

Agrawal Tondon & Co.

(Formerly : Agrawal Sanjay & Company)

CHARTERED ACCOUNTANTS

Firm Registration No. : 329088E

Room No. : 7, 1st Floor, 59 Bentinck Street

Kolkata - 700 069

Website - www.agrawalsanjay.com

E-mail Id : agrawaltondon2019@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of South City Projects (Kolkata) Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS financial statements of South City Projects (Kolkata) Limited ("the Company"), which comprise the standalone balance sheet as at 31st 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 standalone 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 Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, 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 Standalone 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 Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

Our opinion on the Standalone 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 Standalone 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 Standalone Ind AS 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 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 Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS 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 Standalone 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 Standalone Ind AS 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 operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Standalone 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 Standalone Ind AS financial statements, including the disclosures, and whether the Standalone ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS 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 Standalone Ind AS 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.

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, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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



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- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (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, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.
- (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 has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note No. 32
 - The Company did 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.

For Agrawal Tondon & Co.
Chartered Accountants
(Firm Registration No.329088E)

Radhakrishnan Tondon
Partner
Membership No. 060534

Place: Kolkata
Dated: 28th June 2019



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **South City Projects (Kolkata) Limited** ("the Company") as of March 31, 2019 to the extent of records available with us in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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



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- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind As financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind As financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company.

For Agrawal Tondon & Co.
Chartered Accountants
(Firm Registration No.329088E)

Radhakrishnan Tondon
Partner
Membership No. 060534

Place: Kolkata
Dated: 28th June 2019



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties, are held in the name of the Company as at the balance sheet date.
- ii. According to the information and explanations given to us, the inventory has been physically verified during the year by the management at regular intervals. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification.
- iii. The Company has granted unsecured loans to companies covered in the Register maintained under section 189 of the Companies Act, 2013 ('the Act'). In respect of such loans:
 - a) In our opinion, the rate of interest and other terms and conditions on which loans has been granted to the company listed in the register maintained under section 189 of the Act is not, prima facie, prejudicial to the interest of the company;
 - b) In case of the loans granted to the company listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated; and
 - c) There are no overdue amounts in respect of the loan granted to the company;
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments, and providing guarantees and securities as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of Cost Records under section 148(1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, IncomeTax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.



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- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) According to the records of the company, the dues outstanding of service tax on account of any dispute, are as follows:-

Name of the Statute	Nature of Dues	Amount under dispute not yet deposited (Rs. in lakhs)	Financial year to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	132.54	2006-07 to 2010-11	Appellate Tribunal, Kolkata
Finance Act, 1994	Service tax	11.55	2010-11	Appellate Tribunal, Kolkata
Finance Act, 1994	Service tax	827.06	2007-08 to 2011-12	Appellate Tribunal, Kolkata
Finance Act, 1994	Service tax	18.90	2007-08 to 2011-12	Commissioner, Service Tax (Appeal), Kolkata

- viii. In our opinion and according to the information and explanations given to us by the management, the Company has not defaulted in the repayment of dues to banks and debenture holders during the year.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied for the purpose for which the loans were obtained.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, the Company has paid or provided for managerial remunerations in accordance with the provisions of section 197 read with Schedule V to the Act;
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.



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- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its Directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Agrawal Tondon & Co.

Chartered Accountants

(Firm Registration No.329088E)

Radhakrishnan Tondon

Partner

Membership No. 060534

Place: Kolkata

Dated: 28th June 2019



	Notes	As at 31.03.2019	₹ in Lakhs As at 31.03.2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4.1	21,088.84	15,748.25
Capital Work-in-Progress	4.2	4.94	3,256.43
Intangible Assets	4.3	1.68	4.97
Financial Assets			
(a) Investments	5.1	44,048.30	42,089.24
(b) Trade Receivables	5.2	273.49	211.09
(c) Other Bank Balances	9.2	267.00	-
(d) Loans	5.3	35,181.34	11,883.65
(e) Other Financial Assets	5.4	1,223.64	1,699.74
Other Non-Current Assets	7	7,275.90	4,622.09
Total (A)		109,365.13	79,515.46
Current Assets			
Inventories	8	19,339.76	17,234.07
Financial Assets			
(a) Trade Receivables	5.2	1,108.55	1,100.01
(b) Cash and Cash Equivalents	9.1	599.91	70.80
(c) Bank Balances other than (b) above	9.2	1,373.23	0.55
(d) Loans	5.3	2,491.73	1,400.29
(e) Other Financial Assets	5.4	2,669.38	178.31
Current Tax Assets (Net)	6.1	67.78	996.21
Other Current Assets	7	2,420.22	1,599.21
Total (B)		30,070.56	22,579.45
Total Assets (A+B)		139,435.69	102,094.91
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	450.07	450.07
Other Equity	11	44,335.29	38,301.55
Total (A)		44,785.36	38,751.62
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(a) Borrowings	12.1	47,619.62	4,286.84
Provisions	13	243.14	241.11
Other Non Current Liabilities	15	5,936.28	2,523.37
Deferred Tax Liabilities (Net)	6.2	1,274.73	1,401.27
Total (B)		55,073.77	8,452.59
Current Liabilities			
Financial Liabilities			
(a) Borrowings	12.1	28,013.27	30,700.01
(b) Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises	14	16.01	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	14	3,858.65	4,393.01
(c) Other Financial Liabilities	12.2	4,130.47	15,175.47
Other Current Liabilities	15	3,481.75	4,551.98
Provisions	13	76.41	70.23
Total (C)		39,576.56	54,890.70
Total Equity and Liabilities (A+B+C)		139,435.69	102,094.91
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements.	2-3		
As per our report of even date			

For **AGRAWAL TONDON & CO.**
Chartered Accountants
Firm Registration No : 329088E

Radhakrishnan Tondon

Radhakrishnan Tondon
Partner
Membership No- 060534
Place: Kolkata
Dated: 28th June, 2019



South City Projects (Kolkata) Ltd

Director

Director

For and on behalf of Board of Directors

South City Projects (Kolkata) Ltd

Director

Director

For South City Projects (Kolkata) Ltd.

Company Secretary

SOUTH CITY PROJECTS (KOLKATA) LIMITED

CIN NO. - U21019WB1995PLC071252

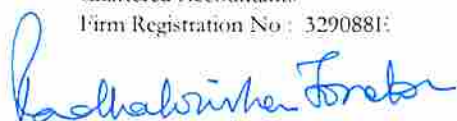
Statement of Profit & Loss for the year ended 31st March, 2019

		₹ in Lakhs	
	Notes	2018-19	2017-18
INCOME			
Revenue from Operations	18	15,011.14	8,692.12
Other Income	19	6,298.75	5,942.67
Total Income		21,309.89	14,634.79
EXPENSES			
Construction Cost	20	3,240.17	1,938.25
(Increase)/Decrease in Inventories of Finished Goods, Work-in-Progress	21	(2,381.16)	397.39
Employee Benefits Expenses	22	692.18	718.91
Finance Costs	23	6,498.62	3,655.62
Depreciation and Amortisation Expenses	24	1,325.27	982.85
Other Expenses	25	4,107.20	4,809.30
Total Expenses		13,482.28	12,502.32
Profit Before Tax		7,827.61	2,132.47
Tax Expense			
Current Tax		1,850.00	613.81
Deferred Tax	6.2	(121.75)	198.51
Income Tax of Earlier Years		56.71	53.88
		1,784.96	866.20
Profit for the Year (I)		6,042.65	1,266.27
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations		(13.70)	(6.58)
Income tax effect thereof		4.79	2.28
Other comprehensive income/(loss) for the year, net of tax (II)		(8.91)	(4.30)
Total comprehensive income for the year, net of tax (I + II)		6,033.74	1,261.97
Earnings per Equity Share of ₹10 each	27		
Basic & Diluted		134.26	28.14
Significant accounting policies			
The accompanying notes are an integral part of the financial statements.			
As per our report on even date			

For AGRAWAL TONDON & CO.

Chartered Accountants

Firm Registration No : 3290881



Radhakrishnan Tondon

Partner

Membership No- 060534

Place: Kolkata

Dated: 28th June, 2019



For and on behalf of Board of Directors

South City Projects (Kolkata) Ltd



Director

South City Projects (Kolkata) Ltd



Director

For South City Projects (Kolkata) Ltd.



Company Secretary

SOUTH CITY PROJECTS (KOLKATA) LIMITED
Statement of Changes in Equity for the year ended 31st March, 2019

a. Equity Share Capital:

Equity shares of Rs 10 each issued, subscribed and fully paid

As at 1st April 2018

Issue of share capital

At 31st March 2019

No. of shares	₹ in Lakhs
4,500,700	450.07
4,500,700	450.07

b. Other equity

For the year ended 31st March, 2019

₹ in Lakhs

Particulars	Reserves & Surplus			Items of OCI	Total Equity
	Securities Premium Account	Retained Earnings	General Reserve	Remeasurment of defined benefit obligation	
As at 1 April 2018	660.00	17,649.99	20,000.00	(8.44)	38,301.55
Profit for the year	-	6,042.65	-	-	6,042.65
Other comprehensive income for the year	-	-	-	(8.91)	(8.91)
Total Comprehensive Income for the year	-	6,042.65	-	(8.91)	6,033.74
As at 31st March 2019	660.00	23,692.64	20,000.00	(17.35)	44,335.29

For the year ended 31st March, 2018

₹ in Lakhs

Particulars	Reserves & Surplus			Items of OCI	Total Equity
	Securities Premium Account	Retained Earnings	General Reserve	Remeasurment of defined benefit obligation	
As at 1 April 2017	660.00	19,358.74	20,000.00	(4.14)	40,014.60
Profit for the year	-	1,266.27	-	-	1,266.27
Other comprehensive income for the year	-	-	-	(4.30)	(4.30)
Total Comprehensive Income for the year	-	1,266.27	-	(4.30)	1,261.97
Dividends (Note 16)	-	(2,475.39)	-	-	(2,475.39)
Dividend distribution tax on dividend (Note 16)	-	(499.63)	-	-	(499.63)
As at 31 March 2018	660.00	17,649.99	20,000.00	(8.44)	38,301.55

As per our report on even date

For AGRAWAL TONDON & CO.

