

# **ANNUAL ACCOUNTS**

**2017-18**

**South City Projects (Kolkata) Ltd.**

# **AGRAWAL SANJAY & COMPANY**

**CHARTERED ACCOUNTANTS**

**Firm Registration No. : 329088E**

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## **Independent Auditors' Report**

### **To the Members of South City Projects (Kolkata) Limited**

#### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying Standalone Ind AS Financial Statements of South City Projects (Kolkata) Limited, ("the Company") which comprise the Standalone Balance Sheet as at 31<sup>st</sup> March, 2018, the Standalone Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Standalone Ind AS Financial statements").

#### **Management's Responsibility for the 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 Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and read with the Rules issued there under and the Order issued under section 143(11) of the Act.

We have conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## **Opinion**

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 31<sup>st</sup> March, 2018, and its Profit including other comprehensive income, the changes in equity and its Cash flows for the year ended on that date.

## **Other Matter**

The Comparative Financial information of the Company for the year ended 31<sup>st</sup> March, 2017 and the transition date opening Balance Sheet as at 1<sup>st</sup> April, 2016 included in these Standalone Ind AS Financial Statements, are based on the previously issued Statutory Financial Statement prepared in accordance with Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor, whose report for the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 dated 29<sup>th</sup> June, 2017 and 8<sup>th</sup> September, 2016 respectively expressed an Unmodified Opinion on those Standalone Financial Statements, as adjusted for the differences in the accounting principles, adopted by the Company on transition to the Ind AS, which have been audited by us.

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

1. 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 Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



# AGRAWAL SANJAY & COMPANY

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- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and the Standalone 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statement- Refer Note 32(b) to the Standalone Ind AS financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - There is no such sum which needs to be transferred, to the Investor Education and Protection Fund by the Company.

For AGRAWAL SANJAY & COMPANY

Chartered Accountants

Firm Registration No.-329088E

*Radhakrishna Tondon*

(Radhakrishna Tondon)

Partner

Membership No. 060534

Place: Kolkata

Dated: 27th June, 2018



# AGRAWAL SANJAY & COMPANY

CHARTERED ACCOUNTANTS

Firm Registration No. : 329088E

- 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. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Value added Tax, Goods & Services Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date on which they became payable. During the year, the company did not have any dues towards duty of excise and duty of custom;
- (b) According to the information and explanations given to us, there are no material dues in respect of Sales Tax, Income Tax, Custom Duty, Service Tax, Goods & Service Tax and Cess except the following:

Name of the Statute	Nature of Dues	Amount under dispute not yet deposited (Rs. In Lacs)	Financial Year to which the amount relates	Forum where the dispute is pending
Finance Act	Service Tax	2.20	2002-03&2003-04	Joint Commissioner Service Tax(Appeal),Kolkata
Finance Act	Service Tax	66.27	2006-07&2010-11	Appellate Tribunal ,Kolkata
Finance Act	Service Tax	11.55	2010-11	Appellate Tribunal ,Kolkata
Finance Act	Service Tax	397.42	2007-08&2011-12	Appellate Tribunal ,Kolkata
Finance Act	Service Tax	9.95	2007-08to2011-12	Commissioner, Service Tax(Appeal),Kolkata
Finance Act	Penalty w.r.t Demand of Service Tax	8.20	2002-03&2003-04	Joint Commissioner, Service Tax(Appeal),Kolkata
Finance Act	Penalty w.r.t Demand Of Service Tax	66.27	2006-07&2010-11	Appellate Tribunal ,Kolkata
Finance Act	Penalty w.r.t Demand Of Service Tax	429.64	2007-08&2011-12	Appellate Tribunal ,Kolkata
Finance Act	Penalty w.r.t Demand of Service Tax	9.95	2007-08&2011-12	Commissioner, Service Tax(Appeal),Kolkata
Employee State Insurance Act	Employee State Insurance Dues	9.62	2008-09	Employees Insurance Court ,Kolkata

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.



Room No. : 7, 1st Floor, 59 Bentinck Street, Kolkata - 700 069  
E-mail : agrawalsanjaycompany@gmail.com

# **AGRAWAL SANJAY & COMPANY**

**CHARTERED ACCOUNTANTS**

**Firm Registration No. : 329088E**

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## **Annexure B to the Independent Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of South City Projects (Kolkata) Limited ("the Company") to the extent records available with us in conjunction with our audit of the Standalone Ind AS financial statements of the company as of and for the year ended 31<sup>st</sup> March, 2018.

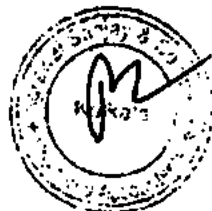
### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**
**CIN No. - U21019WB1995PLC071252**
**Balance Sheet as at 31st March, 2018**
**₹ in Lacs**

	Notes	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	4.1	15,748.25	13,234.83	14,340.36
Capital Work-in-Progress	4.2	3,256.43	439.05	399.12
Intangible Assets	4.3	4.97	10.31	2.20
Intangible Assets under Development	4.4	-	-	13.45
<b>Financial Assets</b>				
(a) Investments	5.1	42,089.24	42,399.51	18,941.26
(b) Trade Receivables	5.2	211.09	364.72	426.82
(c) Loans	5.3	12,018.33	3,784.18	22,353.92
(d) Other Financial Assets	5.4	1,699.74	1,704.79	1,644.06
Other Non-Current Assets	7	4,487.41	3,994.31	3,550.95
<b>Total (A)</b>		<b>79,515.46</b>	<b>65,951.70</b>	<b>61,672.14</b>
<b>Current Assets</b>				
Inventories	8	17,234.07	17,289.49	21,236.41
<b>Financial Assets</b>				
(a) Trade Receivables	5.2	1,100.01	2,858.09	781.54
(b) Cash and Cash Equivalents	9.1	70.80	628.69	385.16
(c) Bank Balances other than (b) above	9.2	0.55	0.52	0.48
(d) Loans	5.3	1,400.29	4,906.06	1,812.27
(e) Other Financial Assets	5.4	178.31	474.44	141.97
Current Tax Assets (Net)	6.1	996.21	264.16	456.02
Other Current Assets	7	1,599.21	497.41	2,947.69
<b>Total (B)</b>		<b>22,579.45</b>	<b>26,918.86</b>	<b>27,761.54</b>
<b>Total Assets (A+B)</b>		<b>102,094.91</b>	<b>92,870.56</b>	<b>89,433.68</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	10	450.07	450.07	450.07
Other Equity	11	38,301.55	40,014.60	32,695.51
<b>Total (A)</b>		<b>38,751.62</b>	<b>40,464.67</b>	<b>33,145.58</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
(a) Borrowings	12.1	4,286.84	12,756.66	15,188.46
(b) Other Financial Liabilities	12.2	2,523.37	1,836.41	4,022.41
Provisions	13	241.11	115.26	93.63
Deferred Tax Liabilities (Net)	6.2	1,401.27	1,205.04	590.89
<b>Total (B)</b>		<b>8,452.59</b>	<b>15,913.37</b>	<b>19,895.39</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
(a) Borrowings	12.1	30,700.01	21,761.38	13,392.76
(b) Trade Payables	14	4,393.01	5,604.29	3,236.88
(c) Other Financial Liabilities	12.2	16,839.48	7,476.51	5,651.61
Other Current Liabilities	15	2,887.97	1,614.72	14,094.07
Provisions	13	70.23	35.62	17.39
<b>Total (C)</b>		<b>54,890.70</b>	<b>36,492.52</b>	<b>36,392.71</b>
<b>Total Equity and Liabilities (A+B+C)</b>		<b>102,094.91</b>	<b>92,870.56</b>	<b>89,433.68</b>
<b>Significant Accounting Policies</b>	2-3			

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

As per our report of even date

For AGRAWAL SANJAY &amp; COMPANY

Chartered Accountants

Firm Registration No : 329088E

Radhakrishnan Tondon

Partner

Membership No- 060534

Place: Kolkata

Dated: 27th June, 2018



For and on behalf of Board of Directors

South City Projects (Kolkata) Ltd. 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 31 st March, 2018**

		₹ in Lacs	
	Notes	2017-18	2016-17
<b>INCOME</b>			
Revenue from Operations	18	8,692.12	25,848.94
Other Income	19	5,942.67	4,942.82
<b>Total Income</b>		<b>14,634.79</b>	<b>30,791.76</b>
<b>EXPENSES</b>			
Construction Cost	20	1,938.25	8,718.27
Purchases of Traded Goods		-	92.68
(Increase)/Decrease in Inventories of Finished Goods, Work-in-Progress	21	397.39	4,187.09
Employee Benefits Expenses	22	718.91	467.87
Finance Costs	23	3,655.62	3,886.37
Depreciation and Amortisation Expenses	24	982.85	1,111.38
Other Expenses	25	4,809.30	2,688.52
<b>Total Expenses</b>		<b>12,502.32</b>	<b>21,152.18</b>
<b>Profit Before Tax</b>		<b>2,132.47</b>	<b>9,639.58</b>
<b>Tax Expense</b>			
Current Tax		613.81	1,700.00
Deferred Tax	6.2	198.51	616.35
Income Tax of Earlier Years		53.88	-
		<b>866.20</b>	<b>2,316.35</b>
<b>Profit for the Year (I)</b>		<b>1,266.27</b>	<b>7,323.23</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations		(6.58)	(6.34)
Income tax effect thereof		2.28	2.20
<b>Other comprehensive income/(loss) for the year, net of tax (II)</b>		<b>(4.30)</b>	<b>(4.14)</b>
<b>Total comprehensive income for the year, net of tax (I + II)</b>		<b>1,261.97</b>	<b>7,319.09</b>
Earnings per Equity Share of ₹ 10 each	27		
Basic & Diluted		28.14	162.71
Significant accounting policies	2-3		
The accompanying notes are an integral part of the financial statements.			
As per our report on even date			

For **AGRAWAL SANJAY & COMPANY**

Chartered Accountants

Firm Registration No: 329088E

Radhakrishnan Tondon

Partner

Membership No- 060534

Place: Kolkata

Dated: 27th June, 2018



For and on behalf of Board of Directors

South City Projects (Kolkata) Ltd.

