

For **S K AGRAWAL AND CO**

Chartered Accountants

Firm Registration No. 306033F

  
J.K. Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: **22 JUN 2019**



  
Director

  
Director



**INDOCEAN DEVELOPERS PRIVATE LIMITED**  
**Statement of Changes in Equity for the year ended 31 March 2019**

**a. Equity Share Capital:**

| Equity shares of LKR 100 each issued, subscribed and fully paid | No. of shares | Amount in INR |
|---|---------------|---------------|
| <b>As 31 March 2017</b>   | 6,985,317     | 289,569,000   |
| Issue of share capital  | -             | -             |
| <b>At 31 March 2018</b>   | 6,985,317     | 289,569,000   |
| Issue of share capital  | -             | -             |
| <b>At 31 March 2019</b>   | 6,985,317     | 289,569,000   |

**b. Other equity**

| For the year ended 31 March 2019               |                   |                 |   | Amount in INR |
|--|-------------------|-----------------|---|---------------|
| Particulars                                    | Reserve & Surplus |                 | Items of OCI  | Total Equity  |
|  | Retained Earnings | General Reserve | Exchange differences on translating financial statements of a foreign operation |               |
| <b>As at 1 April 2018</b>                      | (282,885,112)     | -               | 22,988,538  | (259,896,574) |
| Profit for the year                            | (156,111,742)     | -               | -   | (156,111,742) |
| Other comprehensive income for the year        | -                 | -               | 4,936,995   | 4,936,995     |
| <b>Total Comprehensive Income for the year</b> | (156,111,742)     | -               | 4,936,995   | (151,174,747) |
| <b>As at 31 March 2019</b>                     | (438,996,854)     | -               | 27,925,533  | (411,071,321) |

| For the year ended 31 March, 2018              |                   |                 |   | Amount in INR |
|--|-------------------|-----------------|---|---------------|
| Particulars                                    | Reserve & Surplus |                 | Items of OCI  | Total Equity  |
|  | Retained earnings | General Reserve | Exchange differences on translating financial statements of a foreign operation |               |
| <b>As at 31 March 2017</b>                     | (225,508,995)     | -               | 24,615,472  | (200,893,523) |
| Profit for the year                            | (57,376,117)      | -               | -   | (57,376,117)  |
| Other comprehensive income for the year        | -                 | -               | (1,626,934)   | (1,626,934)   |
| <b>Total Comprehensive Income for the year</b> | (57,376,117)      | -               | (1,626,934)   | (59,003,051)  |
| <b>As at 31 March 2018</b>                     | (282,885,112)     | -               | 22,988,538  | (259,896,574) |

As per our report on even date

In terms of our attached report of even date

For **S K AGRAWAL AND CO**

Chartered Accountants

Firm Registration No: 6060331E



**J.K. Choudhury**

Partner

Membership No-9367

Place: Kolkata

Dated: **22 JUN 2019**





Director



Director

**INDOCEAN DEVELOPERS PRIVATE LIMITED**  
**Statement of Cash Flows for the year ended 31 March 2019**

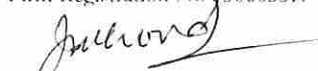
| Particulars   | Amount in INR          |                      |
|---|------------------------|----------------------|
|   | March 31,2019          | March 31,2018        |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>                                  |                        |                      |
| Net profit before tax   | (153,737,098)          | (57,848,146)         |
| <b>Adjustment to reconcile profit before tax to net cash flow</b>               |                        |                      |
| Amortisation of lease rental  | 1,313,471              | 1,099,796            |
| Depreciation charge on Property, Plant & Equipment                              | 9,774,207              | 10,085,627           |
| Depreciation charge on Investment Property                                      | 3,088                  | -                    |
| Provision for Gratuity  | -                      | 207,774              |
| Amortisation of intangible assets   | 338,772                | 320,216              |
| Interest and other non operating Income   | (4,850,820)            | (14,162,712)         |
| <b>Operating profit before working capital changes</b>                          | <b>(147,158,380)</b>   | <b>(60,297,445)</b>  |
| <b>Adjustments for-</b>   |                        |                      |
| (Increase)/Decrease in inventories  | (3,872,597,279)        | (2,222,310,473)      |
| Decrease/(Increase) in trade and Other receivables (short term loan & advances) | 39,164,312             | (414,992,713)        |
| Increase/decrease in amounts due from related parties                           | (127,240)              | -                    |
| Increase/(Decrease) in trade and Other Payables                                 | -                      | (1,084,370)          |
| (Increase)/decrease in other current and non current assets                     | -                      | (1,007,477)          |
| Increase/(decrease) in other financial liabilities                              | 185,398,506            | -                    |
| Increase/(decrease) in short term provisions                                    | -                      | (424,413)            |
| Increase/(decrease) in other current liabilities                                | 1,238,432,314          | -                    |
| Increase/(decrease) in customer rental  | 1,151,723              | 2,349,939,826        |
| Increase/decrease in amounts due to related parties                             | 143,848,359            | -                    |
| <b>Cash generated in operations</b>   | <b>(2,411,887,687)</b> | <b>(350,177,065)</b> |
| Income Tax Paid (net of refund)   | (149,852)              | 472,029              |
| <b>Net Cash inflow from Operating Activities</b>                                | <b>(2,412,037,539)</b> | <b>(349,705,036)</b> |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>                                  |                        |                      |
| Interest Received   | 4,598,726              | 6,122,606            |
| Acquisition of Prepaid Lease  | (1,382,602)            | 23,868,179           |
| Additions of Investment Property  | (10,727,205)           | -                    |
| Acquisition of Property, Plant and Equipment                                    | (559,691)              | (2,452,499)          |
| Additions of Intangible Assets  | (26,304)               | -                    |
|   | <b>(8,097,075)</b>     | <b>27,538,286</b>    |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                                  |                        |                      |
| Proceeds from/(Repayment of) non current borrowings                             | 4,818,246,446          | (42,581,438)         |
| Repayment of borrowing  | (2,423,266,768)        | -                    |
| Interest income (foreign exchange gain)   | -                      | 8,040,106            |
| Changes in Long term Liabilities  | -                      | (14,771,232)         |
| <b>Net cash flow from Financing Activities</b>                                  | <b>2,394,979,678</b>   | <b>(49,312,564)</b>  |
| <b>D. Effect of Changes in Foreign Exchange Translation</b>                     | <b>3,560,389</b>       | <b>(655,811)</b>     |
| Net decrease in cash and cash equivalents (A+B+C+D)                             | (21,594,548)           | (372,135,125)        |
| Cash and Cash Equivalents at the beginning of the year (Refer note-8)           | 60,305,403             | 432,440,528          |
| Cash and Cash Equivalents at the end of the year (Refer note-8)                 | 38,710,855             | 60,305,403           |

In terms of our attached report of even date

For **S K AGRAWAL AND CO**

Chartered Accountants

Firm Registration No : 3060331E

  
**J.K. Choudhury**  
 Partner

Membership No-9367

Place: Kolkata

Dated: **22 JUN 2019**





Director



Director

INDOCEAN DEVELOPERS PRIVATE LIMITED  
Statement of Cash Flows for the year ended 31 March 2019 (Contd.)

Notes :

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement of Cash Flow.