Chartered Accountants

Firm Registration No : 329088E

For and on behalf of Board of Directors

South City Projects (Kolkata) Ltd

South City Projects (Kolkata) Ltd

Radhakrishnan Tondon

Director

Director

Radhakrishnan Tondon

Partner

Membership No- 060534

Place: Kolkata

Dated: 28th June, 2019



Director

Director

For South City Projects (Kolkata) Ltd.

Company Secretary

SOUTH CITY PROJECTS (KOLKATA) LIMITED
Statement of Cash Flows for the year ended 31st March, 2019

Particulars	₹ in Lakhs	
	As at 31.03.2019	As at 31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	7,827.61	2,132.47
Adjustment to reconcile profit before tax to net cash flow		
Depreciation & Amortisation expense	1,325.27	982.85
Finance costs	6,499.00	3,656.03
Share Dematerialisation & STT Expenses	0.13	0.22
Sundry Balances Written Off	16.32	115.11
Dividend Received from non current investments	(9.91)	(22.68)
Profit on sale of non current investments	(14.76)	(17.32)
Profit/(Loss) on sale of Property, Plant & Equipment	0.90	859.63
Sundry Balances Written Back	(29.87)	(0.49)
Fair value (gain)/loss on financial assets	(1,946.69)	(2,589.77)
Interest Income	(3,487.59)	(1,035.59)
Operating profit before working capital changes	10,180.41	4,080.46
Adjustments for-		
Decrease/(Increase) in Working Capital		
Inventories	(2,105.69)	55.42
Trade Receivables	(70.94)	1,911.71
Trade Payables	(504.80)	(1,325.89)
Loans, Deposits and Other Financial Assets	(24,704.39)	(5,196.00)
Other Current and Non Current assets	(3,474.82)	(1,594.90)
Other Financial Liabilities	(11,340.94)	10,049.91
Provisions	(5.50)	153.88
Other Current and Non Current Liabilities	2,342.69	1,273.25
Cash generated in operations	(29,683.98)	9,407.84
Income Tax Paid (net of refund)	56.71	631.00
Net Cash inflow from Operating Activities	(29,740.69)	8,776.84
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Dividend Received	9.91	22.68
Interest Received	866.32	1,035.59
Sale of Property, Plant & Equipment	10.26	5.12
Sale of Non current Investments	2.39	2,917.38
	888.88	3,980.77
Less :		
Purchase of Property, Plant & Equipment	3,422.24	7,153.05
Purchase of Non current Investments	-	-
Share Dematerialisation & STT Expenses	0.13	0.22
Net cash flow from Investing Activities	(2,533.49)	(3,172.50)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Loan Taken/(Repaid)	40,646.03	468.81
Dividend paid (including net dividend distribution tax)	-	(2,975.01)
Interest paid	(6,203.06)	(3,656.03)
Net cash flow from Financing Activities	34,442.97	(6,162.23)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	2,168.79	(557.88)
Cash and Cash Equivalents at the beginning of the year (Refer note-9.1)	71.35	629.24
Cash and Cash Equivalents at the end of the year (Refer note-9.1 & 9.2)	2,240.14	71.35



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[Signature]

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[Signature]

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SOUTH CITY PROJECTS (KOLKATA) LIMITED
Statement of Cash Flows for the year ended 31st 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.

	₹ in Lakhs	
	As at 31.03.2019	As at 31.03.2018
(b)		
Particulars		
Cash and Cash Equivalants comprises of		
Cash in hand	7.73	5.07
Balances with banks:		
- On current accounts	591.89	65.46
- Deposits with original maturity of less than three months	0.29	0.27
Cash and Cash Equivalants in Cash Flow Statement	599.91	70.80

(c) Amendment to Ind AS 7

The amendments to Ind AS - 7 Cash Flow Statements requires the entities to provide disclosure 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 disclosure requirement. This amendment has become effective from 01.04.2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

	Non - Cash Changes				₹ in Lakhs
Particulars	As at 31.03.2018	Cash Flow	Fair Value Changes	Current/ Non - Current Classification	As at 31.03.2019
Borrowings - Non Current	4,269.56	43,338.29	-	-	47,607.85
Other Financial Liabilities	13,927.87	(11,778.94)	-	-	2,148.93
Borrowings - Current	23,134.43	(1,121.16)	-	-	22,013.27

As per our report of even date

For and on behalf of Board of Directors

For AGRAWAL TONDON & CO.

Chartered Accountants

Firm Registration No.: 329088E

Radhakrishnan Tondon

Radhakrishnan Tondon

Partner

Membership No- 060534

Place: Kolkata

Dated: 28th June, 2019



South City Projects (Kolkata) Ltd

(Signature)

Director

South City Projects (Kolkata) Ltd

(Signature)

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2019

1. Corporate Information

South City Projects (Kolkata) Limited (referred to as "the Company") is a public limited company established in 1995 under the Companies Act applicable in India. The Company is engaged in the business of real estate development and also provides rental services, maintenance services which are related to the overall development of real estate business. The Company is domiciled in India and has its registered office at 375, Prince Anwar Shah Road, Jadavpur, Kolkata – 700068.

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

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

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'). 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.



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Notes to Financial Statements as at and for the year ended 31st March, 2019

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.

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.



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Notes to Financial Statements as at and for the year ended 31st March, 2019

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, 2013 depreciation is provided on pro rata basis on written down value 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
Building	60
Leasehold Land	73
Plant & Equipment	15
Electrical Installation & Equipment	10
Furniture & Fittings	10
Vehicles	8
Office Equipment	3-5
Fire Protection System	5



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Notes to Financial Statements as at and for the year ended 31st March, 2019

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

Management has assessed applicability of Ind AS 40 - Investment Property to the property held to earn income from rentals. In assessing such applicability, management has considered the ownership of assets, terms of license agreement, various services provided to the licensee etc. The Company considers these other services as significant in addition to the charged. Based on such assessment, the management has considered the mall property as owner occupied property and hence classified as Property, Plant & Equipment,

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 unit's (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.

3.11. 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,



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Notes to Financial Statements as at and for the year ended 31st March, 2019

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.

3.12. 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.

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 Maintenance Services

Revenue is recognised on satisfaction of performance obligation at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring services to a customer.

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.

Disaggregation of Revenue

Note 18 presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by performance obligation. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors:



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SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2019

3.13. Employee Benefits

I. Defined Contribution Plan

Provident Fund

Contributions in respect of all Employees are made to the Regional Provident Fund as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to the Statement of Profit and Loss as and when services are rendered by employees. The Company has no obligation other than the contribution payable to the Regional Provident fund.

II. Defined Benefit Plan

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates

of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Current Service cost and Interest component on the Company's defined benefit plan is included in employee benefits expense. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

III. Long Term Compensated Absences

The Company treats accumulated leave to the extent such leave are carried forward as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Current Service cost and Interest component arising out of such valuation is included in employee benefits expense. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

3.14. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.



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Notes to Financial Statements as at and for the year ended 31st March, 2019

Finance leases are capitalised at the commencement of the lease at the inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly

Attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 3.17). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments (net of any incentives received from the lessor) are charged to Statement of Profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.15. Taxes on Income

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is provided using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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. Unrecognised deferred tax assets are re-assessed 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.



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Notes to Financial Statements as at and for the year ended 31st March, 2019

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

3.16. 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.

3.17. 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.

3.18. 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.



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Notes to Financial Statements as at and for the year ended 31st March, 2019

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.

3.19. 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

All equity investments in scope of Ind-AS 109 are measured at fair value other than equity investments measured at deemed cost. 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.

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.



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Notes to Financial Statements as at and for the year ended 31st March, 2019

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.



South City Projects (Kolkata) Ltd

Director

South City Projects (Kolkata) Ltd

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes to Financial Statements as at and for the year ended 31st 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 is recorded as Contract Asset and is classified as a financial asset for the cases as right to consideration is



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SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes to Financial Statements as at and for the year ended 31st 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.

The Balances for the same during 01.04.2018 and 31.03.2019 are in **Note No: 5.2 and 15**

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.

3.20. Operating Segments

The Business process and Risk Management Committee of the Company, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Company. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Company has identified that Chief Operating Decision Maker function is being performed by the Business process and Risk Management



South City Projects (Kolkata) Ltd

Director

South City Projects (Kolkata) Ltd

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SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2019

Committee. The financial information presented to the Business process and Risk Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis. The Company's business activity falls within three reportable business segment viz. 'Real estate projects development', 'rental activities' and 'others - unallocated'. The sales being operated wholly in the domestic market, the financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

3.21. Rounding off

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



South City Projects (Kolkata) Ltd

Director

South City Projects (Kolkata) Ltd

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 4.1 - Property, Plant and Equipment (Current Year)

₹ in Lacs

Particulars	Gross Block at Cost			Depreciation / Amortisation		Net Block	
	As at 01-04-2018	Additions*	Disposals / Adjustments	As at 01-04-2018	For the year	As at 31-03-2019	As at 31-03-2018
Leasehold Land	981.09	-	-	29.80	14.90	936.39	951.29
Buildings							
Operating Lease	13,753.77	5,226.29	-	1,013.48	698.39	17,268.20	12,740.29
Others	13.20	-	-	1.49	0.52	11.19	11.71
Plant & Equipments	1,932.63	396.99	-	687.72	294.27	1,347.63	1,244.91
Fire Protection System	96.43	78.65	-	8.38	38.94	127.77	88.05
Electrical Installation & Equipments	624.53	314.46	-	244.04	103.03	591.92	380.49
Furniture and Fixtures	146.08	527.41	-	51.42	59.37	562.70	94.66
Vehicles							
Finance Lease	31.85	-	-	7.78	7.52	16.55	24.07
Others	36.26	-	10.26	11.83	6.73	13.77	24.43
Office Equipment	222.02	120.93	-	33.67	96.57	212.72	188.35
TOTAL	17,837.86	6,664.73	10.26	2,089.61	1,320.24	21,088.84	15,748.25

* Additions includes Rs.6421.90 lacs (towards South City Mall Extension) of which Rs.448.37 lacs is interest, transferred from Capital Work in Progress.