South City Projects (Kolkata) Ltd.

Director

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, 2018

**a. Equity Share Capital:**

Equity shares of Rs 10 each issued, subscribed and fully paid	No. of shares	₹ in Lacs
As at 1 April 2016	4,500,700	450.07
Issue of share capital	-	-
At 31 March 2017	4,500,700	450.07
Issue of share capital	-	-
At 31 March 2018	4,500,700	450.07

**b. Other equity**

For the year ended 31st March, 2018

₹ in Lacs

Particulars	Reserves & Surplus		Items of OCI		Total Equity
	Securities Premium Account	Retained Earnings	General Reserve	FVTOCI Reserve	
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

For the year ended 31st March, 2017

₹ in Lacs

Particulars	Reserves & Surplus		Items of OCI		Total Equity
	Securities premium Account	Retained earnings	General Reserve	FVTOCI reserve	
As at 1st April 2016	660.00	12,035.51	20,000.00	-	32,695.51
Profit for the year	-	7,323.23	-	-	7,323.23
Other comprehensive income for the year	-	-	-	(4.14)	(4.14)
Total Comprehensive Income for the year	-	7,323.23	-	(4.14)	7,319.09
Dividends (Note 16)	-	-	-	-	-
Dividend distribution tax on Dividend (Note 16)	-	-	-	-	-
As at 31 March 2017	660.00	19,358.74	20,000.00	(4.14)	40,014.60

As per our report on even date

For **AGRAWAL SANJAY & COMPANY**

Chartered Accountants

Firm Registration No : 329088E

Radhakrishnan Tondon

Partner

Membership No- 060534

Place: Kolkata

Dated: 27th June, 2018

For and on behalf of Board of Directors

South City Projects (Kolkata) Ltd.

South City Projects (Kolkata) Ltd.

Director

Director

For South City Projects (Kolkata) Ltd.


Company Secretary



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
**Statement of Cash Flows for the year ended 31 March 2018**

Particulars	₹ in Lacs	
	As at 31.03.2018	As at 31.03.2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	2,132.47	9,639.58
Adjustment to reconcile profit before tax to net cash flow		
Depreciation & Amortisation expense	982.85	1,118.89
Finance costs	3,656.03	3,958.37
Share Dematerialisation & STT Expenses	0.22	0.60
Sundry Balances Written Off	115.11	17.55
Dividend Received from non current investments	(22.68)	(8.87)
Profit on sale of non current investments	(17.32)	(106.23)
Profit/(Loss) on sale of Property, Plant & Equipment	859.63	(0.32)
Sundry Balances Written Back	(0.49)	(20.91)
Fair value (gain)/loss on financial assets	(2,589.77)	(2,290.63)
Interest Income	(1,035.59)	(2,168.33)
<b>Operating profit before working capital changes</b>	<b>4,080.46</b>	<b>10,139.70</b>
Adjustments for-		
Decrease/(Increase) in Working Capital		
Inventories	55.42	3,946.92
Trade Receivables	1,911.71	(2,014.45)
Trade Payables	(1,325.89)	2,370.77
Loans, Deposits and Other Financial Assets	(5,196.00)	13,966.84
Other Current and Non Current assets	(1,594.90)	2,006.92
Other Financial Liabilities	10,049.91	(361.10)
Provisions	153.88	33.52
Other Current and Non Current Liabilities	1,273.25	(12,479.35)
<b>Cash generated in operations</b>	<b>9,407.84</b>	<b>17,609.77</b>
Income Tax Paid (net of refund)	631.00	392.26
<b>Net Cash Inflow from Operating Activities</b>	<b>8,776.84</b>	<b>17,217.51</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Dividend Received	22.68	8.87
Interest Received	1,035.59	2,168.33
Sale of Property, Plant & Equipment	5.12	41.64
Sale of Non current Investments	2,917.38	2,041.10
	<b>3,980.77</b>	<b>4,259.94</b>
Less : Purchase of Property, Plant & Equipment	7,153.05	109.27
Purchase of Non current Investments	-	23,102.50
Share Dematerialisation & STT Expenses	0.22	0.60
<b>Net cash flow from Investing Activities</b>	<b>(3,172.50)</b>	<b>(18,952.43)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Loan Taken/(Repaid)	468.81	5,936.82
Dividend paid (including net dividend distribution tax)	(2,975.01)	-
Interest paid	(3,656.03)	(3,958.37)
<b>Net cash flow from Financing Activities</b>	<b>(6,162.23)</b>	<b>1,978.45</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(557.89)	243.53
Cash and Cash Equivalents at the beginning of the year (Refer note-9.1)	628.69	385.16
Cash and Cash Equivalents at the end of the year (Refer note-9.1)	70.80	628.69

South City Projects (Kolkata) Ltd.

  
 Director



South City Projects (Kolkata) Ltd.

  
 Director

**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
Statement of Cash Flows for the year ended 31 March 2018 (Contd.)

**Notes :**

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

(b)

Particulars	₹ in Lacs	
	As at 31.03.2018	As at 31.03.2017
Cash and Cash Equivalents comprises of		
Cash in hand	5.07	7.89
Balances with banks:		
- On current accounts	65.46	620.55
- Deposits with original maturity of less than three months	0.27	0.25
Cash and Cash Equivalents in Cash Flow Statement	70.80	628.69

(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.

Particulars	As at 31.03.2017	Cash Flow	Non - Cash Changes		As at 31.03.2018
			Fair Value Changes	Current/ Non - Current Classification	
Borrowings - Non Current	12,749.49	(8,479.93)	-	-	4,269.56
Other Financial Liabilities	5,915.37	9,940.21	(60.04)	-	15,795.54
Borrowings - Current	16,942.21	6,192.22	-	-	23,134.43

As per our report of even date

For and on behalf of Board of Directors

For AGRAWAL SANJAY & COMPANY  
Chartered Accountants  
Firm Registration No : 29088E

South City Projects (Kolkata) Ltd. South City Projects (Kolkata) Ltd.

Director

Director

Radhakrishnan Tondon  
Partner  
Membership No- 060534  
Place: Kolkata  
Dated: 27th June, 2018



For South City Projects (Kolkata) Ltd.

Company Secretary

## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

**Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2018**

### **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**

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31<sup>st</sup> March 2018 are the first financial statements which the Company has prepared in accordance with Indian Accounting Standards ("Ind AS") including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Refer to note 38(1) and 38(2) for information on how the Company adopted Ind AS.

The financial statements were approved for issue in accordance with a resolution of the Board of directors on 27.06.2018.

#### **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.



**South City Projects (Kolkata) Ltd.**

**Director**

**South City Projects (Kolkata) Ltd.**

**Director**

## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

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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.

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.



**South City Projects (Kolkata) Ltd.**

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**Director**

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**Director**

## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

**Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2018**

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

### **3.4. Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### **3.5. Cash and Cash Equivalents**

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

### **3.6. Property, Plant and Equipment**

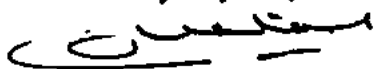
The Company has elected to adopt the carrying value of Property, Plant and Equipment under the Indian GAAP as on 1<sup>st</sup> April 2016, as the deemed cost for the purpose of transition to IND AS.

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 prorata 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.

**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 31<sup>st</sup> March, 2018**

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**

The Company has elected to adopt the carrying value of Intangible Assets under the Indian GAAP as on 1<sup>st</sup> April 2016, as the deemed cost for the purpose of transition to IND AS.

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 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, 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.



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## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

**Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2018**

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

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

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

Interest Income is recognised using the effective interest method and is included under the head 'Other Income' in the Statement of Profit and Loss.

Dividend Income is recognised when the Company's right to receive dividend is established.

All other incomes are recognised on accrual basis.

### **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



South City Projects (Kolkata) Ltd.

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Director



## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

**Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2018**

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.

For arrangements entered into prior to 1 April 2016, the group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### *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.

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.



**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 31<sup>st</sup> March, 2018

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.

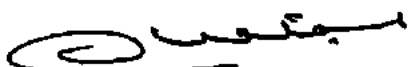
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each 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.