(b)

| Particulars   | Amount in INR     |                   |
|---|-------------------|-------------------|
|   | As at 31.03.2019  | As at 31.03.2018  |
| Cash and Cash Equivalants comprises of                      |                   |                   |
| Cash in hand  | 39,958            | 51,946            |
| Balances with banks:  |                   |                   |
| - On current accounts                                       | 37,492,671        | 59,000,167        |
| - Deposits with original maturity of less than three months | 1,178,226         | 1,253,294         |
| <b>Cash and Cash Equivalants in Cash Flow Statement</b>     | <b>38,710,855</b> | <b>60,305,403</b> |

| Particulars              | As at 31.03.2018 | Cash Flow     | Non - Cash Changes |                                       | As at 31.03.2019 |
|--------------------------|------------------|---------------|--------------------|---------------------------------------|------------------|
|                          |                  |               | Fair Value Changes | Current/ Non - Current Classification |                  |
| Borrowings - Non Current | 2,253,428,792    | 1,122,152,798 |                    | Non current                           | 3,375,581,590    |
| Borrowings - Current     | 1,532,989,514    | 1,596,194,311 |                    | Current                               | 3,129,183,825    |

As per our report of even date

For **S K AGRAWAL AND CO**

Chartered Accountants

Firm Registration No. 329088

*J. K. Choudhury*  
J. K. Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: **22 JUN 2019**



*Director*

Director

*Man Mohan Dey*

Director



# INDOCEAN DEVELOPERS PRIVATE LIMITED

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

### 1. Corporate Information

Indocean Developers Private Limited (referred to as "the Company") is (a wholly owned subsidiary of M/S A A Infraproperties Pvt Ltd, a company incorporated in India) incorporated in Sri Lanka having its principal place of business in SRI LANKA, the registered office of the company is located at 121A Sir James Peiris Mawatha, Colombo -02 and the place of construction is at 127 Sir James Peiris Mawatha, Colombo-02. originally audited by the overseas auditors pursuant to law of the country of its incorporation have been made as per requirement of Indian Companies Act in due adherence to section 129 of the companies Act 2013.

### 2. Basis of Preparation of financial statements

#### a) Compliance with INDAS

The accounts of the Company were audited by the overseas auditors pursuant to law of the country of its incorporation have been made as per requirement of Indian Companies Act in due adherence to section 129 of the Companies Act, 2013

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind-AS") notified under section 133 of The Companies Act, 2013 read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Presentation of accounts are in terms of Schedule III to the Companies Act, 2013 including disclosure of necessary information as laid down under section 129 of Companies Act, 2013

#### b) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with the accounting principles generally accepted in India.

Further, the financial statements have been prepared on historical cost basis, except for certain assets and liabilities which have been measured at fair values as explained in relevant accounting principles.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### c) Going Concern

The Company's Management has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future by considering following matters:

- As of the balance sheet date, the company has secured sale and purchase agreements covering 70% of apartment units available for sale.
- Receipts from the sold units are presented under Contract Liabilities in Note 15. Upon completion of the projects, revenue and related costs will be recognized based on the prevailing accounting standards.
- Company is having adequate funds and sources of financing methods to continue operations.
- The company has commenced the commercial operations during March 2019 by renting part of its retail area.
- The company has obtained the "Part Certificate of Conformity" from Urban Development Authority on 17 May 2019

Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis



# INDOCEAN DEVELOPERS PRIVATE LIMITED

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

### 3. Summary of Significant Accounting Policies

#### 3.1. Operating Cycle

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as sixty months for ongoing projects and twelve months in case of completed projects for the purpose of current- noncurrent classification of assets and liabilities. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

#### 3.2. Foreign Currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency-I.KR'). The financial statements are translated in Indian Rupee (INR).

Transactions in foreign currencies are initially recorded in by the Company at spot rates at the functional currency spot rate (i.e. I.KR) at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit & Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items due to fair valuation is recognised in OCI or profit or loss, respectively).

#### 3.3. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.





# INDOCEAN DEVELOPERS PRIVATE LIMITED

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.4. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities during and at the end of the reporting period. Although these estimates are based on 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 amounts of assets or liabilities in future periods.

### 3.5. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### 3.6. Property, Plant and Equipment

Property, plant and equipment and capital work in progress are carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Depreciation is provided on written down value method over the useful lives of property, plant and equipment as estimated by management. Pursuant to Notification of Schedule II of the Companies Act,





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2013 depreciation is provided on pro rata basis on straight line method at the rates determined based on estimated useful lives of property, plant and equipment where applicable. However, leasehold land is depreciated over lease period on straight line basis.

| Asset                 | Useful Life |
|-----------------------|-------------|
| Leasehold Land        | 99          |
| Sales Centre Building | 6           |
| Computer Equipment    | 4           |
| Office Equipment      | 6           |
| Furniture & Fittings  | 6           |
| Site Equipment        | 4           |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### 3.7. Intangible Assets

Intangible Assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life of three years. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and are charged to Statement of Profit and Loss for the year during which such expenditure is incurred.

#### 3.8. Capital work-in-progress and intangible assets under development

Capital work-in-progress and intangible assets under development are carried at cost. Cost includes land, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

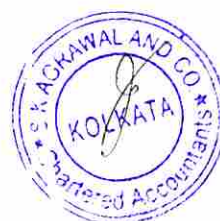
#### 3.9 Investment Property

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the entity, is classified as Investment Property. Investment Property comprises freehold buildings together with the integral parts of such properties. Investment Property is measured initially and subsequently at its cost, including related transaction costs. Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit or Loss during the financial period in which they are incurred. Depreciation is calculated on a straight line basis over the useful life of the assets as follows;

|                 |             |
|-----------------|-------------|
|                 | Useful life |
| Retail Building | 50 years    |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year end. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the Income Statement.



## INDOCEAN DEVELOPERS PRIVATE LIMITED

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

#### 3.10 Treatment of Security Deposit for Lease Rentals

In assessing the applicability of Ind AS 32-Financial Instruments to security deposits received, the management has considered the substance of the transactions, terms and conditions of agreement and historical experience to conclude whether such security deposits meet the criteria of a financial liability. These deposits are primarily intended to secure compliance of the licensees' obligations under the agreement and have no bearing on the license fees charged. Further, there is no contractual obligation to deliver cash or other financial asset to the said entity and can be adjusted against the dues, if any and therefore these have been treated as non- financial liability

#### 3.11 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

#### 3.12 Inventories

Raw materials, Construction work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost of inventories comprise all cost of purchase including cost of land, borrowing cost, development costs and other cost incurred in bringing them to their present location and condition. The cost, in general, is determined using weighted average cost method.

Contract cost incurred related to future activity of the contract are recognised as an asset provided it is probable that they will be recovered during the contract period. Such costs represent the amount due from customer and are often classified as Construction work-in-progress.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### 3.13 Revenue and Other Income

##### Revenue from contracts with customers

With effect from 1 April 2018, the Company has adopted IND AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under IND AS 115, revenue is recognised on satisfaction of performance obligation at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company has elected to apply the Cumulative catch up method in adopting IND AS 115. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.





## INDOCEAN DEVELOPERS PRIVATE LIMITED

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

#### Revenue from Operating Lease

Income from properties is accounted for on a straight line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned. If not received at balance date, revenue is reflected on the balance sheet as a receivable and carried at its recoverable amount.

#### Revenue from Real Estate

In case of Real Estate Sales where Agreement of Sale is executed for under constructed properties, revenue in respect of individual contracts is recognised when performance on the contract is considered to be completed and it is probable that the economic benefits will flow to the Company.

#### Interest Income

Interest income is recognized as the interest accrues unless collectability is in doubt.

### 3.14 Employee Benefits

#### a) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

#### b) Defined Benefit Plan – Gratuity

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date using the projected unit credit method. Any actuarial gains or losses arising are recognised immediately under project cost (Inventory).

### 3.15 Leases

Leasehold property comprising of land use rights and stated at valuation, are amortised on a straight line basis over the lease term. Amortisation that occurs during the period of construction of the inventory / investment property are capitalized under the category of construction work in progress.

### 3.16 Taxes on Income

Tax expense comprises current and deferred tax.

#### Current Taxes

Company has entered into agreements with the Board of Investment of Sri Lanka which specifies that the sections 17A of the Inland Revenue Act which relate to the exemption of income tax from the profits and income of any new undertaking is applicable for Indocean Developers (Pvt) Ltd.