Note 4.2 - Capital Work in Progress (Current Year)

Particulars	Gross Block at Cost		
	As at 01-04-2018	Additions	Capitalisation **
South City Mall Extension	3,256.44	3,170.40	6,421.90
TOTAL	3,256.44	3,170.40	6,421.90

** Capitalization includes pre operating expenses of Rs. 37.75 lacs

Note 4.3 - Intangible Assets (Current Year)

Particulars	Gross Block at Cost			Depreciation / Amortisation		Net Block	
	As at 01-04-2018	Additions	Disposals / Adjustments	As at 01-04-2018	For the year	As at 31-03-2019	As at 31-03-2018
Computer Software	15.99	1.74	-	11.02	5.03	1.68	4.97
TOTAL	15.99	1.74	-	11.02	5.03	1.68	4.97



South City Projects (Kolkata) Ltd

South City Projects (Kolkata) Ltd

Director

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

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

Note 4.1 - Property, Plant and Equipment (Previous Year)

₹ in Lakhs

Particulars	Gross Block at Cost			Depreciation / Amortisation			Net Block			
	As at 01-04-2017	Additions*	Disposals / Adjustments	As at 31-03-2018	As at 01-04-2017	Depn For the Year	Disposals / Adjustments	Upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Leasehold Land	981.09	-	-	981.09	14.90	14.90	-	29.80	951.29	966.19
Buildings										
Operating Lease	11,229.19	3,353.25	828.67	13,753.77	513.85	499.63	-	1,013.48	12,740.29	10,715.34
Others	13.20	-	-	13.20	0.89	0.60	-	1.49	11.71	12.31
Plant & Equipments	1,618.24	316.10	1.71	1,932.63	382.31	305.41	-	687.72	1,244.91	1,235.93
Fire Protection System	28.52	75.37	7.46	96.43	-	8.38	-	8.38	88.05	28.52
Electrical Installation & Equipments	339.87	284.66	-	624.53	152.06	91.98	-	244.04	380.49	187.81
Furniture and Fixtures	88.36	71.48	13.76	146.08	32.59	18.83	-	51.42	94.66	55.77
Vehicles										-
Finance Lease	13.18	19.32	0.65	31.85	4.15	3.75	0.12	7.78	24.07	9.03
Others	27.73	11.84	3.31	36.26	5.68	7.14	0.99	11.83	24.43	22.05
Office Equipment	28.66	203.65	10.29	222.02	6.78	26.89	-	33.67	188.35	21.88
TOTAL	14,368.04	4,335.67	865.85	17,837.86	1,113.21	977.51	1.11	2,089.61	15,748.25	13,254.83

* Additions includes Rs.4183.10 lacs (towards South City Mall Extension) of which Rs.85.17 lacs is interest, transferred from Capital Work in Progress.

Note 4.2 - Capital Work in Progress (Previous Year)

Particulars	Gross Block at Cost		
	As at 01-04-2017	Additions	As at 31-03-2018*
South City Mall Extension	439.05	7,000.48	4,183.10
TOTAL	439.05	7,000.48	3,256.43

* Includes Rs. 126.57 lacs towards interest.

** Capitalization includes pre operating expenses of Rs. 54.03 lacs

Note 4.3 - Intangible Assets (Previous Year)

Particulars	Gross Block at Cost			Depreciation / Amortisation			Net Block		
	As at 01-04-2017	Additions	Disposals / Adjustments	As at 31-03-2018	As at 01-04-2017	Depn For the Year	Upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Computer Software	15.99	-	-	15.99	5.68	5.34	11.02	4.97	10.31
TOTAL	15.99	-	-	15.99	5.68	5.34	11.02	4.97	10.31



South City Projects (Kolkata) Ltd

Director

South City Projects (Kolkata) Ltd

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 5.1- Financial Assets - Investments

		Number of shares		₹ in Lakhs	
	Nominal Value per unit	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Investments (Fully Paid)					
At Deemed Cost:					
<i>Investment in Preference Shares - Unquoted</i>					
<i>In Subsidiary Companies -</i>					
AA Infra Properties Pvt. Ltd.	10	1,750,000	1,750,000	1,392.05	1,392.05
				1,392.05	1,392.05
At Deemed Cost (Refer Note 37)					
<i>Equited shares-Unquoted</i>					
<i>In Subsidiary Companies</i>					
South City Retreat Property Management Pvt Ltd	10	1,000	1,000	0.10	0.10
South City Property Management Private Ltd.	10	10,200	10,200	1.02	1.02
South City Matrix Infrastructure Ltd.	10	199,300	199,300	29.39	29.39
AA Infra Properties Pvt. Ltd.	10	358,750	358,750	35.88	35.88
South City International School	10	15,300	15,300	1.53	1.53
South City Developers Pvt Ltd	10	10,000	9,800	1.00	0.98
South City Projects PZIE	150,000	1	1	-	-
Equity Component of Preference Shares in AA Infraproperties Pvt Ltd (Refer Note 39)				1,232.95	1,232.95
Bengal Anmol South City Infrastructure Ltd. **	10	139,300	123,900	26.71	12.39
			Total	1,328.58	1,314.24
In Others					
Bengal Electric Works Ltd. #	30	1,500	1,500	-	-
Bengal Lamp Ltd. #	10	17,833	17,833	-	-
Berlex India Ltd. #	10	1,999	1,999	-	-
			Total	-	-
At Fair Value through Profit & Loss:					
<i>Equity Shares - Quoted</i>					
<i>In Other Companies</i>					
Bombay Dyeing & Mfg. Company Ltd.	2	5	5	0.01	0.01
DLF Ltd.*	2	1	1	0.00	0.00
Godrej Industries Ltd.	1	1	1	0.01	0.01
Hindustan Construction Company Ltd.*	1	2	2	0.00	0.00
Housing Development & Infra Ltd.*	10	1	1	0.00	0.00
Rattan India Infrastructure Ltd.*	2	2	2	0.00	0.00
Indiabulls Real Estate Ltd.*	2	1	1	0.00	0.00
Omaxe Ltd.*	10	1	1	0.00	0.00
Parsvnath Developers Ltd.*	5	2	2	0.00	0.00
Purvankara Projects Ltd.*	5	1	1	0.00	0.00
Reliance Industries Ltd.	10	10,000	10,000	136.33	88.28
Sobha Developers Ltd.	10	1	1	0.01	0.01
Unitech Ltd.*	2	1	1	0.00	0.00
			Total	136.36	88.31

* Refer Note 38

The shares are pending transfer in Company's name.

** 15400 shares acquired during the year are pending transfer in Company's name.



South City Projects (Kolkata) Ltd

(Signature)

Director

South City Projects (Kolkata) Ltd

(Signature)

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 5.1 - Financial Assets - Investments (Contd.)

		Number of Units		₹ in Lakhs	
	Nominal Value per unit	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
At Fair Value through Profit & Loss:					
In Units of Mutual Fund - Quoted **					
Birla Sun Life FFP - Corporate Bond Series (G)	10	21,681,260	21,681,260	2,964.85	2,805.77
Reliance Corporate Bond Fund (G)	10	18,377,623	18,377,623	2,703.39	2,575.26
Birla Sunlife Medium Term Plan (G)	10	5,916,565	5,916,565	1,348.33	1,300.34
Franklin India Corp Bond Opportunities Fund (G)	10	8,255,392	8,255,392	1,616.32	1,489.52
Hdfc Corporate Debt Opportunities Fund - R - (G)	1	17,849,174	17,849,174	2,722.91	2,572.24
Hdfc Corporate Debt Opportunities Fund - D - (G)	10	4,438,251	4,438,251	706.51	662.81
ICICI Prudential Mutual Fund (G)	10	9,373,038	9,373,038	2,666.54	2,534.75
Franklin India Corp Bond Opportunities Fund (G)	10	14,301,548	14,301,548	2,800.10	2,580.43
ICICI Prudential Regular Savings Fund - Growth	10	16,416,649	16,416,649	3,261.74	3,049.39
BOI AXA Corporate Credit Spectrum Fund	10	8,157,405	8,157,405	1,079.79	1,088.85
HDFC Corporate Debt Opportunities Fund	10	5,921,496	5,921,496	903.33	853.35
Kotak Income Opportunities Fund (G)	10	29,661,666	29,661,666	6,034.07	5,672.79
J. & T Mutual Fund - Collection Account	10	9,696,097	9,696,097	2,044.87	1,930.20
Reliance Corporate Bond Fund - Direct Growth Account	10	10,483,436	10,483,436	1,609.72	1,518.00
Reliance Corporate Bond Fund - Growth Plan	10	7,637,319	7,637,319	1,123.46	1,070.22
UTI Mutual Fund Collection A/C	10	10,909,244	10,909,244	1,824.75	1,708.17
DSP Black Rock Mutual Fund Collection Account	10	8,046,501	8,046,501	2,258.32	2,307.17
DSP Black Rock Income Opportunities Fund (G)	10	12,087,855	12,087,855	3,392.57	3,458.48
				Total	41,061.57
					39,177.74

** Represents securities pledged with Banks and Others as security against Loans and Guarantees taken by the company and joint development companies.



South City Projects (Kolkata) Ltd

[Signature]

Director

South City Projects (Kolkata) Ltd

[Signature]

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 5.1 - Financial Assets - Investments (Contd.)