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.

South City Projects (Kolkata) Ltd.

South City Projects (Kolkata) Ltd.



  
Director

  
Director

## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

**Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2018**

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.

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.



**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 31<sup>st</sup> March, 2018**

### **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 on first time adoption of Ind AS as set out in Note 37. 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.

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



**South City Projects (Kolkata) Ltd.**

Director

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Director

## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

**Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2018**

### **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.

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.



**South City Projects (Kolkata) Ltd.**

**Director**

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**Director**

## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

**Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2018**

### **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.

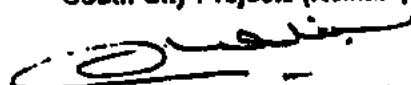
#### **Trade receivables**

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

South City Projects (Kolkata) Ltd.

South City Projects (Kolkata) Ltd.



  
Director

  
Director

## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

**Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2018**

### **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 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 to Financial Statements for the year ended 31st March, 2018

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

₹ in Lacs

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	As at 31.03.2018	As at 31.03.2017
Landhold Land	981.09	-	-	981.09	14.90	14.90	29.80	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
Others	13.20	-	-	13.20	0.89	0.60	1.69	11.71
Plant & Equipments	1,618.24	316.10	1.71	1,932.63	382.31	305.41	687.72	1,244.91
Fire Protection System	28.52	75.37	7.46	96.43	-	8.38	8.38	28.52
Electrical Installation & Equipments	339.87	284.66	-	624.53	152.06	91.98	244.04	380.49
Furniture and Fixtures	88.36	71.48	13.76	146.08	32.59	18.83	51.42	94.66
Vehicles								
Finance Lease	13.18	19.32	0.65	31.85	4.15	3.75	7.78	24.07
Others	27.73	11.84	3.31	36.26	5.68	7.14	11.83	24.43
Office Equipment	28.66	203.65	10.29	222.02	6.78	26.89	33.67	188.35
<b>TOTAL</b>	<b>14,368.04</b>	<b>4,334.67</b>	<b>845.85</b>	<b>17,857.86</b>	<b>1,114.21</b>	<b>977.51</b>	<b>2,089.61</b>	<b>15,748.25</b>
								<b>13,254.83</b>

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

**Note 4.2 - Capital Work in Progress (Current 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
<b>TOTAL</b>	<b>439.05</b>	<b>7,000.48</b>	<b>3,256.43</b>

\* Includes Rs. 126.57 lacs towards interest.

**Note 4.3 - Intangible Assets (Current 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	As at 31.03.2018	As at 31.03.2017
Computer Software	15.99	-	-	15.99	5.68	5.34	11.02	4.97
<b>TOTAL</b>	<b>15.99</b>	<b>-</b>	<b>-</b>	<b>15.99</b>	<b>5.68</b>	<b>5.34</b>	<b>11.02</b>	<b>4.97</b>



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, 2018

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

2 in Lacs

Particulars	Gross Block at Cost			Depreciation / Amortisation			Net Block			
	As at 01.04.2015 (refer note 4.5 below)	Additions	Disposals / Adjustments	As at 31.03.2017	As at 01.04.2016	For the Year	Disposals / Adjustments	As at 31.03.2017	As at 31.03.2017	As at 01.04.2015
Leasehold Land	981.09	-	-	981.09	-	14.90	-	14.90	966.19	981.09
Buildings	11,229.19	-	-	11,229.19	-	513.85	-	513.85	10,715.34	11,229.19
Operating Lease	8.48	12.93	8.21	13.20	-	0.89	-	0.89	12.31	8.48
Others	-	-	-	-	-	-	-	-	-	-
Plant & Equipments	1,618.24	-	-	1,618.24	-	382.31	-	382.31	1,235.93	1,618.24
Fire Protection System	28.52	-	-	28.52	-	-	-	-	28.52	28.52
Electrical Installation & Equipments	338.27	1.60	-	339.87	-	152.06	-	152.06	187.81	338.27
Furniture and Fixtures	83.66	4.70	-	88.36	-	32.59	-	32.59	55.77	83.66
Vehicles	-	-	-	-	-	-	-	-	-	-
Finance Lease	13.18	-	-	13.18	-	4.15	-	4.15	9.03	13.18
Others	17.74	10.96	0.97	27.73	-	5.68	-	5.68	22.05	17.74
Office Equipment	21.99	6.67	-	28.66	-	6.78	-	6.78	21.88	21.99
TOTAL	14,340.36	36.86	9.18	14,368.04	-	1,113.21	-	1,113.21	13,254.83	14,340.36

**Note 4.2 - Capital work in Progress (Previous Year)**

Particulars	Gross Block at Cost		
	As at 01.04.2016	Additions	Disposals / Adjustments
SC Mill Extension	399.12	58.62	18.69
<b>TOTAL</b>	<b>399.12</b>	<b>58.62</b>	<b>18.69</b>

**Note 4.3 - Intangible assets (Previous Year)**

Particulars	Gross Block at Cost			Depreciation / Amortisation				Net Block		
	As at 01.04.2016 (refer note 4.5 below)	Additions	Disposals / Adjustments	As at 31.03.2017	As at 01.04.2016	For the Year	Disposals / Adjustments	As at 31.03.2017	As at 31.03.2017	As at 01.04.2016
Computer Software	2.20	13.79	-	15.99	-	5.68	-	5.68	10.31	2.20
TOTAL	2.20	13.79	-	15.99	-	5.68	-	5.68	10.31	2.20



South City Projects (Kolkata) Ltd.

South City Projects (Kolkata) Ltd.

Director

Director

**Note 4.4 - Intangible Assets Under Development (Previous Year)**

Particulars	Gross Block at Cost			
	As at 01.04.2016	Additions	Capitalisation	As at 31.03.2017
Patent BPP	13.45	-	13.45	-
<b>TOTAL</b>	<b>13.45</b>	<b>-</b>	<b>13.45</b>	<b>-</b>

**Note 4.5**  
For Property, Plant and Equipment, Intangible assets as on 1st April 2016, i.e., the date of transition to Ind AS, the company has used Indian GAAP value as deemed cost as permitted by Ind AS 101 - First Time Adoption. Accordingly the net block as per Indian GAAP as on 1st April 2016 has been considered as Gross Block under Ind-AS. The accumulated depreciation as stated off as at 1st April 2016, is as below.

**e) Property, Plant and Equipment**

Particulars	Gross block	Accumulated depreciation	Net block
Leasehold Land	1,087.81	106.72	981.09
Buildings	19,765.68	8,536.49	11,229.19
Operating Lease	14.23	5.75	8.48
Plant & Equipments	4,644.44	3,026.20	1,618.24
Fire Protection System	570.21	541.69	28.52
Electrical Installation & Equipments	1,905.74	1,567.47	338.27
Furniture and Fixtures	383.66	300.00	83.66
Vehicles			
Finance Lease	19.61	6.43	13.18
Others	62.91	45.17	17.74
Office Equipment	323.80	301.81	21.99
<b>Total</b>	<b>28,778.09</b>	<b>14,437.73</b>	<b>14,340.36</b>

**b) Intangible Assets**

Particulars	Gross block	Accumulated depreciation	Net block
Computer Software	38.47	36.27	2.20



South City Projects (Kolkata) Ltd.

Director

South City Projects (Kolkata) Ltd.

Director

**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
Notes to Financial Statements for the year ended 31st March, 2018

