



S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP

(FORMERLY S K AGRAWAL AND CO)

CHARTERED ACCOUNTANTS

LLPIN – AAV-2926

FRN- 306033E/E300272

SUITE NOS : 606-608

THE CHAMBERS, OPP. GITANJALI STADIUM

1865, RAJDANGA MAIN ROAD, KASBA

KOLKATA - 700 107

PHONE : 033-4008 9902 / 9903 / 9904 / 9905

Website : www.skagrwal.co.in

EMAIL : Info@skagrwal.co.in

INDEPENDENT AUDITORS' REPORT

To the Members of South City Projects FZE

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **South City Projects FZE ("the Company")**, which comprise the balance sheet as at 31 March 2022, 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.

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, 2022, its loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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





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Other Information

The Company's Board of Directors is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed 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.

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 the 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.





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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

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the of such control.





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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.





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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those book.
- (c) 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.
- (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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.





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(f) 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.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company did not have any pending litigations on its financial position in its financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no such sum which needs to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The Management has represented that, to the best of its knowledge and belief, in the Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the "Ultimate Beneficiaries"
- b) The Management has represented, that, to the best of its knowledge and belief, in the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries





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- c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared and paid dividend during the year.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP.**

Chartered Accountants
Firm Registration No.306033E/E300272

Place: Kolkata
Date: 05th October, 2022
UDIN:22306453BETNSW2108



A. K. Saha
Ashok Kumar Sahoo
Partner
Membership No: 306453

South City Projects FZE
Balance Sheet as at 31st March 2022

	Notes	Rupees in Lacs	
		As at 31-Mar-2022	As at 31-Mar-2021
ASSETS			
Current assets			
Other current assets	5	2.33	2.25
		<u>2.33</u>	<u>2.25</u>
Total assets		<u><u>2.33</u></u>	<u><u>2.25</u></u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	6	18.08	18.08
Other Equity	7	(16.11)	(16.06)
Total Equity		<u>1.97</u>	<u>2.01</u>
Liabilities			
Current liabilities			
Financial liabilities			
(a) Trade Payables	8	0.36	0.24
		<u>0.36</u>	<u>0.24</u>
Total liabilities		<u>0.36</u>	<u>0.24</u>
Total equity and liabilities		<u><u>2.33</u></u>	<u><u>2.25</u></u>

Significant Accounting Policies

3

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

As per our report on even date

For S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP
(FORMERLY S K AGRAWAL AND CO)
Chartered Accountants
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For and on behalf of Board of Directors



A. K. Sahoo
ASHOK KUMAR SAHOO
Partner
Membership No- 306453
Place: Kolkata
Dated: 5th October, 2022



South City Projects FZE

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

	Notes	Amount in Rupees	
		2021-22	2020-21
Other income	9	-	-
Total income		-	-
Expenses			
Other expenses	10	0.12	0.12
Total expenses		0.12	0.12
Profit/(Loss) before tax		(0.12)	(0.12)
Tax expense			
Current Tax		-	-
Profit/(Loss) for the year (I)		(0.12)	(0.12)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Translation difference of Foreign Operations		0.07	(0.06)
Other comprehensive income/(loss) for the year, net of tax (II)		0.07	(0.06)
Total comprehensive income/(loss) for the year, net of tax (I + II)		(0.04)	(0.18)
Earnings per Equity Share in Rupees	10		
Basic & Diluted		(4,441)	(18,044)

Significant Accounting Policies

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

As per our report on even date

For S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP

(FORMERLY S K AGRAWAL AND CO)

Chartered Accountants

LLPIN :- AAV-2926

FRN-306033E/E300272

For and on behalf of Board of Directors

A. K. Saha

ASHOK KUMAR SAHOO

Partner

Membership No- 306453

Place: Kolkata

Dated: 5th October, 2022



[Handwritten Signature]

South City Projects FZE
Statement of Changes in Equity for the year ended 31 March 2022

a. Equity Share Capital:

	No. of shares	Rupees in Lacs
Equity share of 150,000 Dhiraams Issued, Subscribed and fully paid As at 1 April 2021	1	18.08
Issue of share capital At 31 March 2022	-	-
	1	18.08

b. Other Equity

For the year ended 31st March, 2022

Rupees in Lacs

Particulars	Reserves & Surplus	Items of OCI	Total Equity
	Retained Earnings	Exchange difference on translating the financial statements	
As at 1st April 2021	(16.22)	0.16	(16.06)
Profit/(Loss) for the year	(0.12)	-	(0.12)
Other comprehensive income for the year	-	0.07	0.07
Total Comprehensive Income for the year	(0.12)	0.07	(0.04)
As at 31st March 2022	(16.34)	0.23	(16.11)