Pursuant to the agreement between the Company and the Board of Investment of Sri Lanka, the Company is entitled to a twelve year tax exemption period on its profits and income, commencing from the first year of making profit or any year of assessment not later than two (02) years reckoned from the date of commencement of commercial operations or production whichever is earlier.





## INDOCEAN DEVELOPERS PRIVATE LIMITED

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

The company has commenced the commercial operations during the month of March 2019 by renting part of its retail area. Further, the company has obtained the "Part Certificate of Conformity" from Urban Development Authority on 17 May 2019.

#### Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Un-recognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

#### 3.17 Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) 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. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

#### 3.18 Borrowing Costs

Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.



## INDOCEAN DEVELOPERS PRIVATE LIMITED

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

#### 3.19 Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### 3.20 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### A. Financial assets

###### i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

###### ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- a. Debt instruments at amortised cost
- b. Equity instruments measured at fair value through other comprehensive income FVTOCI

##### Debt instruments at amortised cost other than derivative contracts

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

##### Equity investments

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.





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

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset

#### iv. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.





## INDOCEAN DEVELOPERS PRIVATE LIMITED

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

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

#### B. Financial liabilities

##### i. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, investment in subsidiaries and joint ventures, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as Contract Asset. A receivable is a right to consideration that is unconditional upon passage of time. Revenue are recognized as related service are performed. Revenues in excess of billings are recorded as Contract Asset and are classified as a financial asset for the cases as right to consideration is



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

unconditional upon passage of time. As per assessment of contracts, the right to receive the payment is established once the services are performed.

A contract liability is the company's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year. The amounts are generally unsecured. Trade and other payables are presented as current liabilities unless payment is not due within the Company's operating cycle. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the lender for a loss it incurs because the specified borrower fails to make a payment when due in accordance with the terms of a loan agreement. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 3.21 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees as per the requirement of Schedule III to the Act, unless otherwise stated.



Note 4(a) - Property, Plant and Equipment

| Particulars           | Gross Block at Cost |                                     |           |           | Depreciation / Amortisation |                     |                                     |              | Net Block   |                     |                     |
|-----------------------|---------------------|-------------------------------------|-----------|-----------|-----------------------------|---------------------|-------------------------------------|--------------|---|---------------------|---------------------|
|                       | As at<br>31.03.2018 | Adjustment<br>due to<br>translation | Additions | Deletions | As at<br>31.03.2019         | As at<br>31.03.2018 | Adjustment<br>due to<br>translation | For the Year | On Deletions<br>(accumulated<br>upto the date of<br>sale) | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Office Equipment      | 954,921             | (57,193)                            | 224,215   | (302,411) | 819,532                     | 599,131             | (35,902)                            | 146,441      | (300,539)   | 409,431             | 410,101             |
| Furniture and Fixings | 17,046,518          | (1,020,970)                         | 283,440   | -         | 16,310,988                  | 10,573,962          | (633,309)                           | 2,636,902    | -   | 12,577,555          | 3,733,433           |
| Sales center Building | 55,861,519          | (3,345,723)                         | -         | -         | 52,515,796                  | 33,837,879          | (2,026,637)                         | 9,173,548    | -   | 40,984,770          | 11,531,026          |
| Computers             | 3,407,922           | (204,111)                           | 69,672    | -         | 3,273,483                   | 2,393,236           | (143,339)                           | 609,276      | -   | 2,859,173           | 414,310             |
| Site Equipment        | 449,258             | (26,907)                            | -         | -         | 422,351                     | 436,927             | (26,109)                            | 3,878        | -   | 414,636             | 7,715               |
| TOTAL                 | 77,720,138          | (4,654,904)                         | 579,327   | (302,411) | 73,342,150                  | 47,841,435          | (2,865,376)                         | 12,570,045   | (300,539)   | 57,245,565          | 16,096,585          |
|                       |                     |                                     |           |           |                             |                     |                                     |              |   |                     | 29,878,703          |

Note: Out of total depreciation Rs.26,60,778 is related to project, hence has been included in inventory

Note 4(b) - Investment Property

| Particulars         | Gross Block at Cost |                                     |            |           | Depreciation / Amortisation |                     |                                     |              | Net Block   |                     |                     |
|---------------------|---------------------|-------------------------------------|------------|-----------|-----------------------------|---------------------|-------------------------------------|--------------|---|---------------------|---------------------|
|                     | As at<br>31.03.2018 | Adjustment<br>due to<br>translation | Additions  | Deletions | As at<br>31.03.2019         | As at<br>31.03.2018 | Adjustment<br>due to<br>translation | For the Year | On<br>Deletions(Accu<br>mulated upto<br>the date of sale) | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Investment Property | -                   | -                                   | 10,727,205 | -         | 10,727,205                  | -                   | -                                   | 3,088        | -   | 10,724,117          | -                   |
| TOTAL               | -                   | -                                   | 10,727,205 | -         | 10,727,205                  | -                   | -                                   | 3,088        | -   | 10,724,117          | -                   |

Information regarding income and expenditure of Investment Property

| Particulars   | As at 31.03.2019 | As at 31.03.2018 |
|---|------------------|------------------|
| Rental Income derived from Investment Properties                                      | 71,187           | -                |
| Direct operating expenses (including repair and maintenance) generating rental income | -                | -                |
| Profit arising from investment properties before depreciation and indirect expenses   | 71,187           | -                |
| Less - depreciation   | 3,088            | -                |
| Profit arising from investment properties before indirect expenses                    | 68,099           | -                |

Note 4(c) - Intangible Assets

| Particulars       | Gross Block at Cost |                                     |           |           |                     | Depreciation / Amortisation |                                     |              |   | Net Block           |                     |
|-------------------|---------------------|-------------------------------------|-----------|-----------|---------------------|-----------------------------|-------------------------------------|--------------|---|---------------------|---------------------|
|                   | As at<br>31.03.2018 | Adjustment<br>due to<br>translation | Additions | Deletions | As at<br>31.03.2019 | As at<br>31.03.2018         | Adjustment<br>due to<br>translation | For the Year | On<br>Deletions(Accu<br>mulated upto<br>the date of sale) | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Intangible Assets | 1,364,795           | (81,742)                            | 26,304    | -         | 1,309,357           | 320,216                     | (19,179)                            | 338,772      | -   | 639,809             | 1,044,579           |
| TOTAL             | 1,364,795           | -                                   | 26,304    | -         | 1,309,357           | 320,216                     | -                                   | 338,772      | -   | 639,809             | 1,044,579           |





INDOCEAN DEVELOPERS PRIVATE LIMITED  
Notes to Financial Statements for the year ended March 31, 2019

Note 4(a) - Property, Plant and Equipment(Previous year)

| Particulars            | Gross Block at Cost |                                     |           |           |                     | Depreciation / Amortisation |                                     |              |   |                     | Net Block           |                     | Amount in INR |
|------------------------|---------------------|-------------------------------------|-----------|-----------|---------------------|-----------------------------|-------------------------------------|--------------|---|---------------------|---------------------|---------------------|---------------|
|                        | As at<br>31.03.2017 | Adjustment<br>due to<br>translation | Additions | Deletions | As at<br>31.03.2018 | As at<br>31.03.2017         | Adjustment<br>due to<br>translation | For the Year | On Deletions<br>(accumulated<br>upto the date<br>of sale) | As at<br>31.03.2018 | As at<br>31.03.2018 | As at<br>31.03.2017 |               |
| Office Equipment       | 574,992             | 298,833                             | 81,096    | -         | 954,921             | 138,991                     | 308,724                             | 151,716      | -   | 599,431             | 355,490             | 436,001             |               |
| Furniture and Fittings | 11,748,737          | 4,790,573                           | 507,208   | -         | 17,046,518          | 2,794,970                   | 4,993,686                           | 2,785,306    | -   | 10,573,962          | 6,472,556           | 8,953,767           |               |
| Sales center Building  | 41,436,664          | 14,303,704                          | 121,151   | -         | 55,861,519          | 9,507,595                   | 15,028,001                          | 9,302,283    | -   | 33,837,879          | 22,023,640          | 31,929,069          |               |
| Computers              | 2,101,363           | 939,834                             | 366,725   | -         | 3,407,922           | 704,358                     | 971,525                             | 717,353      | -   | 2,393,236           | 1,014,686           | 1,397,005           |               |
| Site Equipment         | 205,538             | 232,196                             | 11,524    | -         | 449,258             | 111,667                     | 234,327                             | 90,933       | -   | 436,927             | 12,331              | 93,871              |               |
| TOTAL                  | 56,067,294          | 20,565,140                          | 1,087,704 | -         | 77,720,138          | 13,257,581                  | 21,536,263                          | 13,047,591   | -   | 47,841,435          | 29,878,703          | 42,809,713          |               |