		Number of shares		₹ in Lakhs	
	Nominal Value per unit	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
At Fair Value through Profit & Loss:					
Investments through PMS Pool Account in Quoted Shares					
Asian Paints Ltd	1	516	437	7.70	4.90
Astral Poly Technik Ltd	1	562	787	6.51	7.05
Bajaj Finance Ltd	2	333	463	10.07	8.19
Bajaj Finserv Ltd	5	138	160	9.71	8.29
Britannia Industries Ltd	2	251	145	7.74	7.21
Cholamandalam Invest And Finance Company Ltd	10	520	553	7.53	8.02
Odisha Cement Limited (Previously Dalmia Bharat)	2	464	177	4.59	5.11
Dabur India Ltd	1	858	-	3.51	-
Divis Laboratories Ltd.	2	318	225	5.42	2.45
Eicher Motors Ltd	10	26	21	5.34	5.95
Havells India Ltd	1	1055	1258	8.13	6.14
Indusind Bank Ltd	10	488	462	8.70	8.30
Kotak Mahindra Bank Limited	5	528	512	7.05	5.37
M R F Ltd	10	10	9	5.81	6.51
Max Financial Services Ltd	2	-	642	-	2.91
Minda Industries Ltd	2	1139	141	3.72	1.52
Motherson Sumi Systems Ltd	1	1899	1940	2.83	6.05
P I Industries Ltd	1	722	722	7.45	6.41
Page Industries Ltd	10	32	31	7.97	7.03
Pidilite Industries Ltd	1	562	406	6.98	3.73
Shree Cements Ltd	10	16	16	2.98	2.59
Welspun India Ltd	1	-	5472	-	3.17
			Total	129.74	116.90
Total Non Current Investments				44,048.30	42,089.24
Aggregate amount of Quoted Investments				41,327.67	39,382.95
Aggregate amount of Unquoted Investments				2,720.63	2,706.29



South City Projects (Kolkata) Ltd

 Director

South City Projects (Kolkata) Ltd

 Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

 Notes on Financial Statements as at and for the year ended 31st March '2019

Note 5.2 - Trade Receivables

₹ in Lakhs

(Unsecured)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Considered good	273.49	211.09	1108.55	1100.01
	273.49	211.09	1,108.55	1,100.01

Note 5.3 - Loans

(Unsecured considered good unless otherwise stated)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Security deposits	143.25	162.14	-	-
Loans to related party (Refer Note 33) *				
Subsidiary Companies				
-Considered Good	35,038.09	11,721.51	-	-
-Considered Doubtful	679.69	679.11	-	-
Less: Provision for Doubtful Advances	<u>679.69</u>	<u>679.11</u>	-	-
Other Related Parties			1,341.73	100.00
Other Loans			1,150.00	1,300.29
Total Loans	35,181.34	11,883.65	2,491.73	1,400.29

Loans are non- derivative financial assets which generate a fixed or variable interest income for the company. The carrying value may be effected by changes in the credit risk of the counter parties.

* Loans & Advances to Related Parties pertain to:

Subsidiary Companies (Considered Good) :

Bengal Annul South City Infrastructure Ltd.	2,195.02	2,385.02	-	-
South City International School	413.07	693.07	-	-
AA Infraproperties Pvt. Ltd.	32,430.00	8,643.42	-	-

Subsidiary Companies (Considered Doubtful) :

South City Projects FZE	679.69	679.11	-	-
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Other Related Parties

Kherawat Properties Ltd			100.00	100.00
South City Annul Infra Park LLP			1,241.73	-



South City Projects (Kolkata) Ltd

Director

South City Projects (Kolkata) Ltd

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 5.4 - Other Financial Assets

₹ in Lakhs

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Interest Receivables	19.28	55.68	2,667.61	9.94
Receivable from related parties (Refer Note 29) *	1,204.36	1,204.06	1.77	168.37
Debt Service Reserve Account	-	440.00	-	-
Total Other Financial Assets	1,223.64	1,699.74	2,669.38	178.31

* Advances to Related Parties pertain to:

Joint Venture Companies (Considered Good) :

Kolkata Metropolitan South City Development Ltd.	1,204.36	1,204.06	-	-
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Subsidiary Companies (Considered Good) :

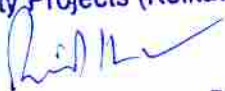
AA Infraproperties Pvt Ltd.	-	-	-	20.01
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South City Retreat Property Management Pvt Ltd	-	-	1.17	0.37
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Indocean Developers Pvt. Ltd.	-	-	-	147.99
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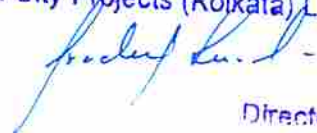
South City Developers Pvt Ltd	-	-	0.60	-
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South City Projects (Kolkata) Ltd



Director

South City Projects (Kolkata) Ltd



Director



SOUTH CITY PROJECTS (KOLKATA) LIMITED

 Notes on Financial Statements as at and for the year ended 31st March '2019

Note 6.1 - Current Tax Assets (Net)

	₹ in Lakhs	
	Balance Sheet	
	As at 31.03.2019	As at 31.03.2018
Total of Advance Income Tax	373.09	1,075.34
Less: Total of Provisions	305.31	79.13
Total	67.78	996.21

Note 6.2 - Deferred Tax Assets & Liabilities (Net)

Nature - (liability) / asset	As at 31.03.2019	As at 31.03.2018
Deferred Tax Liabilities		
Amortisation of Upfront fees on Loans	-	0.22
Fair valuation of Equity Shares	38.38	21.60
Fair valuation of Mutual funds	1,727.16	1,913.88
Total (A)	1,765.54	1,935.70
Deferred Tax Assets		
Arising out of temporary differences in depreciable assets	5.63	36.68
On expenses allowable against taxable income in future years		
- Provision for Gratuity	53.95	45.88
- Provision for Leave Encashment	50.65	59.59
- Municipal Tax	373.51	390.00
- Others through OCI	7.07	2.28
Total (B)	490.81	534.43
Net Deferred Tax (Liabilities)/Assets (B-A)	(1,274.73)	(1,401.27)

	₹ in Lakhs	
	As at 31.03.2019	As at 31.03.2018

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expenses reported in statement of Profit & Loss is as follows :

Accounting Profit Before Income Tax	7,827.61	2,132.47
Indian statutory Income Tax rate (%)	34.944%	34.608%
Expected Income Tax Expenses	2,735.28	738.01
Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses:		
Income exempt from income taxes	(683.71)	(904.12)
Additional allowances / deduction	443.47	641.27
Impact of differential tax rate	250.80	(437.67)
Impact due to different head of income	(915.99)	497.44
Permanent differences	20.16	78.88
Deferred Tax (see note above)	(121.75)	198.51
Total Income Tax Expenses	1,728.25	812.32
Effective Tax Rate	22.08%	38.09%


South City Projects (Kolkata) Ltd

Director

South City Projects (Kolkata) Ltd

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED
Notes on Financial Statements as at and for the year ended 31st March '2019

Note 7 - Other Assets

	₹ in Lakhs			
	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Capital Advances	-	279.90	-	-
Advances other than capital advances				
Advances for Projects, Expenses etc.	-	-	834.20	252.36
Joint Development Agreement	5,088.65	4,263.30	-	-
Balance with Government Authorities	-	-	1,300.85	227.79
Prepaid Expenses	2,187.25	-	229.06	1,010.69
Other Advances	-	78.89	56.11	108.37
Total Other Assets	7,275.90	4,622.09	2,420.22	1,599.21

Note 8 - Inventories

(Lower of cost or net realisable value)

	As at 31.03.2019		As at 31.03.2018	
Raw Materials & Consumables		330.80		606.27
Construction Work - in - progress				
Land	4,592.56		4,375.54	
Others	14,319.62	18,912.18	11,296.47	15,672.01
Finished Goods		96.78		955.79
Total inventories		19,339.76		17,234.07

Note 9.1 - Cash and Cash Equivalents

	Current	
	As at 31.03.2019	As at 31.03.2018
Balances with banks:		
- On current accounts	591.89	65.46
Cash on hand	7.73	5.07
Term Deposits with original maturity of less than three months	0.29	0.27
Total Cash and Cash Equivalents	599.91	70.80

Note 9.2 - Other Bank Balances

	Non-Current	Current
	As at 31.03.2019	As at 31.03.2018
Term Deposits with maturity of more than three months but less than twelve months	-	1,373.23
Term Deposits with maturity of more than twelve months	267.00	-
Total Other Bank Balances	267.00	1,373.23



South City Projects (Kolkata) Ltd

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Director

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Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED
Notes on Financial Statements as at and for the year ended 31st March '2019

Note - 10 - Equity Share Capital

	As at 31.03.2019	₹ in Lakhs As at 31.03.2018
Authorised Capital		
50,00,000 Equity Shares of Rs. 10 each (P.Y. 50,00,000 Equity Shares of Rs. 10 each)	500.00	500.00
Issued, Subscribed and Paid-up Capital		
45,00,700 Equity Shares of Rs. 10 each fully paid up in cash (P.Y. 45,00,700 Equity Shares of Rs. 10 each fully paid up in cash)	450.07	450.07
Total Equity Share Capital	450.07	450.07

a) The Reconciliation of Share Capital is given below:

	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	4,500,700	450.07	4,500,700	450.07
Issued during the Year	-	-	-	-
At the end of the year	4,500,700	450.07	4,500,700	450.07

b) Terms/Rights attached to class of shares

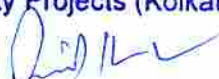
The Company has only one class of Equity Shares having a par value of Rs 10 each. Holder of each Equity Share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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 at 31.03.2019		As at 31.03.2018	
	No. of Shares	% holding	No. of Shares	% holding
Shrachi Developers Pvt Ltd	450,071	10.00%	450,071	10.00%
Park Chambers Ltd	425,105	9.45%	425,105	9.45%
Merlin Projects Ltd	390,955	8.69%	390,955	8.69%
Jugal Kishore Khetawat	386,334	8.58%	386,334	8.58%
Jugal Kishore Khetawat -Trustee of Khetawat Family Welfare	326,335	7.25%	326,335	7.25%
Vinayak Dealers (P) Ltd	292,000	6.49%	292,000	6.49%
Pan Emami Cosmed Ltd	254,225	5.65%	254,225	5.65%

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 (Kolkata) Ltd



Director

South City Projects (Kolkata) Ltd



Director



SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note - 11 - Other equity

	₹ in Lakhs	
	As at 31.03.2019	As at 31.03.2018
Reserves & Surplus		
Securities Premium Account	660.00	660.00
Retained earnings	23,692.64	17,649.99
General Reserve	20,000.00	20,000.00
Other Comprehensive Income		
- FVTOCI reserve (net of tax)	(17.35)	(8.44)
Total other equity	44,335.29	38,301.55

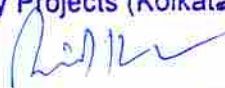
Securities Premium Account- Premium received on equity shares issued are recognised in the securities premium account.