**Note 5.1 - Financial Assets - Investments**

Nominal Value per unit	Number of shares			₹ in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Investments (Fully Paid)</b>						
<b>At Amortised Cost:</b>						
<b>Investment in Preference Shares - Unquoted</b>						
<b>In Subsidiary Companies -</b>						
AA Infra Properties Pvt. Ltd.	10	1,750,000	1,750,000	1,750,000	1,392.05	1,392.05
					1,392.05	1,392.05
<b>Debtentures - Unquoted</b>						
Vijaybhair Investments & Consultancy Pvt. Ltd.	1,000	-	-	7,650.00	-	-
					-	76.50
			<b>Total</b>			<b>76.50</b>
<b>At Deemed Cost (Refer Note 37)</b>						
<b>Equity shares-Unquoted</b>						
<b>In Subsidiary Companies</b>						
South City Retreat Property Management Pvt Ltd	10	1,000	1,000	1,000	0.10	0.10
South City Property Management Private Ltd.	10	10,200	10,200	10,200	1.02	1.02
South City Matrix Infrastructure Ltd.	10	199,300	199,300	177,300	29.39	29.39
AA Infra Properties Pvt. Ltd. **	10	358,750	358,750	358,750	35.88	35.88
South City International School	10	15,300	15,300	15,300	1.53	1.53
South City Developers Pvt Ltd	10	9,800	9,800	9,800	0.98	0.98
South City Projects FZIL	150,000	1	1	1	-	-
Equity Component of Preference Shares in AA Infra Properties Pvt Ltd (Refer Note 41)					1,232.95	1,232.95
Bengal Anmol South City Infrastructure Ltd.	10	123,900	123,900	123,900	12.39	12.39
			<b>Total</b>		<b>1,314.24</b>	<b>1,314.24</b>
<b>In Others</b>						
Bengal Electric Works Ltd. #	30	1,500	1,500	1,500	-	-
Bengal Lamp Ltd. #	10	17,833	17,833	17,833	-	-
Borlex India Ltd. #	10	1,999	1,999	1,999	-	-
			<b>Total</b>			
<b>At Fair Value through Profit &amp; Loss</b>						
<b>Equity Shares - Quoted</b>						
<b>In Other Companies</b>						
Bombay Dyeing & Mfg. Company Ltd.*	2	5	5	5	0.01	0.00
DLF Ltd.*	2	1	1	1	0.00	0.00
Godrej Industries Ltd.*	1	1	1	1	0.01	0.00
Hindustan Construction Company Ltd.*	1	2	2	2	0.00	0.00
Housing Development & Infra Ltd.*	10	1	1	1	0.00	0.00
Rattan India Infrastructure Ltd.*	2	2	2	2	0.00	0.00
Indiabulls Real Estate Ltd.*	2	1	1	1	0.00	0.00
Omaxe Ltd.*	10	1	1	1	0.00	0.00
Parsvnath Developers Ltd.*	5	2	2	2	0.00	0.00
Purvankara Projects Ltd.*	5	1	1	1	0.00	0.00
Reliance Industries Ltd.	10	10,000	10,000	10,000	88.28	132.09
Sobha Developers Ltd.*	10	1	1	1	0.01	0.00
Unitech Ltd.*	2	1	1	1	0.00	0.00
Gokul Agro Resources Limited	2	-	-	1,685,000	-	177.77
Gokul Refoils & Solvents Limited	2	-	-	1,685,000	-	192.09
			<b>Total</b>		<b>88.31</b>	<b>132.10</b>
						<b>474.39</b>

\* Refer Note 40

# The shares 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 to Financial Statements for the year ended 31st March, 2018**  
**Note 5.1 - Financial Assets - Investments (Contd.)**

Note 5.1 - Financial Assets - Investments (Contd.)

		Number of shares				₹ in Lacs	
	Nominal Value per unit	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>At Fair Value through Profit &amp; Loss:</b>							
<i>In Units of Mutual Fund - Quoted ***</i>							
Birla Sun Life FTP - Corporate Bond Series (G)	10	21,681,260	42,681,260	21,000,000	2,805.77	5,425.98	2,617.94
Kotak FMP Series 122 (G)	10	-	-	12,000,000	-	-	1,488.50
Reliance Corporate Bond Fund (G)	10	18,377,623	18,377,623	18,377,623	2,575.26	2,420.33	2,176.00
Birla Sunlife Medium Term Plan (G)	10	5,916,565	5,916,565	5,916,565	1,300.34	1,207.55	1,103.00
Franklin India Corp Bond Opportunities Fund (G)	10	8,255,392	8,255,392	8,255,392	1,489.52	1,378.65	1,245.24
Hdfc Corporate Debt Opportunities Fund - R - (G)	1	17,849,174	17,849,174	17,849,174	2,572.24	2,420.35	2,190.41
Hdfc Corporate Debt Opportunities Fund - D - (G)	10	4,438,251	4,438,251	4,438,251	662.81	617.80	554.28
ICICI Prudential Mutual Fund (G)	10	9,373,038	9,373,038	9,373,038	2,534.75	2,365.75	2,163.10
Franklin India Corp Bond Opportunities Fund (G)	10	14,301,548	14,301,548	14,301,548	2,580.43	2,388.36	2,157.25
ICICI Prudential Regular Savings Fund - Growth	10	16,416,649	16,416,649	-	3,049.39	2,851.57	-
BOI AXA Corporate Credit Spectrum Fund	10	8,157,405	8,157,405	-	1,088.85	1,000.10	-
HDFC Corporate Debt Opportunities Fund	10	5,921,496	5,921,496	-	853.35	802.95	-
Kotak Income Opportunities Fund (G)	10	29,661,666	29,661,666	-	5,672.79	5,321.30	-
L & T Mutual Fund - Collection Account	10	9,696,097	9,696,097	-	1,930.20	1,810.26	-
Reliance Corporate Bond Fund - Direct Growth Account	10	10,483,436	10,483,436	-	1,518.00	1,412.12	-
Reliance Corporate Bond Fund - Growth Plan	10	7,637,319	7,637,319	-	1,070.22	1,005.83	-
UTI Mutual Fund Collection A/C	10	10,909,244	10,909,244	-	1,708.17	1,621.11	-
DSP Black Rock Mutual Fund Collection Account	10	8,046,501	8,046,501	-	2,307.17	2,162.90	-
DSP Black Rock Income Opportunities Fund (G)	10	12,087,855	12,087,855	-	3,458.48	3,249.22	-
<b>Total</b>					<b>39,177.74</b>	<b>39,462.13</b>	<b>15,695.74</b>

South City Projects (Kolkata) Ltd.



Director

South City Projects (Kolkata) Ltd.



Director



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2018**  
**Note 5.1 - Financial Assets - Investments (Contd.)**

	Number of shares						₹ in Lacs
	Nominal Value per unit	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>At Fair Value through Profit &amp; Loss:</b>							
<b>Investments through PMS Pool Account in Quoted Shares</b>							
Ajanta Pharma Ltd	2	-	186	-	-	3.27	-
Amara Raja Batteries Ltd	1	-	530	-	-	4.71	-
Asian Paints Ltd	1	437	437	-	4.90	4.68	-
Astral Poly Technik Ltd	1	787	787	-	7.05	4.31	-
Bajaj Finance Ltd	2	463	570	-	8.19	6.70	-
Bajaj Finserv Ltd	5	160	172	-	8.29	7.03	-
Britannia Industries Ltd	2	145	164	-	7.21	5.55	-
Cholamandalam Invest And Finance Company Ltd	10	553	407	-	8.02	3.93	-
Dalmia Bharati Ltd*	2	177	0	-	5.11	-	-
Divis Laboratories Ltd.*	2	225	0	-	2.45	-	-
Eicher Motors Ltd	10	21	21	-	5.95	5.37	-
Havells India Ltd	1	1258	1094	-	6.14	5.12	-
Industrial Bank Ltd	10	462	421	-	8.30	5.93	-
Konark Mahindra Bank Limited	5	512	512	-	5.37	4.47	-
Lupin Ltd	2	-	349	-	-	5.04	-
M R F Ltd	10	9	9	-	6.51	5.47	-
Max Financial Services Ltd	2	642	-	-	2.91	-	-
Minda Industries Ltd	2	141	-	-	1.52	-	-
Matherson Sumi Systems Ltd	1	1940	1556	-	6.05	5.80	-
P I Industries Ltd	1	722	641	-	6.41	5.37	-
Page Industries Ltd	10	31	36	-	7.03	5.27	-
Pidilite Industries Ltd	1	406	551	-	3.73	3.85	-
Shree Cements Ltd	10	16	25	-	2.59	4.25	-
Welspun India Ltd	1	5472	3279	-	3.17	2.87	-
			<b>Total</b>		<b>116.90</b>	<b>98.99</b>	<b>-</b>
<b>Total Non Current Investments</b>					<b>42,089.24</b>	<b>42,399.51</b>	<b>18,941.26</b>
<b>Aggregate amount of Quoted Investments</b>					<b>39,382.94</b>	<b>39,693.21</b>	<b>16,170.13</b>
<b>Aggregate amount of Unquoted Investments</b>					<b>2,706.30</b>	<b>2,706.30</b>	<b>2,771.13</b>
<b>Aggregate Deemed Cost for those investments for which the Previous GAAP carrying amount is the deemed cost.</b>					<b>-</b>	<b>-</b>	<b>2,694.63</b>


\* Refer Note 40

\*\* 1,07,625 number of shares held in AA Infraproperties Pvt. Ltd are pledged with AXIS Bank Ltd, for providing corporate guarantee on behalf of Indocem Developers (Private) Ltd.(Step Down Subsidiary).

\*\*\* Represents securities pledged with Banks and Others as security against Loans and Guarantees taken by the company and joint development companies except 69,20,000 units of Konark Income Opportunities Fund (G).