Note 4(b) - Intangible assets

| Particulars       | Gross Block at Cost |                                     |           |           |                     | Depreciation / Amortisation |                                     |              |  |                     | Net Block           |  |
|-------------------|---------------------|-------------------------------------|-----------|-----------|---------------------|-----------------------------|-------------------------------------|--------------|--|---------------------|---------------------|--|
|                   | As at<br>31.03.2017 | Adjustment<br>due to<br>translation | Additions | Deletions | As at<br>31.03.2018 | As at<br>31.03.2017         | Adjustment<br>due to<br>translation | For the Year | On<br>Deletions(Ac<br>cumulated<br>upto the date<br>of sale) | As at<br>31.03.2018 | As at<br>31.03.2017 |  |
| Intangible Assets | -                   |                                     | 1,364,795 |           | 1,364,795           | -                           | -                                   | 320,216      | -  | 320,216             | -                   |  |
| TOTAL             | -                   |                                     | 1,364,795 | -         | 1,364,795           | -                           |                                     | 320,216      | -  | 320,216             | -                   |  |



**INDOCEAN DEVELOPERS PRIVATE LIMITED****Notes to Financial Statements for the year ended March 31, 2019**

| Note 5a. Financial Assets - Loans<br>(Unsecured considered good unless otherwise stated) | Amount in INR    |                  |
|--|------------------|------------------|
|  | Current          |                  |
|  | As at 31.03.2019 | As at 31.03.2018 |
| Security Deposits  | 5,571,639        | 805,522          |
| <b>Total Loans</b>   | <b>5,571,639</b> | <b>805,522</b>   |

| Note 5b. Other Financial Assets           | Amount in INR    |                  |
|---|------------------|------------------|
|   | Current          |                  |
|   | As at 31.03.2019 | As at 31.03.2018 |
| Advances to Related Party (Refer Note 27) |                  |                  |
| Advances to Ultimate Holding company      | 127,240          | -                |
| <b>Total Other Financial Assets</b>       | <b>127,240</b>   | <b>-</b>         |





**INDOCEAN DEVELOPERS PRIVATE LIMITED**
**Notes to Financial Statements for the year ended March 31, 2019**

Amount in INR

**Note 6. Other Assets**

|   | Non-Current         |                      | Current            |                     |
|---|---------------------|----------------------|--------------------|---------------------|
|   | As at<br>31.03.2019 | As at<br>31.03.2018  | As at 31.03.2019   | As at<br>31.03.2018 |
| Prepaid Lease Rental                      | 948,734,853         | 1,020,224,126        | 345,651            | 294,137             |
| Advances for Expenses                     |                     |                      | 6,013,052          | 2,289,894           |
| Advances given to suppliers & contractors |                     |                      | 353,675,129        | 433,629,540         |
| Mobilization Advance                      |                     |                      | 153,997,428        | 158,150,868         |
| Others                                    |                     |                      |                    |                     |
| Prepaid expenses                          |                     |                      | 1,256,158          | 557,215             |
| VAT Recoverable                           |                     |                      | 2,299,692          | 2,446,203           |
|   | <b>948,734,853</b>  | <b>1,020,224,126</b> | <b>517,587,110</b> | <b>597,367,857</b>  |

**Note 7. Inventories**

(Lower of cost or net realisable value)

Amount in INR

|                                   | Current               |                      |
|-----------------------------------|-----------------------|----------------------|
|                                   | As at 31.03.2019      | As at<br>31.03.2018  |
| Construction Work - in - progress | 12,920,849,854        | 9,024,487,590        |
| <b>Total inventories</b>          | <b>12,920,849,854</b> | <b>9,024,487,590</b> |

**Note 8. Cash and Cash Equivalents**

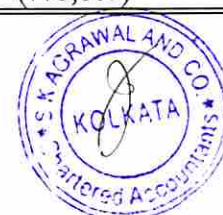
Amount in INR

|   | As at 31.03.2019  | As at<br>31.03.2018 |
|---|-------------------|---------------------|
| Balances with Banks on Current Accounts     | 37,492,671        | 59,000,167          |
| Cash on hand                                | 39,958            | 51,946              |
| Term Deposits with maturity of three months | 1,178,226         | 1,253,290           |
| <b>Total Cash and Cash Equivalents</b>      | <b>38,710,855</b> | <b>60,305,403</b>   |

**Note 9. Current Tax Assets/ (Liabilities) (Net)**

Amount in INR

|  | Current          |                     |
|--|------------------|---------------------|
|  | As at 31.03.2019 | As at<br>31.03.2018 |
| Current Tax Assets                           | 166,078          | 292,234             |
| Current Tax liabilities                      | (941,887)        | -                   |
| <b>Net Current Tax Assets/ (Liabilities)</b> | <b>(775,809)</b> | <b>292,234</b>      |



Note - 10. Equity Share Capital

|   | Amount in INR        |                      |
|---|----------------------|----------------------|
|   | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
| <b>Authorised Capital</b>   |                      |                      |
| 69,85,317 Equity Shares of LKR 100 each   | 289,569,000          | 289,569,000          |
| <b>Issued, Subscribed and Paid-up Capital</b>   |                      |                      |
| 69,85,317 Equity Shares of LKR 100 each are held by the Holding Co- A A Infraproperties Private Ltd | 289,569,000          | 289,569,000          |
| <b>Total Equity Share Capital</b>   | <b>289,569,000</b>   | <b>289,569,000</b>   |

a) The Reconciliation of Share Capital is given below:

|                              | As at 31.03.2019 |                    | As at 31.03.2018 |                    |
|------------------------------|------------------|--------------------|------------------|--------------------|
|                              | No. of<br>Shares | Amount in<br>INR   | No. of<br>Shares | Amount in<br>INR   |
| At the beginning of the year | 6,985,317        | 289,569,000        | 6,985,317        | 289,569,000        |
| Issued during the Year       | -                | -                  | -                | -                  |
| At the end of the year       | <b>6,985,317</b> | <b>289,569,000</b> | <b>6,985,317</b> | <b>289,569,000</b> |

b) Terms/Rights attached to class of shares

The Company has only one class of Equity Shares having a par value of LKR 100 each. Holder of each 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 distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of Shareholders holding more than 5 percent of Equity Shares in the Company

|  | As at 31.03.2019 |           | As at 31.03.2018 |           |
|--|------------------|-----------|------------------|-----------|
|  | No. of<br>Shares | % holding | No. of<br>Shares | % holding |
| AA Infraproperties Private Limited -Holding Co | 6,985,317        | 100.00%   | 6,985,317        | 100.00%   |