General Reserve - Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than 10% of the paid capital of the Company for that year, the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

Retained Earnings - Retained earnings includes surplus in the Statement of Profit and Loss, Ind-AS related adjustments as on the date of transition, remeasurement gains/ losses on defined benefit obligations.

FVTOCI Reserve - Net gain/(loss) on remeasurement of defined benefit liability comprising of actuarial gain and losses.

South City Projects (Kolkata) Ltd



Director

South City Projects (Kolkata) Ltd



Director



SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 12.1 - Borrowings

₹ in Lakhs

	As at 31.03.2019	As at 31.03.2018
Non-Current Borrowings		
Secured		
Term Loans from Banks (A)	47,607.85	4,269.56
Finance Lease Obligations (C)	11.77	17.28
Total Non Current Borrowings	47,619.62	4,286.84

Borrowing included in Other Financial Liabilities

	As at 31.03.2019	As at 31.03.2018
Current Borrowing		
Secured		
Loan from Bank	15,600.00	14,700.00
Bank Overdraft	6,413.27	8,434.43
	22,013.27	23,134.43
Unsecured		
From Body Corporates	5,550.00	3,310.00
From Directors	450.00	100.00
Temporary Bank Overdraft	-	4,155.58
	6,000.00	7,565.58
Total Current Borrowings	28,013.27	30,700.01

Current maturities of long-term borrowings from Bank (B)	2,148.93	13,927.87
Current maturities of finance lease obligations (D)	5.51	5.07
Total Borrowing included in Other Financial Liabilities *	2,154.44	13,932.94

Aggregate of Term Loan from Bank (A + B)	49,756.78	18,197.43
Aggregate of Financial Lease Obligation (C + D)	17.28	22.35

* Refer Note 12.2

South City Projects (Kolkata) Ltd

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Director

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Director



SOUTH CITY PROJECTS (KOLKATA) LIMITED

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

Terms & Conditions

Bank from whom Loan is availed	Current Portion of Loan as on 31.03.2019	Current Portion of Loan as on 31.03.2018	Non Current Portion of Loan as on 31.03.2019	Non Current Portion of Loan as on 31.03.2018	Interest (p.a. basis)	Installment Amount	Security Provided to avail Loan
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs		₹ in Lacs	
(a) Term Loans From Banks							
Kotak Bank	564.69	712.94	3,726.78	4,269.56	6M KMCLR	72 equal monthly installment of 78.92 (inclusive of interest amount)	1) Ground Floor to 13th floor of South City "Pinnacle" situated at Plot No. XI-1, Block EP, Sector V, Salt Lake, Kolkata - 700 091. 1) First Pari-passu charge over entire Property assets including the Property land, buildings and any other moveable and immoveable assets of the Property with a minimum security cover of 1.50x 2) First Pari Passu charge over Property Collections generated from the Property which will be deposited in the Designated Bank Account. 3) Charge over bank accounts of the Borrower including Designated Bank Account, Current Account and ISRA Account.
Axis Bank	1,241.41	7,780.45	32,777.32	-	1Y MCLR + 0.35%	132 structured monthly installment	1) First pari passu charge by way of Equitable Mortgage over the property, to be shared only with the SBI/C/TL facilities already availed from Axis Bank Ltd. 2) First pari passu charge over the cash flows of the Mall. 3) Mutual Fund worth Rs. is pledged.
Axis Bank	-	5,434.48	-	-	3M MCLR plus 1.20%	-	1) Exclusive charge over entire project land, Building of South City Mall. Exclusive charge on the land of Bantala, Kolkata. Exclusive charge on the land of Dankuni, Kolkata. 1) First pari passu charge by way of Equitable Mortgage over the property, to be shared only with the SBI/C/TL facilities already availed from Axis Bank Ltd. 2) First pari passu charge over the cash flows of the Mall.
Yes Bank	300.00	-	9,700.00	-	6M MCLR	34 structured quarterly installment	
Standard Chartered Bank	42.83	-	1,403.75	-	6M MCLR	132 structured monthly installment	
TOTAL (a)	2,148.93	13,927.87	47,607.85	4,269.56			
(b) Finance Lease Obligations							
HDFC Bank	4.35	3.98	7.68	12.02	9.45%	0.44	Hypothecation of Creta & Polo Vehicle.
Toyota Financial	1.17	1.09	4.09	5.26	7.50%	0.13	Hypothecation of Etios Vehicle.
TOTAL (b)	5.51	5.07	11.77	17.28			



South City Projects (Kolkata) Ltd

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Director

South City Projects (Kolkata) Ltd

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Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31'st March '2019

Note 12.2 - Other Financial Liabilities

	Non-Current		Current	
	As at	As at	As at	As at
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Security Deposits Received	-	-	636.07	522.46
Current maturities of long-term borrowings	-	-	2,148.93	13,927.87
Current maturities of finance lease obligations	-	-	5.51	5.07
Interest accrued but not due on borrowings	-	-	18.83	8.38
Interest accrued and due on borrowings	-	-	452.72	167.23
Others	-	-	868.41	544.46
Total Other Financial Liabilities	-	-	4,130.47	15,175.47

Note 13 - Provisions

	Non-Current		Current	
	As at	As at	As at	As at
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Provision for employee benefits				
- Provision for gratuity (Refer Note 30)	127.57	102.47	47.04	36.70
- Provision for leave encashment (Refer Note 30)	115.57	138.64	29.37	33.53
	243.14	241.11	76.41	70.23

Note 14. Trade Payables

	As at	As at
	31.03.2019	31.03.2018
Trade Payables		
- Total outstanding dues of Micro & Small Enterprises (See Note below)	16.01	-
- Total outstanding dues of creditors other than Micro & Small Enterprises	3,858.65	4,393.01
	3,874.66	4,393.01

Note: There are no Micro, Small and Medium Enterprises, to whom the company owes dues which are outstanding for more than 45 days during the year. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 as been determined to the extent such parties have been identified on the basis of information available with the company.

South City Projects (Kolkata) Ltd

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Director



South City Projects (Kolkata) Ltd

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Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 15. Other Liabilities

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Security Deposits Received	5,936.28	2,523.37	183.05	1,664.01
Contract Liability	-	-	1,758.26	1,582.30
Others	-	-	1,540.44	1,305.67
Statutory dues	-	-	-	-
Total other current Liabilities	5,936.28	2,523.37	3,481.75	4,551.98

Note 16 - Distribution of Dividend

	As at 31.03.2019	As at 31.03.2018
Dividends on Equity Shares declared and paid:		
Final dividend for the year ended 31 March 2018- Rs. Nil per share (31 st March 2017 - Rs. 55.00 per share)	-	2,475.39
DDT on final dividend	-	499.63
	-	2,975.02

South City Projects (Kolkata) Ltd

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Director

South City Projects (Kolkata) Ltd

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Director



SOUTH CITY PROJECTS (KOLKATA) LIMITED
Notes on Financial Statements as at and for the year ended 31st March '2019
Note 17.1 - Financial Assets
₹ in Lakhs

	As at 31.03.2019	As at 31.03.2018
Financial Assets - Non Current		
<u>At Amortised Cost</u>		
(a) Trade Receivable	273.49	211.09
(b) Loans	35,181.34	12,018.33
(c) Other financial assets	1,223.64	1,699.74
(d) Other Bank Balances	267.00	-
	36,945.47	13,929.16
<u>At Deemed Costs</u>		
Investments	2,720.63	2,706.30
<u>At Fair Value through profit or loss</u>		
Investments	41,327.67	39,382.95
Total Non Current Financial Assets (a)	80,993.77	56,018.41
Financial Assets - Current		
<u>At Amortised cost</u>		
(a) Trade Receivables	1,108.55	1,100.01
(b) Cash and Cash Equivalents	599.91	70.80
(c) Bank Balances other than (b) above	1,373.23	0.55
(d) Loans	2,491.73	1,400.29
(e) Other Financial Assets	2,669.38	178.31
Total Current Financial Assets (b)	8,242.80	2,749.96
Total Financial Assets (a + b)	89,236.57	58,768.37

Note 17.2 - Financial Liabilities

	As at 31.03.2019	As at 31.03.2018
Financial Liabilities - Non Current		
<u>At Amortised Cost</u>		
(a) Borrowings	47,619.62	4,286.84
(b) Other Financial Liabilities	4,130.47	2,523.37
Total Non Current Financial Liabilities (a)	51,750.09	6,810.21
Financial Liabilities - Current		
<u>At Amortised Cost</u>		
(a) Borrowings	28,013.27	30,700.01
(b) Trade payables	3,874.66	4,393.01
(c) Other Financial Liabilities	4,130.47	16,569.31
Total Current Financial Liabilities (b)	36,018.40	51,662.33
Total Financial Liabilities (a + b)	87,768.49	58,472.54

South City Projects (Kolkata) Ltd

Director
South City Projects (Kolkata) Ltd
Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31'st March '2019

Note 18 - Revenue from Operations

	₹ in Lakhs	
	2018-19	2017-18
Sale of Products		
Revenue from Land & Constructed Properties	1,208.32	3,070.86
Sale of Services		
Rental Income	11,180.30	4,083.41
Maintenance Services	2,592.17	1,505.88
Other Operating Revenue		
Others	30.35	31.97
Total	15,011.14	8,692.12

Note 19 - Other Income

	₹ in Lakhs	
	2018-19	2017-18
Income form Financial Assets		
Interest Income		
From Loans **	3,037.40	1,032.16
From Deposits	307.32	8.52
Dividend Income on Investments *	9.91	22.68
Other Non Operating Income		
Interest Income		
From Customers	12.75	2.72
From Others	150.63	3.38
Net Gain on Sale of Investments	14.76	17.32
Fair Value Change of Investments measured at FVTPL	1,946.69	2,589.77
Guarantee Commission (From Subsidiary Company)	477.92	334.12
Interest - Sale of Land	-	1,831.19
Insurance Claim	73.69	-
Miscellaneous Income	267.68	100.81
Total	6,298.75	5,942.67