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, 2018

**Note 5.2 - Trade Receivables**  
(Unsecured)

₹ in Lacs

	As at 31.03.2018	Non-Current As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	Current As at 31.03.2017	As at 01.04.2016
Considered good	211.09	364.72	426.82	1100.01	2858.09	781.54
	<u>211.09</u>	<u>364.72</u>	<u>426.82</u>	<u>1,100.01</u>	<u>2,858.09</u>	<u>781.54</u>

**Note 5.3 - Loans**  
(Unsecured considered good unless otherwise stated)

₹ in Lacs

	As at 31.03.2018	Non-Current As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	Current As at 31.03.2017	As at 01.04.2016
Security deposits	162.14	268.06	253.47	-	-	60.59
Loans to related party (Refer Note 33) *						
Subsidiary Companies						
-Considered Good	11,856.19	3,516.12	22,100.45	-	-	-
-Considered Doubtful	679.11	679.11	679.11	-	-	-
Less : Provision for Doubtful Advances	<u>679.11</u>	<u>679.11</u>	<u>679.11</u>	-	-	-
Others				100.00	100.00	150.00
Other Loans				1,300.29	4,806.06	1,601.68
<b>Total Loans</b>	<b>12,018.33</b>	<b>3,784.38</b>	<b>22,353.92</b>	<b>1,400.29</b>	<b>4,906.06</b>	<b>1,812.27</b>

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 Aamul South City Infrastructure Ltd.	2,385.02	2,685.99	2,082.51	-	-	-
South City Matrix Infrastructure Ltd.	134.68	134.28	133.98	-	-	-
South City International School	693.07	695.85	813.61	-	-	-
AA Infoproperties Pvt. Ltd.	8,643.42	-	19,070.35	-	-	-

Subsidiary Companies (Considered Doubtful) :

South City Projects FZE	679.11	679.11	679.11	-	-	-
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Others

Khetawat Properties Ltd	-	-	-	100.00	100.00	150.00
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South City Projects (Kolkata) Ltd.

Director

South City Projects (Kolkata) Ltd.

Director

**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2018**

**Note 5.4 - Other Financial Assets**

₹ in Lacs

	Non-Current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Interest Receivables	55.68	60.73	-	9.94	181.11	96.96
Advances to related parties (Refer Note 29) *	1,204.06	1,204.06	1,204.06	168.37	293.33	45.01
Debt Service Reserve Account**	440.00	440.00	440.00	-	-	-
<b>Total Other Financial Assets</b>	<b>1,699.74</b>	<b>1,704.79</b>	<b>1,644.06</b>	<b>178.31</b>	<b>474.44</b>	<b>141.97</b>

\* Advances to Related Parties pertain to :

Joint Venture Companies (Considered Good) :

Kolkata Metropolitan South City Development Ltd.

1,204.06      1,204.06      1,204.06

Subsidiary Companies (Considered Good) :

AA Infraproperties Pvt Ltd.

-      -      -      20.01      70.00      -

South City Retreat Property Management Pvt Ltd

-      -      -      0.37      0.27      -

Indocean Developers Pvt. Ltd.

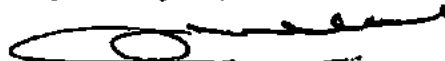
-      -      -      147.99      223.06      35.47

South City International School

-      -      -      -      -      9.54

\*\* It represents margin money in favour of Axis Bank for Term Loan availed.

South City Projects (Kolkata) Ltd.

  
Director

South City Projects (Kolkata) Ltd.

  
Director



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2018**

**Note 6.1 - Current Tax Assets (Net)**

Total of Current Tax Assets  
Less: Total of Current Tax Liabilities

**Total**

Balance Sheet			₹ in Lacs
As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	
1075.34	829.89	742.94	
79.13	565.73	286.92	
<b>996.21</b>	<b>264.16</b>	<b>456.02</b>	

**Note 6.2 - Deferred Tax Assets & Liabilities (Net)**

Nature - (liability) / asset

**Deferred Tax Liabilities**

Amortisation of Upfront fees on Loans  
Fair valuation of Equity Shares  
Fair valuation of Mutual funds

**Total (A)**

**Deferred Tax Assets**

Arising out of temporary differences in depreciable assets  
On expenses allowable against taxable income in future years  
- Provision for Gratuity  
- Provision for Leave Encashment  
- Municipal Tax  
- Others through OCI

**Total (B)**

**Net Deferred Tax (Liabilities)/Assets (B-A)**

			₹ in Lacs
As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	
0.22	20.99	44.98	
21.60	12.64	9.86	
1913.88	1285.53	604.17	
<b>1935.70</b>	<b>1319.16</b>	<b>659.01</b>	
36.68	30.36	28.53	
45.88	28.95	24.14	
59.59	21.06	14.28	
390.00	31.55	1.17	
2.28	2.20	-	
<b>534.43</b>	<b>114.12</b>	<b>68.12</b>	
<b>(1,401.27)</b>	<b>(1,205.04)</b>	<b>(590.89)</b>	

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

Indian statutory Income Tax rate (%)

Expected Income Tax Expenses

Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses:

Income exempt from income taxes

Additional allowances / deduction

Impact of differential tax rate

Impact due to different head of income

Permanent differences

Deferred Tax (see note above)

Total Income Tax Expenses

Effective Tax Rate

As at 31.03.2018	As at 31.03.2017	₹ in Lacs
---------------------	---------------------	-----------

2,132.47	9,639.58	
34.608%	34.608%	
738.01	3,336.07	
(904.12)	(665.43)	
641.27	374.95	
(437.67)	(549.77)	
497.44	(806.33)	
78.88	10.51	
198.51	616.35	
<b>812.32</b>	<b>2,316.35</b>	
<b>38.09%</b>	<b>24.03%</b>	

South City Projects (Kolkata) Ltd.



*[Signature]*  
Director

South City Projects (Kolkata) Ltd.

*[Signature]*  
Director



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
Notes to Financial Statements for the year ended 31st March, 2018

**Note 7 - Other Assets**

₹ in Lacs

	Non-Current		Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017
Capital Advances	279.90	227.89	-	-	-
Advances other than capital advances					
Advances for Projects, Expenses etc.	-	-	-	252.36	317.05
Joint Development Agreement	4,128.62	3,693.38	3,344.68	-	-
Balance with Government Authorities	-	-	-	227.79	29.88
Prepaid Expenses	-	-	-	1,010.69	28.27
Other Advances	78.89	73.04	206.27	108.37	122.21
<b>Total Other Assets</b>	<b>4,487.41</b>	<b>3,994.31</b>	<b>3,550.95</b>	<b>1,599.21</b>	<b>497.41</b>

**Note 8 - Inventories**

(Lower of cost or net realisable value)

₹ in Lacs

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Raw Materials & Consumables		606.27	-
Construction Work - in - progress			240.17
Land	4,375.54	6,313.38	7,372.99
Others	11,296.47	9,770.35	13,761.88
Finished Goods		955.79	-
<b>Total inventories</b>	<b>17,234.07</b>	<b>17,289.49</b>	<b>21,236.41</b>

**Note 9.1 - Cash and Cash Equivalents**

₹ in Lacs

	Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balances with banks:			
- On current accounts	65.46	620.55	377.93
- Deposits with original maturity of less than three months	0.27	0.25	0.23
Cash in hand	5.07	7.89	7.00
<b>Total Cash and Cash Equivalents</b>	<b>70.80</b>	<b>628.69</b>	<b>385.16</b>

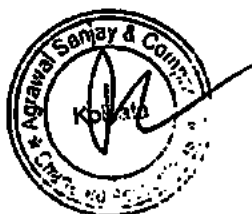
**Note 9.2 - Other Bank Balances**

Term Deposits with maturity of more than three months but less than twelve months

**Total Other Bank Balances**

₹ in Lacs

Current		
As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
0.53	0.52	0.48
<b>0.53</b>	<b>0.52</b>	<b>0.48</b>



South City Projects (Kolkata) Ltd.

*[Signature]*  
Director

South City Projects (Kolkata) Ltd.

*[Signature]*  
Director

**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
Notes to Financial Statements for the year ended 31st March, 2018

**Note - 10 - Equity Share Capital**

	₹ in Lacs		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Authorized Capital			
50,00,000 Equity Shares of Rs. 10 each	500.00	500.00	500.00
Issued, Subscribed and Paid-up Capital			
45,00,700 Equity Shares of Rs. 10 each fully paid up in cash	450.07	450.07	450.07
<b>Total Equity Share Capital</b>	<b>450.07</b>	<b>450.07</b>	<b>450.07</b>

**a) The Reconciliation of Share Capital is given below:**

	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	4,500,700	450.07	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	4,500,700	450.07

**b) Terms/Rights attached to class of shares**

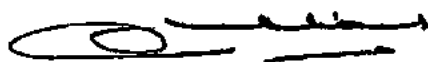
The Company has only one class of Equity Shares having a par value of Rs 10 each. Holder of each Equity Share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Shradha Developers Pvt Ltd	450,071	10.00%	450,071	10.00%	450,071	10.00%
Park Chambers Ltd	425,105	9.45%	425,105	9.45%	425,105	9.45%
Merlin Projects Ltd	390,955	8.69%	390,955	8.69%	390,955	8.69%
Jugal Kishore Khetawat	386,334	8.58%	386,334	8.58%	386,334	8.58%
Jugal Kishore Khetawat -Trustee of Khetawat Family Welfare	326,335	7.25%	326,335	7.25%	326,335	7.25%
Vinayak Dealers (P) Ltd	292,000	6.49%	292,000	6.49%	292,000	6.49%
Pan Emami Cosmed Ltd	254,225	5.65%	254,225	5.65%	254,225	5.65%

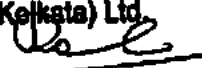
As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

South City Projects (Kolkata) Ltd.



Director

South City Projects (Kolkata) Ltd.