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



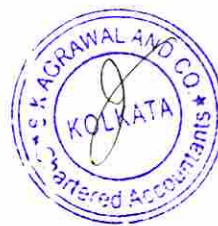


**INDOCEAN DEVELOPERS PRIVATE LIMITED**

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

## Note - 11. Other equity

|   | Amount in INR        |                      |
|---|----------------------|----------------------|
|   | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
| <b>Reserves &amp; Surplus</b>   |                      |                      |
| Retained earnings   | (438,996,854)        | (282,885,112)        |
| <u>Other Comprehensive Income</u>   |                      |                      |
| Exchange differences on translating financial statements of a foreign operation | 27,925,533           | 22,988,538           |
| <b>Total other equity</b>   | <b>(411,071,321)</b> | <b>(259,896,574)</b> |

**Retained Earnings** - Retained earnings includes surplus in the Statement of Profit and Loss.

## Note 12a. Borrowings (Non-Current)

|   | Amount in INR        |                      |
|---|----------------------|----------------------|
|   | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
| <b>Secured</b>  |                      |                      |
| Term Loans from Banks   | 1,114,841,653        | 2,253,428,792        |
| <b>Total</b>  | <b>1,114,841,653</b> | <b>2,253,428,792</b> |
| <b>Unsecured</b>  |                      |                      |
| Loan from Holding Company<br>A A Infraproperties Private Limited  | 2,260,739,937        | -                    |
| Terms of Repayment : 13% interest bearing unsecured loan repayable only after 5 Years from the date of drawdown |                      |                      |
| <b>Total</b>  | <b>2,260,739,937</b> | <b>-</b>             |
| <b>Total Non Current Borrowings</b>   | <b>3,375,581,590</b> | <b>2,253,428,792</b> |

## Note 12b. Borrowings (Current)

|                                   | Amount in INR        |                      |
|-----------------------------------|----------------------|----------------------|
|                                   | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
| <b>Secured</b>                    |                      |                      |
| Loan from Axis Bank               | 804,033,462          | 1,532,989,514        |
| Loan from Standard Chartered Bank | 2,325,150,363        | -                    |
| <b>Total Current Borrowings</b>   | <b>3,129,183,825</b> | <b>1,532,989,514</b> |

## Terms and conditions

| (f) Term loan from Banks   | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
|--|----------------------|----------------------|
| <b>Non current borrowing</b>   |                      |                      |
| US Dollar term Loan from <b>Axis Bank Ltd, Hong Kong</b> amounting to <b>USD 14.5 million</b> , at the rate of 1 month LIBOR+2.85 % per annum secured by guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd and its parent company AA Infraproperties Pvt Ltd and Mr. Jaideep Halwasiya( Director)(that the loan will be payable on demand) |                      | 954,006,350          |
| US Dollar term Loan from <b>Standard Chartered Bank, Colombo</b> amounting to <b>USD 20.5 million</b> , at the rate 1month LIBOR +0.9 % per annum secured by guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd and Mr. Jaideep Halwasiya( Director)(that the loan will be payable on demand).  |                      | 1,299,422,442        |
| US Dollar term Loan from <b>Standard Chartered Bank, Colombo</b> amounting to <b>USD 4.32 million</b> , at the rate 1month LIBOR +1.0 % per annum secured by guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd (that the loan will be payable on demand)   | 167,798,288          |                      |
| US Dollar term Loan from <b>Standard Chartered Bank, UK</b> amounting to <b>USD 24.38 million</b> , at the rate 1month LIBOR +1.0 % per annum secured by guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd (that the loan will be payable on demand).  | 947,043,365          |                      |
| <b>Total of term loan from bank</b>  | <b>1,114,841,653</b> | <b>2,253,428,792</b> |

| <b>Current borrowing</b>  | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
|---|----------------------|----------------------|
| <b>Secured</b>  |                      |                      |
| US Dollar term Loan from <b>Axis Bank Ltd, Hong Kong</b> amounting to <b>USD 11.5 million</b> , at the rate of 1 month LIBOR+2.85 % per annum secured by guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd and its parent company AA Infraproperties Pvt Ltd and Mr. Jaideep Halwasiya( Director)(that the loan will be payable on demand). | 804,033,462          | -                    |
| US Dollar term Loan from <b>Standard Chartered Bank, Colombo</b> amounting to <b>USD 20.5 million</b> , at the rate 1month LIBOR +0.9 % per annum secured by guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd and Mr. Jaideep Halwasiya( Director)(that the loan will be payable on demand).   | 1,433,277,040        | -                    |
| US Dollar term Loan from <b>Axis Bank Ltd, Hong Kong</b> amounting to <b>USD 23.3 million</b> , at the rate of 3 month LIBOR+5.5 % per annum secured by immovable assets of the company and guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd and its parent company AA Infraproperties Pvt Ltd(that the loan will be payable on demand).   |                      | 1,532,989,514        |
| US Dollar term Loan from <b>Standard Chartered Bank, Colombo</b> amounting to <b>USD 4.32 million</b> , at the rate 1month LIBOR +1.0 % per annum secured by guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd (that the loan will be payable on demand).   | 154,238,630          |                      |
| US Dollar term Loan from <b>Standard Chartered Bank, UK</b> amounting to <b>USD 24.38 million</b> , at the rate 1month LIBOR +1.0 % per annum secured by guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd (that the loan will be payable on demand).   | 757,634,693          |                      |
| <b>Total</b>  | <b>3,129,183,825</b> | <b>1,532,989,514</b> |





**INDOCEAN DEVELOPERS PRIVATE LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2019**

**Note 12 c. Other Financial Liabilities**

|  | Amount in INR        |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Non-Current          |                      | Current              |                      |
|  | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
| Interest accrued and due on borrowings   |                      |                      | 136,460,655          | -                    |
| Advances from Holding Company            |                      |                      | 1,698,508            | 13,055,510           |
| Advances from Director                   |                      |                      | 31,964,280           | -                    |
| Advances from Ultimate Holding Company   |                      |                      | -                    | 14,799,168           |
| Retention                                | 75,243,653           | 63,265,916           | 79,419,655           | 65,140,110           |
| Amount Payable to contractors            |                      |                      | 263,168,615          | 411,542,297          |
| Bank overdraft                           |                      |                      | 261,289,478          | -                    |
| Others Payable                           |                      |                      | 24,934,670           | 13,778,670           |
| <b>Total other financial liabilities</b> | <b>75,243,653</b>    | <b>63,265,916</b>    | <b>798,935,861</b>   | <b>518,315,755</b>   |

**Note 12d. Trade Payables**

|  | Amount in INR        |                      |
|--|----------------------|----------------------|
|  | Non-Current          |                      |
|  | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
| Trade Payables   |                      |                      |
| - Total outstanding dues of Micro & Small Enterprises (See Note below)   | -                    | -                    |
| Total outstanding dues of creditors other than Micro & Small Enterprises | 6,522,379            | 4,911,587            |
|  | <b>6,522,379</b>     | <b>4,911,587</b>     |

**Note :** Since the company is operating outside India, Micro, Small and Medium Enterprise Development Act, 2006 is not applicable.