For the year ended 31st March, 2021

Rupees in Lacs

Particulars	Reserves & Surplus	Items of OCI	Total Equity
	Retained Earnings	Exchange difference on translating the financial statements	
As at 1st April 2020	(16.11)	0.22	(15.88)
Profit/(Loss) for the year	(0.12)	-	(0.12)
Other comprehensive income for the year	-	(0.06)	(0.06)
Total Comprehensive Income for the year	(0.12)	(0.06)	(0.18)
As at 31st March 2021	(16.22)	0.16	(16.06)

As per our report on even date

For S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP
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A. K. Sahoo

ASHOK KUMAR SAHOO

Partner

Membership No- 306453

Place: Kolkata

Dated: 5th October, 2022

For and on behalf of Board of Directors

[Signature]



South City Projects FZE
Statement of Cash Flows for the year ended 31 March 2021

Particulars	Rupees in Lacs	
	31-03-2022	31-03-2021
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(loss) before tax	(0.12)	(0.12)
Adjustment to reconcile profit before tax to net cash flow		
Operating profit before working capital changes	(0.12)	(0.12)
Adjustments for-		
Increase/(decrease) in other current and non current assets	(0.08)	0.07
Increase/(decrease) in other financial liabilities	0.13	0.11
Cash generated in operations	(0.07)	0.06
Income Tax Paid (net of refund)		
Net Cash inflow from Operating Activities	(0.07)	0.06
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Net cash flow from Investing Activities		
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash flow from Financing Activities		
D. Less : Tranlation Difference of Foreign Operation	0.07	(0.06)
Net decrease in cash and cash equivalents (A+B+C+D)	-	-
Cash and Cash Equivalents at the beginning of the year	(0.70)	(0.70)
Cash and Cash Equivalents at the end of the year	(0.70)	(0.70)

In terms of our attached report of even date

For S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP
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For and on behalf of Board of Directors

A. K. Sahoo
ASHOK KUMAR SAHOO
Partner
Membership No- 306453
Place: Kolkata
Dated: 5th October, 2022



[Handwritten Signature]

South City Projects FZE
Statement of Cash Flows for the year ended 31 March 2022 (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	Rupees in Lacs	
	As at 31.03.2022	As at 31.03.2021
Cash and Cash Equivalants comprises of		
Cash in hand	-	-
Balances with banks:		
- On current accounts	-	-
- Deposits with original maturity of less than three months	-	-
Cash and Cash Equivalants in Cash Flow Statement	-	-

(c) Amendment to Ind AS 7

The amendments to Ind As - 7 Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes suggesting inclusion of a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities to meet the disclouser requirement. This amendment has become effective from 01.04.2017 and the required disclouser is made below. There is no other impact on the financial statements due to this amendment .

Particulars	As at 31.03.2021	Cash Flow	Non - Cash Changes		As at 31.03.2022
			Fair Value Changes	Current/ Non - Current Classification	
Borrowings - Non Current	-	-	-	-	-
Other Financial Liabilities					
Borrowings - Current					

As per our report of even date

For and on behalf of Board of Directors

For S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP

(FORMERLY S K AGRAWAL AND CO)

Chartered Accountants

LLPIN :- AAV-2926

FRN-306033E/E300272

Ashok Kumar Sahoo

ASHOK KUMAR SAHOO

Partner

Membership No- 306453

Place: Kolkata

Dated: 5th October,2022

[Signature]



SOUTH CITY PROJECTS FZE

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

1. Corporate Information

South City Projects FZE (a wholly owned subsidiary of M/s. South City Projects (Kolkata) Limited, the Company incorporated in India) incorporated at Hamriyah Free Zone, Sharjah (UAE) have been made out as per requirement of Indian Companies Act in due adherence to section 129 under the Companies Act, 2013 applicable in India.

2. Basis of Preparation of financial statements

a) Compliance with INDAS

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.

The financial statements were approved for issue in accordance with a resolution of the Board of directors on 3rd September 2021.

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.

3. Summary of Significant Accounting Policies

3.1. Operating Cycle

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. 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 twelve months for the purpose of current- noncurrent classification of assets and liabilities.

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’). The financial statements are presented in Indian Rupee (INR), which is the Company’s functional and presentation currency.

Transactions in foreign currencies are initially recorded in by the Company at spot rates at the functional currency spot rate (i.e. INR) 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.



SOUTH CITY PROJECTS FZE

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

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 whose fair value gain or loss is recognised in OCI or profit or loss are also 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.

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. Revenue and Other Income

Revenue is recognized when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of revenue transaction as set-out below:

Principles of Ind AS 18 in respect of sale of goods for recognising revenue, costs and profits from transactions of real estate which are in substance similar to delivery of goods when the revenue recognition process is completed; and

In case of real estate sales where agreement for sale is executed for under construction properties, revenue in respect of individual contracts is recognised when performance on the contract is considered to be completed.

All other incomes are recognised on accrual basis.

3.7. 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.

3.8. 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.