Director



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**

Notes to Financial Statements for the year ended 31st March, 2018

**Note - 11 - Other equity**

	₹ in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Reserves &amp; Surplus</b>			
Securities Premium Account	660.00	660.00	660.00
Retained earnings	17,649.99	19,358.74	12,035.51
General Reserve	20,000.00	20,000.00	20,000.00
Other Comprehensive Income			
- FVTOCI reserve (net of tax)	(8.44)	(4.14)	-
<b>Total other equity</b>	<b>38,301.55</b>	<b>40,014.60</b>	<b>32,695.51</b>

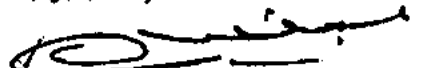
**Securities Premium Account**- Premium received on equity shares issued are recognised in the securities premium account.

**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 and return on plan assets (excluding interest income).

South City Projects (Kolkata) Ltd.

  
 Director

South City Projects (Kolkata) Ltd.

  
 Director


**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2018**

**Note 12.1 - Borrowings**

₹ in Lacs

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
<b>Non-Current Borrowings</b>			
Secured			
Term Loans from Banks (A)	4,269.56	12,749.49	15,179.11
Long Term Maturities of Finance Lease Obligations (C)	17.28	7.17	9.35
<b>Total Non Current Borrowings</b>	<b>4,286.84</b>	<b>12,756.66</b>	<b>15,188.46</b>
<b>Borrowing included in Other Financial Liabilities</b>			
<b>Current Borrowing</b>			
Secured			
Loans from Other Parties	14,700.00	12,700.00	6,450.00
Bank Overdraft	8,434.43	2,742.21	2,306.54
Working Capital Loan	-	1,500.00	-
	<b>23,134.43</b>	<b>16,942.21</b>	<b>8,756.54</b>
Unsecured			
From Body Corporate	3,310.00	3,550.00	3,150.00
From Directors	100.00	850.00	503.00
From Related Parties	-	-	950.00
Temporary Bank Overdraft	4,155.58	419.17	33.22
	<b>7,565.58</b>	<b>4,819.17</b>	<b>4,636.22</b>
<b>Total Current Borrowings</b>	<b>30,700.01</b>	<b>21,761.38</b>	<b>13,392.76</b>
Current maturities of long-term borrowings from Bank (B)	13,927.87	5,236.96	4,915.63
Current maturities of finance lease obligations (D)	5.07	2.18	8.15
<b>Total Borrowing included in Other Financial Liabilities *</b>	<b>13,932.94</b>	<b>5,239.14</b>	<b>4,923.78</b>
Aggregate of Term Loan from Bank (A + B)	18,197.43	17,986.45	20,094.74
Aggregate of Financial Lease Obligation (C + D)	22.35	9.35	17.50

\* Refer Note 12.2



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 2018 :

**Terms & Conditions**

Bank from whom Loan is availed	Current Portion of Loan as on 31.03.2018 ₹ in Lacs	Current Portion of Loan as on 31.03.2017 ₹ in Lacs	Current Portion of Loan as on 31.03.2016 ₹ in Lacs	Non Current Portion of Loan as on 31.03.2018 ₹ in Lacs	Non Current Portion of Loan as on 31.03.2017 ₹ in Lacs	Non Current Portion of Loan as on 31.03.2016 ₹ in Lacs	Interest (p.a. basis)	Instalment Amount ₹ in Lacs	Security Provided to avail Loan
<b>(a) Term Loans From Banks</b>									
Korak Bank	712.94	1,217.60	1,633.36	4,269.56	5,024.03	3,434.31	KMCLR 6 months i.e. 8.65 %	112.14	1) Ground Floor to 13th floor of South City "Pinnacle" situated at Plot No. X1-1, Block EP, Sector V, Salt Lake, Kolkata - 700 091. 2) Municipal Premises No. 2, Justice Chandra Madhav Road, Bhowanipore, Kolkata - 700020, P.S. Bhowanipore in the District 24 Parganas (S).
Axis Bank	7,780.45	4,019.36	3,282.27	-	7,725.46	11,744.80	Base Rate plus 1.25%	Unequal Instalments	1. First pari-passu charge by way of equitable mortgage over the property (entire build up area in the Mall which is owned by SCPKL) to be shared only with the SBLC facility of 275 crores provided by the bank; 2. First charge over the cash flows of the property; 3. First charge over the Designated Account & DGRA-A12.
Axis Bank	5,434.48	-	-	-	-	-	3M MCLR plus 1.20%		1. First pari passu charge by way of Equitable Mortgage over the property, to be shared only with the SBLC/TL facilities already availed from Axis Bank Ltd. 2. First pari passu charge over the cash flows of the Mall.
<b>TOTAL (a)</b>	<b>13,927.87</b>	<b>5,236.96</b>	<b>4,915.63</b>	<b>4,269.56</b>	<b>12,749.49</b>	<b>15,179.11</b>			
<b>(b) Finance Lease Obligations</b>									
HDFC Bank	3.58	2.18	8.15	12.02	7.17	9.35	9.45%	0.44	Hypothecation of Creta & Polo Vehicle.
Toyota Financial	1.09	-	-	3.26	-	-	7.50%	0.13	Hypothecation of Erios Vehicle.
<b>TOTAL (b)</b>	<b>5.07</b>	<b>2.18</b>	<b>8.15</b>	<b>17.28</b>	<b>7.17</b>	<b>9.35</b>			



SOUTH CITY PROJECTS (KOLKATA) LIMITED  
  
 Director

SOUTH CITY PROJECTS (KOLKATA) LTD.  
  
 Director

**SOUTH CITY PROJECTS (KOLKATA) LIMITED**

Notes to Financial Statements for the year ended 31st March, 2018

**Note 12.2 - Other Financial Liabilities**

₹ in Lacs

	Non-Current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Security Deposits Received	2,523.37	1,836.41	4,022.41	2,186.47	678.41	96.14
Current maturities of long-term borrowings	-	-	-	13,927.87	5,236.96	4,915.63
Current maturities of finance lease obligations	-	-	-	5.07	2.18	8.15
Refundable Deposits against Expired Lease	-	-	-	-	744.97	-
Interest accrued but not due on borrowings	-	-	-	8.38	12.02	12.16
Interest accrued and due on borrowings	-	-	-	167.23	191.13	195.83
Others *	-	-	-	544.46	610.84	423.70
<b>Total Other Financial Liabilities</b>	<b>2,523.37</b>	<b>1,836.41</b>	<b>4,022.41</b>	<b>16,839.48</b>	<b>7,476.51</b>	<b>5,651.61</b>

\* Includes Rs. Nil (2016-17 - Rs. 3.35 lakhs, 2015-16 - Rs. Nil) payable to Subsidiary - South City Developers Pvt. Ltd.

**Note 13 - Provisions**

₹ in Lacs

	Non-Current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for employee benefits						
- Provision for gratuity (Refer Note 30)	102.47	65.93	57.07	36.70	24.09	12.68
- Provision for leave encashment (Refer Note 30)	138.64	49.33	36.56	33.53	11.53	4.71
	<b>241.11</b>	<b>115.26</b>	<b>93.63</b>	<b>70.23</b>	<b>35.62</b>	<b>17.39</b>

**Note 14. Trade Payables**

₹ in Lacs

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Trade Payables			
- Total outstanding dues of Micro & Small Enterprises (See Note below)	-	-	-
- Total outstanding dues of creditors other than Micro & Small Enterprises	4,393.01	5,604.29	3,236.88
	<b>4,393.01</b>	<b>5,604.29</b>	<b>3,236.88</b>

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.

South City Projects (Kolkata) Ltd.


  
Director


  
Director

**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2018**

**Note 15. Other Current Liabilities**

₹ in Lacs

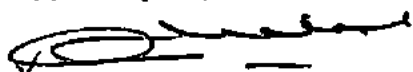
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advances from Customers	1,582.29	1,278.66	13,721.61
Others:			
Statutory dues	1,305.67	336.06	372.46
<b>Total other current Liabilities</b>	<b>2,887.97</b>	<b>1,614.72</b>	<b>14,094.07</b>

**Note 16 - Distribution of Dividend**

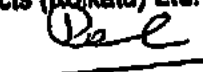
₹ in Lacs

	As at 31.03.2018	As at 31.03.2017
Dividends on Equity Shares declared and paid:		
Final dividend for the year ended 31 March 2017- Rs. 55.00 per share (1st April 2016 - Rs. Nil per share)	2,475.39	-
DIT on final dividend	499.63	-
	<b>2,975.02</b>	<b>-</b>

South City Projects (Kolkata) Ltd.

  
 Director

South City Projects (Kolkata) Ltd.