**Note 13. Provisions**

|  | Amount in INR        |                      |
|--|----------------------|----------------------|
|  | Non-Current          |                      |
|  | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
| Provision for retirement benefits of employees | 2,833,384            | 1,868,749            |
|  | <b>2,833,384</b>     | <b>1,868,749</b>     |

**Note 14. Deferred Tax Assets & Liabilities (Net)**

|  | Amount in INR        |                      |
|--|----------------------|----------------------|
|  | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
|  |                      |                      |
| <b>Deferred tax liabilities</b>              |                      |                      |
| Investment Property                          | 1,081,303            | -                    |
| <b>Total (A)</b>                             | <b>1,081,303</b>     | <b>-</b>             |
| <b>Net deferred tax (liabilities)/assets</b> | <b>(1,081,303)</b>   | <b>-</b>             |

**Note 15. Other Liabilities**

|  | Amount in INR        |                      |
|--|----------------------|----------------------|
|  | Current              |                      |
|  | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
| Contract Liabilities                   | 7,187,977,375        | 6,329,953,275        |
| Security Deposit received              | 2,438,943            | -                    |
| <b>Total other current Liabilities</b> | <b>7,190,416,318</b> | <b>6,329,953,275</b> |



**INDOCEAN DEVELOPERS PRIVATE LIMITED**

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

**Note 16a. Financial Assets**

|                                       | Amount in INR        |                      |
|---------------------------------------|----------------------|----------------------|
|                                       | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
| <b>Financial Assets - Current</b>     |                      |                      |
| <u>At Amortised cost</u>              |                      |                      |
| (a) Cash and Cash Equivalents         | 38,710,855           | 60,305,403           |
| (b) Loans                             | 5,571,639            | 805,522              |
| (c) Other Financial Assets            | 127,240              | -                    |
| <b>Total Current Financial Assets</b> | <b>44,409,734</b>    | <b>61,110,925</b>    |

**Note 16b. Financial Liabilities**

|  | Amount in INR        |                      |
|--|----------------------|----------------------|
|  | As at<br>31-Mar-2019 | As at<br>31-Mar-2018 |
| <b>Financial Liabilities - Non Current</b>         |                      |                      |
| <u>At Amortised Cost</u>                           |                      |                      |
| (a) Borrowings                                     | 3,375,581,590        | 2,253,428,792        |
| (b) Other Financial Liabilities                    | 75,243,653           | 63,265,916           |
| <b>Total Non Current Financial Liabilities (a)</b> | <b>3,450,825,243</b> | <b>2,316,694,708</b> |
| <b>Financial Liabilities - Current</b>             |                      |                      |
| <u>At Amortised Cost</u>                           |                      |                      |
| (a) Borrowings                                     | 3,129,183,825        | 1,532,989,514        |
| (b) Trade payables                                 | 6,522,379            | 4,911,587            |
| (c) Other Financial Liabilities                    | 798,935,861          | 518,315,755          |
| <b>Total Current Financial Liabilities (b)</b>     | <b>3,934,642,065</b> | <b>2,056,216,856</b> |
| <b>Total Financial Liabilities (a + b)</b>         | <b>7,385,467,308</b> | <b>4,372,911,564</b> |



INDOCEAN DEVELOPERS PRIVATE LIMITED

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

Note 17. Revenue from Operations

|                  |       | Amount in INR |         |
|------------------|-------|---------------|---------|
|                  |       | 2018-19       | 2017-18 |
| Sale of Services |       |               |         |
| Rental Income    |       | 71,187        | -       |
|                  | Total | 71,187        | -       |

Note 18. Other Income

|                                       |       | Amount in INR |            |
|---------------------------------------|-------|---------------|------------|
|                                       |       | 2018-19       | 2017-18    |
| Income from Financial Assets          |       |               |            |
| Interest Income on Deposits           |       | 3,597,753     | 853,714    |
| Other Non Operating Income            |       |               |            |
| Profit on sale of units of Unit Trust |       | 1,253,067     | 5,268,892  |
| Net foreign exchange gain             |       | -             | 8,040,106  |
|                                       | Total | 4,850,820     | 14,162,712 |

Note 19. Construction Cost

|                  |       | Amount in INR |               |
|------------------|-------|---------------|---------------|
|                  |       | 2018-19       | 2017-18       |
| Project Expenses |       | 4,436,867,471 | 2,405,243,927 |
|                  | Total | 4,436,867,471 | 2,405,243,927 |

Note 20. (Increase)/Decrease in Inventories of Construction Work-in-Process

|                                     |               | Amount in INR  |               |
|-------------------------------------|---------------|----------------|---------------|
|                                     |               | 2018-19        | 2017-18       |
| Closing Stock (A)                   |               | 12,920,849,854 | 9,024,487,590 |
| Opening Stock                       |               | 9,024,487,590  | 6,788,100,012 |
| Less: Adjustment due to translation |               | (540,505,207)  | (168,856,349) |
|                                     | (B)           | 8,483,982,383  | 6,619,243,663 |
|                                     | Total (A - B) | 4,436,867,471  | 2,405,243,927 |





**INDOCEAN DEVELOPERS PRIVATE LIMITED**
**Notes to Financial Statements for the year ended March 31, 2019**
**Note 21. Finance Costs**

|                           | Amount in INR     |          |
|---------------------------|-------------------|----------|
|                           | 2018-19           | 2017-18  |
| Net Foreign Exchange Loss | 96,419,791        | -        |
| <b>Total</b>              | <b>96,419,791</b> | <b>-</b> |

**Note 22. Depreciation and Amortisation Expense**

|   | Amount in INR     |                   |
|---|-------------------|-------------------|
|   | 2018-19           | 2017-18           |
| Depreciation of Tangible Assets (Note 4a)     | 9,774,207         | 10,085,627        |
| Amortisation of Intangible Assets (Note 4c)   | 338,772           | 320,216           |
| Depreciation on Investment Property (Note 4b) | 3,088             | -                 |
| <b>Total</b>                                  | <b>10,116,067</b> | <b>10,405,843</b> |

**Note 23. Other Expenses**

|   | Amount in INR     |                   |
|---|-------------------|-------------------|
|   | 2018-19           | 2017-18           |
| <b>Administrative &amp; Other Expenses</b>  |                   |                   |
| Printing & Stationery                       | 504,293           | 304,541           |
| Professional fees                           | 834,750           | 266,045           |
| Audit Fees                                  | 311,382           | 261,045           |
| Courier Charges                             | 198,068           | 257,239           |
| Emigration expenses                         | 109,732           | 156,461           |
| Office Supplies                             | 646,778           | 785,303           |
| Office maintenance Expenses                 | 1,797,463         | 1,782,863         |
| Donation                                    | 1,263,841         | 926,605           |
| Sales center site maintenance charges       | 442,635           | 654,040           |
| Computer maintenance charges                | 920,717           | 1,199,120         |
| Utility charges                             | 3,443,999         | 3,554,083         |
| Miscellaneous Expenses                      | 2,610             | 127,653           |
| <b>Marketing &amp; Promotional Expenses</b> |                   |                   |
| Lease premium - sales centre land           | 1,380,142         | 1,099,796         |
| Advertisement expenses                      | 11,180,823        | 11,427,005        |
| Website development                         | 793,854           | 799,440           |
| Other promotional expenses                  | 11,873,292        | 8,629,603         |
| Sales Commission                            | 16,418,868        | 29,374,173        |
| <b>Total</b>                                | <b>52,123,247</b> | <b>61,605,015</b> |

**Note 23.1 Auditor's Remuneration**

|                    | Amount in INR |         |
|--------------------|---------------|---------|
|                    | 2018-19       | 2017-18 |
| <b>As Auditor:</b> |               |         |
| Audit fees         | 311,382       | 261,045 |



**INDOCEAN DEVELOPERS PRIVATE LIMITED****Notes to Financial Statements for the year ended March 31, 2019**

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**Note 24. Earnings Per Share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

|  | 2018-19       | 2017-18      |
|--|---------------|--------------|
| Net Profit for calculation of Basic and Diluted Earnings Per Share (₹) | (156,111,742) | (57,376,117) |
| Weighted average number of shares (Nos.)                               | 6,985,317     | 6,985,317    |
| Earning per equity share   |               |              |
| Basic & Diluted earning per share (₹)                                  | (22.35)       | (8.21)       |



**Note 25. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements, Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Financial Statements:

**Defined Employer Benefit plans**

The cost and the present value of the defined benefit gratuity plan and other post-employment benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Fair value measurement of financial instruments and guarantees**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Depreciation on Property, Plant and Equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**Provisions and contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

**Classification of leases**

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.