Note 20 - Construction Cost

	₹ in Lakhs	
	2018-19	2017-18
Salaries, Wages & Bonus	150.82	131.98
Contribution to Provident & Other Funds	5.69	4.69
Staff Welfare Expenses	0.02	0.35
Power & Fuel	61.05	21.86
Repairs		
Others	59.19	11.60
Insurance	4.34	6.52
Rates & Taxes	0.82	19.21
Land	217.02	13.71
Materials Consumed	918.10	511.84
Construction Expenses	1,607.43	1,036.22
Other Operating Expenses	182.25	141.38
Consultancy & Retainership Charges	33.06	38.47
Finance Costs	0.38	0.42
Total	3,240.17	1,938.25

* From Subsidiary Company Rs.8.75 lakhs (P.Y. Rs.8.75 lakhs)

** From Related Parties Rs.2684.78 lakhs (P.Y. Rs.689.64 lakhs)



South City Projects (Kolkata) Ltd

Director

South City Projects (Kolkata) Ltd

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 21 - (Increase)/Decrease in Inventories of Finished Goods and Construction Work-in-Process

	2018-19		₹ in Lakhs 2017-18	
Closing Stock				
Finished Goods		96.78		955.79
Construction Work -in-progress				
Land	4,592.56		4,375.54	
Others	14,319.62	18,912.18	11,296.47	15,672.01
Total (A)		<u>19,008.96</u>		<u>16,627.80</u>
Opening Stock				
Finished Goods		955.79		965.59
Construction Work -in-progress				
Land	4,375.54		6,313.38	
Others	11,296.47		9,770.35	
	15,672.01		16,083.73	
Less: Transitional Input Credit under GST	-	15,672.01	24.13	16,059.60
Total (B)		<u>16,627.80</u>		<u>17,025.19</u>
Total (A - B)		<u>(2,381.16)</u>		<u>397.39</u>

South City Projects (Kolkata) Ltd



Director

South City Projects (Kolkata) Ltd



Director



SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 22 - Employee Benefit Expenses

	₹ in Lakhs	
	2018-19	2017-18
Salaries and Wages	646.23	671.68
Contribution to Provident and Other Funds (Refer Note 30)	33.66	37.63
Staff Welfare Expenses	12.29	9.60
Total	692.18	718.91

Note 23 - Finance Costs

	₹ in Lakhs	
	2018-19	2017-18
Interest Expense	6,278.48	3,651.41
Processing Fee & Other charges	220.14	4.21
Total	6,498.62	3,655.62

Note 24 - Depreciation and Amortisation Expense

	₹ in Lakhs	
	2018-19	2017-18
Depreciation of Tangible Assets (Note 4)	1,320.24	977.51
Amortisation of Intangible Assets (Note 4)	5.03	5.34
Total	1,325.27	982.85

Note 25 - Other Expenses

	₹ in Lakhs	
	2018-19	2017-18
Power & Fuel	902.92	619.40
Repairs:		
- Building	38.08	39.58
- Others	205.57	120.12
Maintenance	406.33	268.31
House Keeping Charges	311.71	221.19
Security Charges	246.39	209.98
Insurance	52.48	30.60
Rates & Taxes	1,219.30	1,714.93
Legal & Professional fees	387.82	225.65
Director's Remuneration	32.50	33.00
Corporate Social Responsibility Expenses (*refer note below)	57.69	223.83
Loss on Sale of Property Plant & Equipment	0.90	861.91
Miscellaneous Expenses	245.51	240.80
Total	4,107.20	4,809.30

South City Projects (Kolkata) Ltd

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Director



South City Projects (Kolkata) Ltd

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Director

SOUTH CITY PROJECTS (KOLKATA) LIMITEDNotes on Financial Statements as at and for the year ended 31st March '2019**Note 26.1 - Auditor's Remuneration**

	2018-19	₹ in Lakhs 2017-18
As Auditor:		
Audit fees	4.50	4.50
Tax audit fee	0.50	0.50
Other Matters	0.05	1.94
Total	5.05	6.94

Note 26.2 - Details of CSR expenditure:

	2018-19	₹ in Lakhs 2017-18
a) Gross amount required to be spent by the company during the year	115.69	142.36
(b) Amount spent during the year:	57.69	223.83

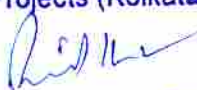
Note 27 - Earnings Per Share (EPS)

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	₹ in Lakhs 2017-18
Net Profit for calculation of Basic and Diluted Earnings Per Share (in Lakhs)	6,042.65	1,266.27
Weighted average number of shares (Nos.)	4,500,700	4,500,700
Earning per equity share		
Basic & Diluted earning per share (in Rs.)	134.26	28.14

South City Projects (Kolkata) Ltd


Director

**South City Projects (Kolkata) Ltd**


Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 28 - 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 leave encashment 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. For further details refer Note 30.

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 is 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.



South City Projects (Kolkata) Ltd

Director

South City Projects (Kolkata) Ltd

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

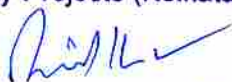
Notes on Financial Statements as at and for the year ended 31'st March '2019

Note 29 - Information on Joint Venture EntitiesDescription of Company's interest in the Joint Venture Company

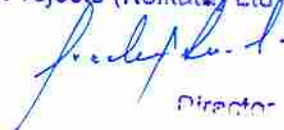
<u>Name of the entity</u>	<u>As at 31.03.2019</u>		<u>As at 31.03.2018</u>	
	<u>Proportion of Interest</u>	<u>Country of Incorporation</u>	<u>Proportion of Interest</u>	<u>Country of Incorporation</u>
Kolkata Metropolitan South City Development Ltd.	49.97%	India	49.97%	India

1. The Company's interests in Joint Ventures are reported as Financial assets - Investments.

2. The Company and M/s. Merlin Projects Ltd. acting together in a consortium called "South City Merlin Consortium" was awarded 4.40 Acres of land in a competitive bid invited by the Kolkata Metropolitan Development Authority (KMDA) for the development of Residential and Commercial cum Office Complex, for a sum of Rs. 10914.00 Lacs (Bid Amount) on a joint venture basis. As per terms of Memorandum of Understanding (MOU) entered between the South City Merlin Consortium and KMDA, company has paid 10% of the bid amount to the KMDA along with an earnest money deposit of Rs. 50.00 lacs on execution of MOU. As the entire project was to be carried out on a joint venture basis, a new company was floated in the name and style of M/s. Kolkata Metropolitan South City Development Ltd. (KMSCDL) with authorised share capital of Rs. 100.00 Lacs. The company has agreed to subscribe 4,99,700 Equity Shares of Rs. 10/- each aggregating to Rs. 49.97 Lacs by signing the Memorandum of Association of aforesaid KMSCDL. However, the matter is under litigation. In view of this, the company has kept in abeyance the payment of subscription amount of Rs. 49.97 Lacs. Further, it was found that due to inadvertence from KMDA, erroneous description of the land was given in the above mentioned MOU. As such a Supplemental MOU dated 16/11/2011 was executed where in total area of land was revised to 3.67 Acres. Inspite of repeated requests and reminders, KMDA has not yet handover the land parcels. The Company requested for refund of sum paid to KMDA together with interest as well as reimbursement of expenses incurred. On the failure of KMDA the consortium invoked the Arbitration Clause contained in the said MOU by appointing Justice Amitava Lala (Retd.) to adjudicate the dispute. KMDA in course of the sittings before Justice Lala, raised objection as to his appointment as Arbitrator and did not agree to the continuance of the Arbitration proceedings. In such circumstances and as advised the Consortium has decided not to proceed with the said Arbitration and to have a new Arbitrator appointed in terms of Section 11 of the Arbitration & Conciliation Act, 1996. In the said application u/s 11, Mr. Jayanta Kumar Mitra, Senior Advocate has been appointed as the sole Arbitrator. In the Arbitration, evidence of witnesses have been completed and argument has commenced and would be over shortly.

South City Projects (Kolkata) Ltd


Director

South City Projects (Kolkata) Ltd


Director



SOUTH CITY PROJECTS (KOLKATA) LIMITED
Notes on Financial Statements as at and for the year ended 31'st March '2019
Note 30 - Employee Benefits Obligation
(I) Defined Benefit Plans

The following table summarizes the components of net benefit expense recognised in the Statement of Profit and loss and OCI and amounts recognised in the Balance Sheet.

Particulars	2018-19		2017-18	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Changes in the present value of Defined Benefit Obligation:				
Present value of Defined Benefit Obligation at the beginning of the period	139.17	172.17	90.02	60.85
Current Service Cost	16.92	19.15	13.91	22.35
Interest Cost	10.58	13.09	6.57	4.44
Past Service Cost	-	-	23.32	-
Remeasurements (or Actuarial (gains)/losses) arising from:				
- Changes in demographic assumptions	-	-	-	-
- Changes in financial assumptions	1.36	1.28	(2.75)	(5.03)
- Experience variance (i.e. Actual experience vs assumptions)	12.35	17.03	9.33	95.74
- Others	-	-	-	-
Benefits Paid	(5.77)	(77.77)	(1.23)	(6.18)
Present value of Defined Benefit Obligation at the end of the period	174.61	144.94	139.17	172.17
Amounts Recognised in the Balance Sheet :				
Present value of defined benefit obligation at the year end	174.61	144.94	139.17	172.17
Fair Value of the Plan Assets at the year end	-	-	-	-
Liability/(Asset) Recognised in the Balance Sheet	174.61	144.94	139.17	172.17
Expense recognised in the Statement of Profit and Loss:				
Current Service Cost	16.92	19.15	13.91	22.35
Past Service Cost	-	-	23.32	-
Remeasurements (or Actuarial (gains)/losses) arising from:				
- Changes in financial assumptions	1.36	1.28	-	(5.03)
- Experience variance (i.e. Actual experience vs assumptions)	12.35	17.03	-	95.74
Net Interest Cost/(Income)	10.58	13.09	6.57	4.44
Net Cost Recognised in the Statement of Profit and Loss	41.20	50.54	43.80	117.50
Expense recognised in the Other Comprehensive Income:				
Remeasurements (gains)/losses	13.70	-	6.58	-
Net Cost Recognised in Other Comprehensive Income	13.70	-	6.58	-
Financial Assumptions :				
Discount Rate	7.50%	7.50%	7.60%	7.60%
Salary Growth Rate (per annum)	8.00%	8.00%	8.00%	8.00%
Demographic Assumptions :				
Mortality Rate (% of IAM 06-08)	100%	100%	100%	100%
Normal Retirement Age (yrs.)	58	58	58	58
Attrition Rates, based on age	2%	2%	2%	2%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The discount rate is based on the government securities yield.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.