  
 Director



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
Notes to Financial Statements for the year ended 31st March, 2018

**Note 17.1 - Financial Assets**

	As at 31.03.2018	As at 31.03.2017	₹ in Lacs As at 01.04.2016
<b>Financial Assets - Non Current</b>			
<u>At Amortised Cost</u>			
(a) Trade Receivable	211.09	364.72	426.82
(b) Loans	12,018.33	3,784.18	22,353.92
(c) Other financial assets	1,699.74	1,704.79	1,644.06
	<b>13,929.16</b>	<b>5,853.69</b>	<b>24,424.80</b>
<u>At Deemed Costs</u>			
Investments	2,706.30	2,706.29	2,771.13
<u>At Fair Value through profit or loss</u>			
Investments	39,382.95	39,693.22	16,170.13
<b>Total Non Current Financial Assets (a)</b>	<b>56,018.41</b>	<b>48,253.20</b>	<b>43,366.06</b>
<b>Financial Assets - Current</b>			
<u>At Amortised cost</u>			
(a) Trade Receivables	1,100.01	2,858.09	781.54
(b) Cash and Cash Equivalents	70.80	628.69	385.16
(c) Bank Balances other than (b) above	0.55	0.52	0.48
(d) Loans	1,400.29	4,906.06	1,812.27
(e) Other Financial Assets	178.31	474.44	141.97
<b>Total Current Financial Assets (b)</b>	<b>2,749.96</b>	<b>8,867.80</b>	<b>3,121.42</b>
<b>Total Financial Assets (a + b)</b>	<b>58,768.37</b>	<b>57,121.00</b>	<b>46,487.48</b>

**Note 17.2 - Financial Liabilities**

	As at 31.03.2018	As at 31.03.2017	₹ in Lacs As at 01.04.2016
<b>Financial Liabilities - Non Current</b>			
<u>At Amortised Cost</u>			
(a) Borrowings	4,286.84	12,756.66	15,188.46
(b) Other Financial Liabilities	2,523.37	1,836.41	4,022.41
<b>Total Non Current Financial Liabilities (a)</b>	<b>6,810.21</b>	<b>14,593.07</b>	<b>19,210.87</b>
<b>Financial Liabilities - Current</b>			
<u>At Amortised Cost</u>			
(a) Borrowings	30,700.01	21,761.38	13,392.76
(b) Trade payables	4,393.01	5,604.29	3,236.88
(c) Other Financial Liabilities	16,839.48	7,476.51	5,651.61
<b>Total Current Financial Liabilities (b)</b>	<b>51,932.49</b>	<b>34,842.18</b>	<b>22,281.25</b>
<b>Total Financial Liabilities (a + b)</b>	<b>58,742.71</b>	<b>49,435.25</b>	<b>41,492.12</b>



South City Projects (Kolkata) Ltd.

*[Signature]*

Director

South City Projects (Kolkata) Ltd.

*[Signature]*

Director



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2018**

**Note 18 - Revenue from Operations**

	₹ in Lacs	
	2017-18	2016-17
<b>Sale of Products</b>		
Revenue from Land & Constructed Properties	3,070.86	15,838.64
<b>Sale of Services</b>		
Rental Income	4,083.41	7,971.35
Maintenance Services	1,505.88	1,975.58
<b>Other Operating Revenue</b>		
Others	31.97	63.37
<b>Total</b>	<b>8,692.12</b>	<b>25,848.94</b>

**Note 19 - Other Income**

	₹ in Lacs	
	2017-18	2016-17
<b>Income from Financial Assets</b>		
Interest Income		
From Customers	2.72	2.01
From Loans	1,032.16	2,166.54
From Deposits	8.52	8.11
From Others	3.38	1.74
Dividend Income on Investments	22.68	8.87
<b>Other Non Operating Income</b>		
Net Gain on Sale of Investments	17.32	106.23
Fair Value Change of Investments measured at FVTPL	2,589.77	2,290.63
Guarantee Commission (From Subsidiary Company)	334.12	213.03
Interest - Sale of Land	1,831.19	-
Miscellaneous Income	100.81	145.66
<b>Total</b>	<b>5,942.67</b>	<b>4,942.82</b>

**Note 20 - Construction Cost**

	₹ in Lacs	
	2017-18	2016-17
Salaries, Wages & Bonus	131.98	102.52
Contribution to Provident & Other Funds	4.69	4.56
Staff Welfare Expenses	0.35	2.11
Power & Fuel	21.86	32.50
Repairs		
Others	11.60	2.66
Insurance	6.52	6.66
Rates & Taxes	19.21	60.04
Land	13.71	40.39
Materials Consumed	511.84	1,347.18
Construction Expenses	1,036.22	2,405.93
Payment against Surrender of Tenancy	-	4,118.76
Other Operating Expenses	141.38	188.45
Consultancy & Retainership Charges	38.47	334.50
Finance Costs	0.42	72.01
<b>Total</b>	<b>1,938.25</b>	<b>8,718.27</b>



South City Projects (Kolkata) Ltd.

*[Signature]*

Director

South City Projects (Kolkata) Ltd.

*[Signature]*

Director

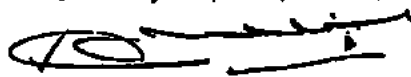
**SOUTH CITY PROJECTS (KOLKATA) LIMITED**

Notes to Financial Statements for the year ended 31st March, 2018

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


	<u>2017-18</u>		<u>2016-17</u>	
			₹ in Lacs	
<b>Closing Stock</b>				
Finished Goods		955.79		965.59
Construction Work -in-progress				
Land	4,375.54		6,313.38	
Others	11,296.47	15,672.01	9,770.35	16,083.73
<b>Total (A)</b>		<u>16,627.80</u>		<u>17,049.32</u>
<b>Opening Stock</b>				
Finished Goods		965.59		101.54
Construction Work -in-progress				
Land	6,313.38		7,372.99	
Others	9,770.35		13,761.88	21,134.87
	16,083.73			
Less: Transitional Input Credit under GST	24.13	16,059.60		
<b>Total (B)</b>		<u>17,025.19</u>		<u>21,236.41</u>
<b>Total (A - B)</b>		<u>397.39</u>		<u>4,187.09</u>

South City Projects (Kolkata) Ltd.



Director

South City Projects (Kolkata) Ltd.



Director



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2018**

**Note 22 - Employee Benefit Expenses**

	₹ in Lacs	
	2017-18	2016-17
Salaries and Wages	671.68	417.55
Contribution to Provident and Other Funds (Refer Note 30)	37.63	23.07
Staff Welfare Expenses	9.60	27.25
<b>Total</b>	<b>718.91</b>	<b>467.87</b>

**Note 23 - Finance Costs**

	₹ in Lacs	
	2017-18	2016-17
Interest Expense	3,651.41	3,718.21
Other Borrowing Cost	4.21	168.16
<b>Total</b>	<b>3,655.62</b>	<b>3,886.37</b>

**Note 24 - Depreciation and Amortisation Expense**

	₹ in Lacs	
	2017-18	2016-17
Depreciation of Tangible Assets (Note 4)	977.51	1,105.70
Amortisation of Intangible Assets (Note 4)	5.34	5.68
<b>Total</b>	<b>982.85</b>	<b>1,111.38</b>

**Note 25 - Other Expenses**

	₹ in Lacs	
	2017-18	2016-17
Power & Fuel	619.40	829.13
Repairs:		
- Building	39.58	17.21
- Others	120.12	59.82
- Maintenance	268.31	232.88
House Keeping Charges	221.19	231.13
Security Charges	209.98	227.75
Insurance	30.60	25.29
Rates & Taxes	1,714.93	587.40
Legal & Professional fees	225.65	190.16
Director's Remuneration	13.00	19.09
Corporate Social Responsibility Expenses (*refer note below)	223.83	49.52
Loss on Discard of Fixed Assets	861.91	-
Miscellaneous Expenses	240.80	219.14
<b>Total</b>	<b>4,809.30</b>	<b>2,688.52</b>

\*Corporate Social Responsibility expensed Rs. 223.83 Lacs (2016-17: Rs. 49.52 Lacs) includes Company's own programme for promoting employment enhancing vocational skill programme named 'TTrain'



**South City Projects (Kolkata) Ltd.**

*[Signature]*

Director

**South City Projects (Kolkata) Ltd.**

*[Signature]*

Director

**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2018**

**Note 26.1 - Auditor's Remuneration**

	₹ in Lacs	
	2017-18	2016-17
<b>As Auditor:</b>		
Audit fees	4.50	1.25
Tax audit fee	0.50	0.30
Other Matters	1.94	0.25
<b>Total</b>	<b>6.94</b>	<b>1.80</b>

**Note 26.2 - Details of CSR expenditure:**

	₹ in Lacs	
	2017-18	2016-17
a) Gross amount required to be spent by the company during the year	142.36	107.34
(b) Amount spent during the year:		
Construction/Acquisition of an asset	-	-
Purposes other than above	223.83	49.52
<b>Total</b>	<b>223.83</b>	<b>49.52</b>

**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.

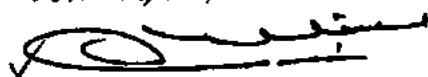
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity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

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

	₹ in Lacs	
	2017-18	2016-17
Net Profit for calculation of Basic and Diluted Earnings Per Share (in Lakhs)	1,266.27	7,323.23
Weighted average number of shares (Nos.)	4,500,700	4,500,700
Earning per equity share		
Basic & Diluted earning per share (in Rs.)	28.14	162.71



South City Projects (Kolkata) Ltd

  
Director

South City Projects (Kolkata) Ltd.