3.9. 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

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/ losses are not



SOUTH CITY PROJECTS FZE

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

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.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful debts.

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.

3.10. 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.



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Notes to financial statements for the year ended March 31, 2021

Note 4. Trade Receivables

(Unsecured)

	Non-Current		Rupees in Lacs Current	
	As at	As at	As at	As at
	31-Mar-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021
Considered good	1,033.54	996.04	-	-
Less: Provision as per Expected Credit Loss	1,033.54	996.04	-	-
Total Trade Receivables	-	-	-	-

Trade receivables has a credit period of 21 days.

Note 5. Other Current Assets

	Non-Current		Current	
	As at	As at	As at	As at
	31-Mar-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021
Advances other than capital advances				
Other Advances	-	-	2.33	2.25
Total Other Current Assets	-	-	2.33	2.25



South City Projects FZE

Notes to financial statements for the year ended March 31, 2022

Note - 6. Equity Share Capital

	Rupees in Lacs	
	As at 31-Mar-2022	As at 31-Mar-2021
Authorised Capital	18.08	18.08
1 Equity Shares of Rs. 18,07,500/- (150000 Dhirms) each (P.Y. 1 Equity Shares of Rs. 18,07,500/- (150000 Dhirms) each)	-	-
Issued, Subscribed and Paid-up Capital	18.08	18.08
1 Equity Shares of Rs. 18,07,500(150000 Dhirms) each fully paid up in cash (P.Y. 1 Equity Shares of Rs. 18,07,500(150000 Dhirms) each fully paid up in cash)	-	-
Total Equity Share Capital	18.08	18.08

a) The Reconciliation of share capital is given below:

	As at31-Mar-2022		As at31-Mar-2021	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
At the beginning of the year	1	18.08	1	18.08
At the end of the year	1	18.08	1	18.08

b) Terms/Rights attached to class of shares

The Company has only one class of Equity Shares having a par value of 150,000 Dhirms. Holder of each Equity Share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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 at31-Mar-2022		As at31-Mar-2020	
	No. of Shares	% holding	No. of Shares	% holding
South City Projects (Kolkata) Ltd.	1	100%	1	100%

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.



South City Projects FZE

Notes to financial statements for the year ended March 31, 2022

Note - 7. Other Equity

	Rupees in Lacs	
	As at 31-Mar-2022	As at 31-Mar-2021
Reserves & Surplus		
Retained Earnings	(16.11)	(16.06)
Total Other Equity	(16.11)	(16.06)

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

Note 8. Trade Payables

	As at	As at
	31-Mar-2022	31-Mar-2021
Trade Payables		
- Total outstanding dues of Micro & Small Enterprises (See Note below)	0.36	0.24
Total Trade Payables	0.36	0.24



South City Projects FZE

Notes to financial statements for the year ended March 31, 2022

Note 9. Other Income

	Rupees in Lacs	
	2021-22	2020-21
Others	-	-
Total	-	-

Note 10. Other Expenses

	2021-22	2020-21
Auditor's Remuneration	0.12	0.12
Total	0.12	0.12

Note 11. Earnings Per Share (EPS)

Basic EPS amount is 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 amount is 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:

	2021-22	2020-21
Net Profit for calculation of Basic and Diluted Earnings Per Share (Amount in Rs.)	(0.04)	(0.18)
Weighted average number of shares (Nos.)	1.00	1.00
Earning per equity share		
Basic & Diluted earning per share (Rs.)	(4,441)	(18,044)



Note 12. 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:

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.

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.



South City Projects FZE

Notes to financial statements for the year ended March 31, 2022

Note 13. 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) Limited	Holding	100%

II. Other related parties with whom transactions have taken place during the year: NIL



Note 14. Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprise 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 enters into derivative transactions by way of forward exchange contracts to hedge its payables.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the Business Process and Risk Management Committee (BPRMC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The BPRMC provides assurance to the Company's Board of Directors 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. All derivative activities for risk management purposes are carried out by personnel that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk, liquidity risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and financial derivative. The sensitivity analyses in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant at 31 March 2022.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations.

The following assumptions have been made in calculating the sensitivity analyses:

- ▶ The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021
- ▶ The sensitivity of equity is calculated as at 31 March 2022 for the effects of the assumed changes of the underlying risk

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates of any currency. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities by way of direct imports or financing of imports through foreign currency instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and buyers' credit facilities. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 1 year	1-5 years	More than 5 years	Rupees in Lacs Total
31-03-2022				
Particulars				
Trade Payable	0.36			0.36
31-03-2021				
Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Trade Payable	0.24			0.24

For S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP


(FORMERLY S K AGRAWAL AND CO)

Chartered Accountants

LLPIN :- AAV-2926

FRN-306033E/E300272

For and on behalf of Board of Directors




ASHOK KUMAR SAHOO

Partner

Membership No- 306453

Place: Kolkata

Dated: 5th October, 2022