South City Projects (Kolkata) Ltd
Director
South City Projects (Kolkata) Ltd
Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 30 - Employee Benefits Obligation (Contd.)

A quantitative sensitivity analysis for significant assumption is shown below:

	Gratuity			
	As at 31.03.2019		As at 31.03.2018	
	Decrease	Increase	Decrease	Increase
Discount Rate $(-/+ 1\%)$	189.38	161.93	151.58	128.55
% change compared to base due to sensitivity	8.46%	-7.26%	8.91%	-7.63%
Salary Growth Rate $(-/+ 1\%)$	165.60	184.21	131.24	148.04
% change compared to base due to sensitivity	-5.16%	5.50%	-5.70%	6.37%
Attrition Rate $(-/+ 50\%)$	172.57	176.39	137.77	140.35
% change compared to base due to sensitivity	-1.17%	1.02%	-1.01%	0.85%
Mortality Rate $(-/+ 10\%)$	174.22	174.98	138.88	139.45
% change compared to base due to sensitivity	-0.22%	-0.22%	-0.21%	0.20%

	Leave Encashment			
	As at 31.03.2019		As at 31.03.2018	
	Decrease	Increase	Decrease	Increase
Discount Rate $(-/+ 1\%)$	158.93	133.02	189.97	157.06
% change compared to base due to sensitivity	9.65%	-8.23%	10.34%	-8.77%
Salary Growth Rate $(-/+ 1\%)$	132.23	159.64	156.11	190.83
% change compared to base due to sensitivity	-8.77%	10.14%	-9.33%	10.84%
Attrition Rate $(-/+ 50\%)$	145.50	144.44	172.77	171.65
% change compared to base due to sensitivity	0.39%	-0.35%	0.35%	-0.31%
Mortality Rate $(-/+ 10\%)$	145.03	144.85	172.27	172.08
% change compared to base due to sensitivity	0.06%	-0.06%	0.06%	-0.06%

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iii) Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk : This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the

present value of obligation will have a bearing on the plan's liability.

Demographic Risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk : Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 10,00,000).

South City Projects (Kolkata) Ltd

[Signature]

Director



South City Projects (Kolkata) Ltd

[Signature]

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 31 - Leases

Operating Lease - Company as Lessor

The Company has given Mall premises and IT Park on operating lease to different lessees. The Company enters into 3 - 15 years cancellable lease agreements. Minimum Guaranteed lease payments receivable in respect of these leases for non-cancellable period are as follows:-

Particulars	₹ in Lakhs	
	As at 31.03.2019	As at 31.03.2018
Within one year	9,015.53	6,248.52
After one year but not more than five years	9,356.92	10,288.34
	<u>18,372.45</u>	<u>16,536.86</u>

Note 32 - Commitment and Contingencies

a. Commitments

	₹ in Lakhs	
	As at 31.03.2019	As at 31.03.2018
a) Estimated amount of contracts remaining to be executed on capital expenditure and not provided for (net of advances)	2,696.57	1,184.52

b. Contingent Liabilities

Claims against the Company not acknowledged as debts (Net of Advances)

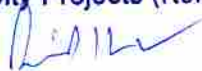
	₹ in Lakhs	
	As at 31.03.2019	As at 31.03.2018
Service Tax Demands	990.06	1,001.45
Employees State Insurance Demands (Net of Advances)	9.62	9.62
Others	-	91.39
Total	<u>999.68</u>	<u>1,102.46</u>

The Company has been advised by its lawyers that none of the claims are tenable and is therefore contesting the same and hence has not been provided for in the books. The future cash flows on account of the above cannot be determined unless the judgements/decisions are received from the ultimate judicial forums. No reimbursements is expected to arise to the Company in respect of above cases.

c. Guarantees given

	₹ in Lakhs	
	As at 31.03.2019	As at 31.03.2018
Against Loans taken by a Subsidiary	42,955.38	39,641.13
Against Sales tax	29.00	51.84
Others	626.74	652.74
Total	<u>43,611.12</u>	<u>40,345.71</u>

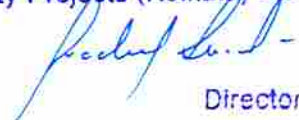
South City Projects (Kolkata) Ltd



Director



South City Projects (Kolkata) Ltd



Director

SOUTH CITY PROJECTS (KOLKATA) LIMITEDNotes on Financial Statements as at and for the year ended 31st March '2019**Note 33 - 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
01. South City Projects FZE	Subsidiary	100.00%
02. South City Matrix Infrastructure Ltd.	Subsidiary	99.65%
03. South City Property Management Private Ltd.	Subsidiary	100.00%
04. South City Developers Private Ltd.	Subsidiary	100.00%
05. South City International School	Subsidiary	51.00%
06. South City Retreat Property Management Private Ltd.	Subsidiary	100.00%
07. AA Infraproperties Private Ltd.	Subsidiary	87.50%
08. Bengal Anmol South City Infrastructure Ltd.	Subsidiary	69.65%
09. AA Infra (Middle East) Ltd.	Step Down Subsidiary	87.50%
10. AA Infra Properties (Iafza) Ltd.	Step Down Subsidiary	87.50%
11. Indoecan Developers (Private) Ltd.	Step Down Subsidiary	87.50%

II. Other related parties with whom transactions have taken place during the year:**a) Joint Venture of the Company**

Name of related parties	Nature of relationship	% of Holding
1. Kolkata Metropolitan South City Development Ltd.	Joint Venture of the Company	49.97%

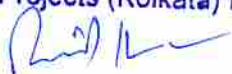
b) Key Management Personnel

Name of related parties	Nature of relationship
Shri. Pradeep Kumar Surka	Non - Executive Director
Shri. Rajendra Kumar Bachhawat	Non - Executive Director
Shri. Ravi Todi	Non - Executive Director
Shri. Sushil Kumar Mohra	Non - Executive Director
Shri. Hari Mohan Marda	Independent Director
Shri. Ram Krishna Agarwal	Independent Director
Shri. Jugal Kishore Khetawat	Non - Executive Director
Shri. Parimal Ajmera	Company Secretary
Shri. Nikhil Chandra Das	Vice President - Projects
Shri. Man Mohan Bagree	Vice President

c) Entities where Key Management Personnel & their relatives have significant influence with whom transactions have taken place during the year

- South City Belair Property Management Private Ltd.
- Khetawat Family Welfare Trust
- Khetawat Properties Ltd.
- South City Anmol Infra Park LLP
- Groove Traders Pvt. Ltd.
- Merlin Projects Ltd.

South City Projects (Kolkata) Ltd



Director



South City Projects (Kolkata) Ltd



Director

D. Transactions

₹ in Lakhs

Particulars	Subsidiaries		Joint Venture		Key Management Personnel		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Sitting Fees	-	-	-	-	2.50	3.00	-	-	2.50	3.00
Remuneration & Commission	-	-	-	-	159.62	147.84	-	-	159.62	147.84
Rendering of Services	567.55	337.72	-	-	-	-	-	-	567.55	337.72
Investment	14.32	-	-	-	-	-	-	-	14.32	-
Loan Given	30,029.99	8,994.67	-	-	-	-	-	-	30,029.99	8,994.67
Loan Received	-	-	-	-	2,528.00	1,198.00	2,800.00	-	5,328.00	1,198.00
Advances Given	8.21	225.91	-	-	25.42	17.11	-	-	33.64	243.02
Advances for Purchase of Land	-	-	-	-	-	-	-	-	-	-
Advances for Purchases of Shares	-	-	-	-	-	-	-	-	-	-
Advances for Property Development	-	-	-	-	-	-	-	0.50	-	0.50
Advances Written Off	-	-	-	-	-	-	-	-	-	-
Advances received for sale of Flat	-	-	-	-	-	-	-	231.90	-	231.90
Recovery of Electric & Other Charges	-	-	-	-	-	-	0.22	0.24	0.22	0.24
Interest Received	2,684.78	689.64	-	-	-	-	15.00	15.00	2,699.78	704.64
Dividend Received	8.75	8.75	-	-	-	-	-	-	8.75	8.75
Interest Paid	-	-	-	-	81.63	75.05	148.85	12.97	230.47	88.01
Receipt Towards Loan Given	6,470.00	1,275.67	-	-	-	-	-	-	6,470.00	1,275.67
Repayment of Loan Received	-	-	-	-	2,178.00	1,948.00	2,800.00	-	4,978.00	1,948.00
Receipt Towards Advances given	175.82	272.04	-	-	12.36	13.54	-	18.00	188.18	303.59
Repayment of Advance received towards sale of flats	-	-	-	-	-	-	-	597.00	-	597.00
Expenses Incurred	1.86	13.75	0.30	-	-	-	-	-	2.16	13.75
Receipt towards Advance given for purchase of Land	-	-	-	-	-	-	-	-	-	-
Provision for Advance in Subsidiary	0.58	-	-	-	-	-	-	-	0.58	-
Corporate Guarantees Given	56,395.03	33,411.80	-	-	-	-	-	-	56,395.03	33,411.80
Balance as on 31.03.2019	-	-	-	-	-	-	-	-	-	-
A - Investment	2,720.61	2,706.29	-	-	-	-	-	-	2,720.61	2,706.29
B - Loan Given	36,959.50	12,400.62	-	-	-	-	100.00	100.00	37,059.50	12,500.62
C - Loan Received	-	-	-	1,204.06	-	100.00	-	-	-	100.00
D - Advance for Land	-	-	-	-	-	-	-	-	1,204.36	1,204.06
E - Advances for Property Development	-	-	-	-	-	-	229.51	229.51	229.51	229.51
G - Debtors for Recovery of Electricity & Others	0.06	0.18	-	-	-	-	-	-	0.06	0.18
H - Advances Paid	1.77	168.37	-	-	30.87	19.81	-0.16	-0.16	32.48	188.02
K - Advances received	-	-	-	-	-	-	-	-	-	-
G - Creditors	-	0.20	-	-	27.00	27.00	-	-	27.00	27.20
I - Advance received for the sale of Flat	-	-	-	-	-	-	-	-	-	-
J - Provision for advance in Subsidiary	679.69	679.11	-	-	-	-	-	-	679.69	679.11
L - Corporate Guarantees Given	42,955.38	39,641.13	-	-	-	-	-	-	42,955.38	39,641.13