INDOCEAN DEVELOPERS PRIVATE LIMITED

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

Note 26. Commitment and Contingencies

|                     | As at<br>31.03.2019 | Amount in INR<br>As at<br>31.03.2018 |
|---------------------|---------------------|--------------------------------------|
| a. Guarantees given |                     |                                      |
| Against Loans taken | 6,575,000,000       | 4,900,000,000                        |
| Total               | 6,575,000,000       | 4,900,000,000                        |



**INDOCEAN DEVELOPERS PRIVATE LIMITED**
**Notes to Financial Statements for the year ended March 31, 2019**
**Note 27. Disclosure in respect of Related Parties pursuant to Ind AS 24**
**List of Related Parties**
**I. Parent and Subsidiary Companies:**

| Name of related parties             | Nature of relationship   | % of Holding |
|-------------------------------------|--------------------------|--------------|
| 1. South City Projects(Kolkata) Ltd | Ultimate holding company |              |
| 2. A A Infraproperties Private Ltd. | Holding company          | 100%         |

**II. Other related parties with whom transactions have taken place during the year:**
**a) Key Management Personnel**

| Name of related parties                  | Nature of relationship   |
|--|--------------------------|
| Shri Pradeep Kumar Sureka                | Non - Executive Director |
| Shri Harendran Chelvadurai               | Non - Executive Director |
| Shri Jaideep Halwasiya                   | Executive Director       |
| Shri Khemchand Pradeep Roshan Leo Moraes | Executive Director       |
| Shri Ram krishna Agrawal                 | Independent Director     |

**b) Transactions**

| Particulars       | Ultimate Holding Co- South City Projects (Kolkata) Ltd |            | Total Outstanding |            |
|-------------------|--|------------|-------------------|------------|
|                   | 31.03.2019   | 31.03.2018 | 31.03.2019        | 31.03.2018 |
| Advance given     | 127,240  | -          | 127,240           | -          |
| Advance Received  | -  | 14,799,168 | -                 | 14,799,168 |
| Advance repayment | 14,984,788   | -          | -                 | -          |
| Services Received | 56,395,034   | 33,411,800 | 56,395,034        | 33,411,800 |

| Particulars        | Holding Co- A A Infraproperties Pvt Ltd |            | Total Outstanding |             |
|--------------------|---|------------|-------------------|-------------|
|                    | 31.03.2019                              | 31.03.2018 | 31.03.2019        | 31.03.2018  |
| Issuance of shares | -                                       | -          | 289,568,995       | 289,568,995 |
| Loan Received      | 2,472,934,486                           | -          | -                 | -           |
| Loan Repayment     | 212,194,550                             | -          | 2,260,739,936     | -           |
| Advance Received   | 30,438,371                              | 13,055,510 | 1,698,508         | 13,055,510  |
| Advance Repayment  | 41,795,373                              | 1,232,804  | -                 | -           |
| Services Received  | 1,600,000                               | 1,600,000  | -                 | -           |
| Interest Payable   | 136,460,655                             | -          | -                 | -           |

A A Infraproperties Pvt. Ltd., South City Projects (Kolkata) Ltd. and the Director have jointly provided a Guarantee of Rs. 6575,000,000(Previous year Rs.5150,000,000) for the Company.

The company has provided counter guarantee to South City Projects (Kolkata) Ltd., A A Infraproperties Pvt. Ltd and Director ,guarantors of term loan Rs. 6575,000,000(Previous year Rs.4900,000,000). sanctioned by Banks which will be repaid on time and the company will reimburse the Ultimate parent company /Parent/Director on any loss/repayment incurred by them.



**INDOCEAN DEVELOPERS PRIVATE LIMITED****Notes to Financial Statements for the year ended March 31, 2019****Note 28. Financial Risk Management, Objectives and Policies**

The Company's principal financial liabilities, comprise of borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's working capital requirements. The Company has various financial assets such as trade receivables, loans, investments, short-term deposits and cash & cash equivalents, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's Board of Directors assures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**A. Credit Risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company.

**a) Credit Risk Management**

| Asset Group          | Description  |
|----------------------|--|
| Low Credit Risk      | Cash and cash equivalents, other bank balances, investments and other financial assets |
| Moderate Credit Risk | Loans  |

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

| Credit Rating        | Particulars   | 31.03.2019 | 31.03.2018 |
|----------------------|---|------------|------------|
| Low Credit Risk      | Cash and cash equivalents, other bank balances, investments, loans and other financial assets | 38,838,095 | 60,305,403 |
| Moderate Credit Risk | Loans   | 5,571,639  | 805,522    |

**B. Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

**Maturities of Financial Liabilities**

The table below analyse the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities

**March 31, 2019**

| Particulars                 | Less than 1 year | 1-5 years     | More than 5 years | Total         |
|-----------------------------|------------------|---------------|-------------------|---------------|
| Borrowings                  | 3,129,183,825    | 3,375,581,590 | -                 | 6,504,765,415 |
| Trade Payable               | 6,522,379        | -             | -                 | 6,522,379     |
| Other Financial Liabilities | 798,935,861      | 75,243,653    | -                 | 874,179,514   |

**March 31, 2018**

| Particulars                 | Less than 1 year | 1-5 years     | More than 5 years | Total         |
|-----------------------------|------------------|---------------|-------------------|---------------|
| Borrowings                  | 1,532,989,514    | 2,253,428,792 | -                 | 3,786,418,306 |
| Trade Payable               | 4,911,587        | -             | -                 | 4,911,587     |
| Other Financial Liabilities | 518,315,755      | 63,265,916    | -                 | 581,581,671   |





**INDOCEAN DEVELOPERS PRIVATE LIMITED****Notes to Financial Statements for the year ended March 31, 2018****C. Market Risk****a. Interest Rate Risk**

The Company has taken debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Company to interest rate risk.

*Interest Rate Risk Exposure*

| Particulars             | 31.03.2019    | 31.03.2018    |
|-------------------------|---------------|---------------|
| Variable Rate Borrowing | 4,244,025,478 | 3,786,418,306 |
| Fixed Rate Borrowing    | 2,260,739,937 | -             |

**Interest Rate Sensitivity**

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars                                 | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| <b>Interest Sensitivity*</b>                |                |                |
| Interest Rates increase by 100 basis points | (42,440,255)   | (37,864,183)   |
| Interest Rates decrease by 100 basis points | 42,440,255     | 37,864,183     |

\*Holding all other variables constant

**b. Price Risk**

The Company's exposure to price risk arises from investments held and classified as FVTPL or FVOCI. To manage the price risk arising from investments, the Company diversifies its portfolio of assets

*Sensitivity Analysis*

| Particulars                 | March 31, 2019 | March 31, 2018 |
|-----------------------------|----------------|----------------|
| <b>Price Sensitivity*</b>   |                |                |
| Price increase by 5%- FVOCI |                |                |
| Price decrease by 5%- FVOCI |                |                |
| Price increase by 5%- FVTPL |                |                |
| Price decrease by 5%- FVTPL |                |                |

\*Holding all other variables constant



**INDOCEAN DEVELOPERS PRIVATE LIMITED****Notes to Financial Statements for the year ended March 31, 2019****Note 29. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The Company's policy is to use short term and longterm borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents). Equity comprises share capital and free reserves (total reserves excluding OCI). The following table summarizes the capital of the Company:

|                                 | 31.03.2019           | 31.03.2018           |
|---------------------------------|----------------------|----------------------|
| Borrowings                      | 6,504,765,415        | 3,786,418,306        |
| Other financial Liabilities     | 874,179,514          | 581,581,671          |
| Trade Payables                  | 6,522,379            | 4,911,587            |
| Less: Cash and Cash Equivalents | 38,710,855           | 60,305,403           |
| Other financial Assets          | 5,698,879            | 805,522              |
| <b>Net Debt</b>                 | <b>7,341,057,574</b> | <b>4,311,800,639</b> |
| <br>Total capital               | <br>121,502,321      | <br>29,672,426       |
| <b>Capital and Net Debt</b>     | <b>7,219,555,253</b> | <b>4,341,473,065</b> |
| Gearing ratio                   | 102%                 | 99%                  |



## INDOCEAN DEVELOPERS PRIVATE LIMITED

### Notes to financial statements for the year ended March 31, 2019

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#### Note 30 - Standards issued but not effective

On 30<sup>th</sup> March 2019, Ministry of Corporate Affairs ("MCA") has notified the IND AS 116, Leases, Appendix C of Ind AS 12 "Uncertainty over Income Tax Treatment, Amendment to Ind AS 19 – Plan amendment, curtailment or settlement. The effective date for adoption of the same is financial periods beginning on or after 1<sup>st</sup> April 2019. The company is in the process of evaluating the effect on its adoption.