South City Projects (Kolkata) Ltd

South City Projects (Kolkata) Ltd

Director

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 34 - Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

a) Financial Assets and Liabilities measured at Fair Value at 31st March 2019

	Level 1	Level 2	Level 3	₹ in Lakhs Total
Financial Assets				
Investment at FVTPL				
In Quoted units of Mutual funds	41,061.57	-	-	41,061.57
In Quoted Equity Shares	136.36	-	-	136.36
In Quoted Shares through PMS Pool Account	129.74	-	-	129.74

Financial Assets and Liabilities measured at Fair Value at 31st March 2018


	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment at FVTPL				
In Quoted units of Mutual funds	39,177.74	-	-	39,177.74
In Quoted Equity Shares	88.31	-	-	88.31
In Quoted Shares through PMS Pool Account	116.90	-	-	116.90

(b) Financial Instruments at Ammortized Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled

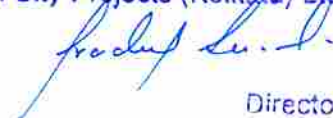
(c) During the year there has been no transfer from one level to another

South City Projects (Kolkata) Ltd



Director

South City Projects (Kolkata) Ltd



Director



SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes on Financial Statements as at and for the year ended 31st March '2019

Note 35 - 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 fixed and 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.

The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost.

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes security deposits, Loans given and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

a) Credit Risk Management

1. Credit Risk Rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets:

- A. Low Credit Risk
- B. Moderate Credit risk
- C. High credit risk

Asset Group	Description
Low Credit Risk	Cash and cash equivalents, other bank balances, investments and other financial assets
Moderate Credit Risk	Current Trade receivables and Secured loans
High Credit Risk	Non Current Trade receivables and Unsecured 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 and other financial assets	50,181.46	44,038.64
Moderate Credit Risk	Current Trade receivables and Secured loans	1,251.80	1,262.15
High Credit Risk	Non Current Trade receivables and Unsecured loans	37,803.31	13,332.90



South City Projects (Kolkata) Ltd

Director

South City Projects (Kolkata) Ltd

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITEDNotes on Financial Statements as at and for the year ended 31st March '2019**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.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

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	30,167.72	12,433.89	33,031.28	75,632.89
Trade Payable	3,874.66	-	-	3,874.66
Other Financial Liabilities	4,130.47	-	-	4,130.47

March 31, 2018

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	30,700.01	2,707.81	1,579.03	34,986.85
Trade Payable	4,393.01	-	-	4,393.01
Other Financial Liabilities	14,653.01	-	-	14,653.01

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	69,621.13	12,703.99
Fixed Rate Borrowing	6,011.76	22,282.86

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
Interest Sensitivity*		
Interest Rates increase by 100 basis points	(696.21)	(127.04)
Interest Rates decrease by 100 basis points	696.21	127.04

* 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
Price Sensitivity*		
Price increase by 5% - FVTPL	(2,066.38)	(1,969.15)
Price decrease by 5% - FVTPL	2,066.38	1,969.15

* Holding all other variables constant



South City Projects (Kolkata) Ltd

Director

South City Projects (Kolkata) Ltd

Director

SOUTH CITY PROJECTS (KOLKATA) LIMITEDNotes on Financial Statements as at and for the year ended 31st March '2019**Note 36 - 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 long term 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:

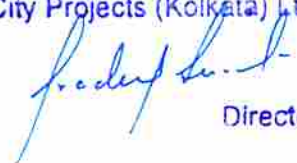
	₹ in Lakhs	
	As at 31.03.2019	As at 31.03.2018
Borrowings	75,632.90	34,986.85
Other Financial Liabilities	4,130.47	19,362.85
Trade Payables	3,874.66	4,393.01
Less: Cash and Cash Equivalents	599.91	70.80
Less: Bank balances other than Cash & Cash Equivalents	1,373.23	0.55
Net Debt	81,664.89	58,671.36
Total capital	44,785.36	38,751.62
Capital and Net Debt	126,450.25	97,422.98
Gearing ratio	64.58%	60.22%

South City Projects (Kolkata) Ltd



Director

South City Projects (Kolkata) Ltd



Director



Note 37 - Segment Information

- The Company has disclosed business segment as the primary segment. The Company is collectively organised into following business segments namely: (a) Real estate projects; (b) Rental Activities. Segments have been identified as reportable segments by the Company's chief operating decision maker ("CODM"). Segment profit amounts are evaluated regularly by the Board, which has been identified as the CODM, in deciding how to allocate resources and in assessing performance. Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.
- The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3. Segment profit (Earnings before interest, depreciation and amortization, and tax) amounts are evaluated regularly by the Board that has been identified as its CODM in deciding how to allocate resources and in assessing performance. The Company's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments.
- The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.
- The net expenses and income, which are not directly attributable to a particular Business Segment, are shown as unallocated corporate cost and income respectively.
- Assets and Liabilities that can not be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.
- The Company does not have any major customer i.e. Revenue from transactions with a single external customer does not amount to 10% or more of the Company's Revenue.

The following table presents revenue and profit information for the Company's operating segment for the year ended March 31, 2019 and March 31, 2018.

Particulars	Real Estate Projects		Rental Activities		Unallocated		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue								
Total External Revenue	1,093.10	3,149.67	13,762.60	5,542.44	155.44	-	15,011.14	8,692.12
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	1,093.10	3,149.67	13,762.60	5,542.44	155.44	-	15,011.14	8,692.12
Results								
Segment Results	4.42	157.96	9,434.50	814.64	155.43	-	9,594.35	972.61
Unallocated Corporate Expenses	-	-	-	-	241.61	144.34	241.61	144.34
Operating Profit/(loss)	4.42	157.96	9,434.50	814.64	(86.18)	(144.34)	9,352.74	828.27
Other Income	17.80	1,835.67	300.63	105.24	-	-	318.42	1,940.90
Unallocated Other Income	-	-	-	-	2,462.32	4,001.76	2,462.32	4,001.76
Interest Income	2.27	-	18.24	-	-	-	20.51	-
Unallocated Interest Income	-	-	-	-	3,497.50	-	3,497.50	-
Financial Expenses	41.56	-	1,446.22	958.18	-	-	1,487.79	958.18
Unallocated Financial Expenses	-	-	-	-	5,010.83	2,697.43	5,010.83	2,697.43
Profit/(loss) Before Tax	(40.41)	1,972.41	7,011.04	(989.29)	856.97	1,149.34	7,827.61	2,132.47
Current Tax	-	-	-	-	1,850.00	613.81	1,850.00	613.81
Deferred Tax	-	-	-	-	(121.75)	198.51	(121.75)	198.51
Income Tax of Earlier Years	-	-	-	-	56.71	53.88	56.71	53.88
Net Profit/(loss) after Tax	(40.41)	1,972.41	7,011.04	(989.29)	(927.99)	283.14	6,042.65	1,266.27

South City Projects (Kolkata) Ltd

[Signature]

Director



South City Projects (Kolkata) Ltd

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Director

The following table presents assets and liabilities information for the Company's operating segment for the year ended March 31, 2019 and March 31, 2018

Particulars	Real Estate Projects		Rental Activities		Unallocated		Total	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Net Segment Assets	4,892.79	12,076.96	69,368.18	10,818.09	-	-	74,260.97	22,895.05
Unallocated Corporate Assets	-	-	-	-	65,174.73	79,199.86	65,174.73	79,199.86
Total Assets	4,892.79	12,076.96	69,368.18	10,818.09	65,174.73	79,199.86	139,435.69	102,094.91
Net Segment Liabilities	4,933.20	12,101.09	38,593.97	10,818.09	-	-	43,527.17	22,919.18
Unallocated Corporate Liabilities	-	-	-	-	51,123.16	40,424.11	51,123.16	40,424.11
Total Liabilities	4,933.20	12,101.09	38,593.97	10,818.09	51,123.16	40,424.11	94,650.33	63,343.29
Capital Expenditure Incurred	-	-	4,121.20	7,118.36	-	-	4,121.20	7,118.36
Unallocated Capital Expenditure Incurred	-	-	-	-	-	3.63	-	3.63
Depreciation and Amortisation expense	23.33	21.22	1,296.10	950.99	5.83	10.64	1,325.27	982.85

Note 38:

All figures are in Rupees Lakhs. Figures marked with (*) are below the rounding off norm adopted by the Company.

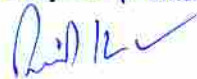
Note 39:

The Company has assessed its Investment in Preference Share of AA Infraproperties Pvt. Ltd. to be a Compound financial Instruments and accordingly split the same as Investment in Equity Instruments of INR 1232.95 lacs and Investment in Debt Instrument of INR 1392.05 lacs.

Note 40 - Standards issued but not effective

On 30th 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 1st April 2019. The company is in the process of evaluating the effect on its adoption.

South City Projects (Kolkata) Ltd



Director

South City Projects (Kolkata) Ltd



Director