#### Note 31 -

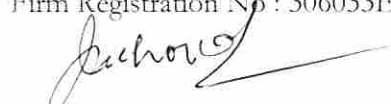
Figures for the Previous Year have been re-grouped and/or re-arranged wherever necessary.

As per our report on even date

For **S K AGRAWAL AND CO**

Chartered Accountants

Firm Registration No : 306033E



**J.K. Choudhury**

Partner

Membership No-9367

Place: Kolkata

Dated: **22 JUN 2019**



Director



Director



## Statement showing the calculation of FCTR

| Particulars                             | LKR              | LKR            | Rate    | INR             | INR            |
|---|------------------|----------------|---------|-----------------|----------------|
|   | Debit            | Credit         |         | Debit           | Credit         |
| Share Capital                           |                  | 698,531,700    | Actual  |                 | 289,569,000    |
| Share Issue Expenses                    |                  | -              | Actual  |                 | -              |
| Reserve & Surplus                       |                  | (627,730,692)  | Opening |                 | (282,885,112)  |
| Non Current Assets (Leasehold property) |                  |                |         |                 |                |
| Prepaid Lease Rental                    | 2,415,668,683    |                | Closing | 948,734,853     |                |
| Sales/ Adjustments (Only FETR Amount)   |                  |                |         |                 |                |
| Fixed Assets                            |                  |                |         |                 |                |
| Opening                                 | 189,305,609      |                | Closing | 74,348,287      |                |
| Addition                                | 28,085,668       |                | Closing | 11,030,425      |                |
| disposal                                |                  |                |         |                 |                |
| Accumulated Depreciation                |                  |                |         |                 |                |
| Opening                                 |                  | 115,284,542    | Closing |                 | 45,277,096     |
| Addition                                |                  | 30,522,895     | Closing |                 | 12,611,366     |
| Disposal                                |                  | -              |         |                 |                |
| Non-current liabilities                 |                  |                |         |                 |                |
| Long-term borrowings                    |                  | 8,594,905,844  | Closing |                 | 3,375,581,590  |
| Long Term liabilities                   |                  | 191,585,388    | Closing |                 | 75,743,653     |
| Deferred Tax Liabilities                |                  | 2,753,213      | Closing |                 | 1,081,303      |
| Long-term provisions                    |                  | 7,214,362      | Closing |                 | 2,833,384      |
| Other Non current Liabilities           |                  | -              | Closing |                 | -              |
| Current liabilities                     |                  |                |         |                 |                |
| Short-term Borrowings                   |                  | 7,967,527,855  | Closing |                 | 3,129,183,825  |
| Trade payables                          |                  | 16,607,282     | Closing |                 | 6,522,379      |
| Other current liabilities               |                  | 18,308,238,029 | Closing |                 | 7,190,416,318  |
| Income tax payable                      |                  | 1,975,364      |         |                 | 775,809        |
| Other current financial liabilities     |                  |                |         |                 |                |
| Interest accrued and due on borrowings  |                  | 347,456,120    | Closing |                 | 136,460,655    |
| Advances from Holding Company           |                  | 4,324,742      | Closing |                 | 1,698,508      |
| Advances from Director                  |                  | 81,387,450     | Closing |                 | 31,964,280     |
| Advances from Ultimate Holding Company  |                  | -              | Closing |                 | -              |
| Retention                               |                  | 202,218,325    | Closing |                 | 79,419,655     |
| Amount Payable to contractors           |                  | 670,079,928    | Closing |                 | 263,168,615    |
| Interest Payable                        |                  | -              | Closing |                 | -              |
| Others Payable                          |                  | 63,488,656     |         |                 | 24,934,670     |
| Bank overdraft                          |                  | 665,295,270    | Closing |                 | 261,289,478    |
|   |                  |                |         |                 |                |
| Short-term provisions                   |                  | -              | Closing |                 | -              |
| Current assets                          |                  |                |         |                 |                |
| Current Investment                      |                  |                | Closing |                 |                |
| Security Deposits                       | 14,186,507       |                | Closing | 5,571,639       |                |
| Inventories                             | 32,899,067,898   |                | Closing | 12,920,849,854  |                |
| Cash and cash equivalents               | 98,565,579       |                | Closing | 38,710,855      |                |
| Short-term loans and advances           | 1,317,880,295    |                | Closing | 517,587,110     |                |
| Other financial Assets                  | 323,979          |                | Closing | 127,240         |                |
| Income tax receivable                   | -                |                | Closing | -               |                |
| Revenue                                 |                  | 172,501        |         |                 | 71,187         |
| Other Operating Income                  |                  | 11,754,508     | Average |                 | 4,850,820      |
| Project Expenses                        | 11,297,151,954   |                | Average | 4,436,867,471   |                |
| Changes in Inventory                    | (11,297,151,954) |                | Average | (4,436,867,471) |                |
| Finance Costs                           | 233,644,438      |                | Average | 96,419,791      |                |
| Administrative Expenses                 | 25,386,093       |                | Average | 10,476,268      |                |
| Marketing & Promotional Expenses        | 100,918,961      |                | Average | 41,646,979      |                |
| Depreciation                            | 24,513,253       |                | Average | 10,116,067      |                |
| Tax Expenses/ (refund)                  | 6,046,317        | -              | Closing | 2,374,644       |                |
| TOTAL                                   | 37,353,593,280   | 37,353,593,282 |         | 14,677,994,012  | 14,650,068,479 |

Foreign Currency Translation Reserve

(2)

|                 |            |
|-----------------|------------|
|                 | 27,925,533 |
|                 | 9,680,171  |
|                 | 37,605,704 |
| (378,754,554)   |            |
| (1,006,485,246) |            |



Exchange rates from Cbsl.gov.lk

### Calculation of Average Rate

| Month                         | Opening Rate<br>(INR/LKR) | Closing Rate (INR/LKR) | Average Rate<br>(INR/LKR) |
|-------------------------------|---------------------------|------------------------|---------------------------|
| Apr-18                        | 2.3931                    | 2.3598                 | 2.3765                    |
| May-18                        | 2.3695                    | 2.3442                 | 2.3569                    |
| Jun-18                        | 2.3450                    | 2.2989                 | 2.3220                    |
| Jul-18                        | 2.3132                    | 2.3279                 | 2.3206                    |
| Aug-18                        | 2.3335                    | 2.2825                 | 2.3080                    |
| Sep-18                        | 2.2744                    | 2.3321                 | 2.3033                    |
| Oct-18                        | 2.3345                    | 2.4236                 | 2.3791                    |
| Nov-18                        | 2.3710                    | 2.5748                 | 2.4729                    |
| Dec-18                        | 2.5788                    | 2.6132                 | 2.5960                    |
| Jan-19                        | 2.6292                    | 2.5252                 | 2.5772                    |
| Feb-19                        | 2.5186                    | 2.5242                 | 2.5214                    |
| Mar-19                        | 2.5436                    | 2.5462                 | 2.5449                    |
| Weighted Average Rate 2018-19 |                           |                        | 2.4232                    |