  
Director

## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

Notes to Financial Statements for the year ended 31st March, 2018

### **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 to Financial Statements for the year ended 31st March, 2018**

**Note 29 - Information on Joint Venture Entities**

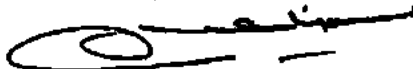
**Description of Company's interest in the Joint Venture Company**

	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
Name of the entity	Proportion of Interest	Country of Incorporation	Proportion of Interest	Country of Incorporation	Proportion of Interest	Country of Incorporation
Kolkata Metropolitan South City Development Ltd.	49.97%	India	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. In spite 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 Laha (Retd.) to adjudicate the dispute. KMDA in course of the sittings before Justice Laha, 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. Jayanto Mitra, Senior Advocate has been appointed as the Arbitrator. In the Arbitration, evidence of witnesses have been completed and the same is on the verge of completion.

South City Projects (Kolkata) Ltd.

  
 Director

South City Projects (Kolkata) Ltd.

  
 Director



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
Notes to Financial Statements for the year ended 31st March, 2018  
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	2017-18		2016-17	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
<b>Changes in the present value of Defined Benefit Obligation:</b>				
Present value of Defined Benefit Obligation at the beginning of the period	90.02	60.85	69.75	41.27
Current Service Cost	13.91	22.35	10.72	8.66
Interest Cost	6.57	4.44	5.45	3.23
Past Service Cost	23.32	-	-	-
Remeasurements (or Actuarial (gains)/losses) arising from:				
- Changes in demographic assumptions	-	-	-	-
- Changes in financial assumptions	(2.75)	(5.03)	3.64	3.04
- Experience variance (i.e. Actual experience vs assumptions)	9.33	95.74	2.71	11.15
- Others	-	-	-	-
Benefits Paid	(1.23)	(6.18)	(2.25)	(6.50)
<b>Present value of Defined Benefit Obligation at the end of the period</b>	<b>139.17</b>	<b>172.17</b>	<b>90.02</b>	<b>60.85</b>
<b>Amounts Recognised in the Balance Sheet:</b>				
Present value of defined benefit obligation at the year end (as at 01.04.2016 Gratuity 69.75 lacs & Leave Encashment 41.27 lacs)	139.17	172.17	90.02	60.85
Fair Value of the Plan Assets at the year end (as at 01.04.2016 Gratuity Nil & Leave Encashment Nil)	-	-	-	-
<b>Liability/(Asset) Recognised in the Balance Sheet</b>	<b>139.17</b>	<b>172.17</b>	<b>90.02</b>	<b>60.85</b>
<b>Expense recognised in the Statement of Profit and Loss:</b>				
Current Service Cost	13.91	22.35	10.72	8.66
Past Service Cost	23.32	-	-	-
Remeasurements (or Actuarial (gains)/losses) arising from:				
- Changes in financial assumptions	-	(5.03)	-	3.04
- Experience variance (i.e. Actual experience vs assumptions)	-	95.74	-	11.15
Net Interest Cost/(Income)	6.57	4.44	5.45	3.23
<b>Net Cost Recognised in the Statement of Profit and Loss</b>	<b>43.80</b>	<b>117.50</b>	<b>16.17</b>	<b>26.08</b>
<b>Expense recognised in the Other Comprehensive Income:</b>				
Remeasurements (gains)/losses	6.58	-	6.35	-
<b>Net Cost Recognised in Other Comprehensive Income</b>	<b>6.58</b>	<b>-</b>	<b>6.35</b>	<b>-</b>
<b>Financial Assumptions:</b>				
Discount Rate	7.60%	7.60%	7.30%	7.30%
Salary Growth Rate (per annum)	8.00%	8.00%	8.00%	8.00%
<b>Demographic Assumptions:</b>				
Mortality Rate (% of IALM 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 to Financial Statements for the year ended 31st March, 2018

**Note 30 - Employee Benefits Obligation (Contd.)**

A quantitative sensitivity analysis for significant assumption is shown below:

₹ in Lakhs

Discount Rate (- / + 1%)  
 % change compared to base due to sensitivity  
 Salary Growth Rate (- / + 1%)  
 % change compared to base due to sensitivity  
 Attrition Rate (- / + 50%)  
 % change compared to base due to sensitivity  
 Mortality Rate (- / + 10%)  
 % change compared to base due to sensitivity

Gratuity			
As at 31.03.2018		As at 31.03.2017	
Decrease	Increase	Decrease	Increase
151.58	128.55	97.94	83.28
8.91%	-7.63%	8.80%	-7.49%
131.24	148.04	85.33	94.75
-5.70%	6.37%	-5.20%	5.26%
137.77	140.35	89.03	90.86
-1.01%	0.85%	-1.10%	0.94%
138.88	139.45	89.80	90.23
-0.21%	0.20%	-24.00%	0.23%

Discount Rate (- / + 1%)  
 % change compared to base due to sensitivity  
 Salary Growth Rate (- / + 1%)  
 % change compared to base due to sensitivity  
 Attrition Rate (- / + 50%)  
 % change compared to base due to sensitivity  
 Mortality Rate (- / + 10%)  
 % change compared to base due to sensitivity

Leave Encashment			
As at 31.03.2018		As at 31.03.2017	
Decrease	Increase	Decrease	Increase
189.97	157.06	67.54	55.23
10.34%	-8.77%	10.99%	-9.24%
156.11	190.83	55.31	67.31
-9.33%	10.84%	-9.11%	10.61%
172.77	171.65	61.22	60.53
0.35%	-0.31%	0.61%	-0.53%
172.27	172.08	60.91	60.79
0.06%	-0.06%	0.10%	-0.10%

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. 20,00,000).

South City Projects (Kolkata) Ltd.

South City Projects (Kolkata) Ltd.



*[Signature]*  
 Director

*[Signature]*  
 Director



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2018**

**Note 31 - Leases.**

**Operating Lease — Company as Lessor**

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

Particulars	₹ in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Within one year	6,248.52	298.19	391.03
After one year but not more than five years	10,288.34	54.84	353.03
	<u>16,536.86</u>	<u>353.03</u>	<u>744.06</u>

**Note 32 - Commitment and Contingencies**

**a. Commitments**

- a) Estimated amount of contracts remaining to be executed on capital expenditure and not provided for (net of advances)

₹ in Lacs		
As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
1,184.52	1,682.25	2,015.02

**b. Contingent Liabilities**

Claims against the Company not acknowledged as debts:

	₹ in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Service Tax Demands (Net of Advances)	1,001.45	1,817.06	1,817.06
Employees State Insurance Demands (Net of Advances)	9.62	9.62	9.62
Income Tax	-	694.18	694.18
Others	91.39	-	-
<b>Total</b>	<u>1,102.46</u>	<u>2,520.86</u>	<u>2,520.86</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**  
 Against Loans taken by a Subsidiary  
 Against Sales tax  
 Others  
**Total**

₹ in Lacs		
As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
39,641.13	35,254.50	13,951.70
51.84	102.81	73.22
652.74	557.12	557.12
<u>40,345.71</u>	<u>35,914.43</u>	<u>14,582.04</u>



South City Projects (Kolkata) Ltd.

*[Signature]*  
 Director

South City Projects (Kolkata) Ltd.

*[Signature]*  
 Director

# SOUTH CITY PROJECTS (KOLKATA) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

## 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	98.00%
05. South City International School	Subsidiary	51.00%
06. South City Retreat Property Management Private Ltd.	Subsidiary	100.00%
07. AA Infra Properties Private Ltd.	Subsidiary	87.50%
08. Bengal Anmol South City Infrastructure Ltd.	Subsidiary	61.95%
09. AA Infra (Middle East) Ltd.	Step Down Subsidiary	87.50%
10. AA Infra Properties (Jafza) Ltd.	Step Down Subsidiary	87.50%
11. Indoceen 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 Shrawan Kumar Todi *	Non - Executive Director
Shri Pradeep Kumar Sureka	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	Non - Executive Director
Shri Ram Krishna Agarwal	Independent Director
Shri Jugal Kishore Khetawat	Independent Director
Shri Parimal Ajmera	Non - Executive Director
Shri Nikhil Chandra Das	Company Secretary
Shri Man Mohan Bagree	Vice President - Projects
	Vice President

\* ceased w.e.f. 9th September 2016

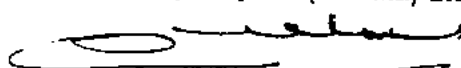
\*\* appointed w.e.f. 30th September 2016

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

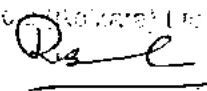
- South City Garden Property Management Private Ltd.
- South City Belair Property Management Private Ltd.
- Khetawat Towers Private Ltd.
- Khetawat Family Welfare Trust
- Khetawat Properties Ltd.
- South City Anmol Infra Park LLP
- Groove Traders Pvt. Ltd.



South City Projects (Kolkata) Ltd.

  
Director

South City Projects (Kolkata) Ltd.

  
Director

**SOUTH CITY PROJECTS (KOLKATA) LIMITED**

**A. Transactions**

₹ in Lacs

Particulars	Subsidiaries	Joint Venture				Key Management Personnel				Entities where Key Management Personnel and their relatives have significant influence				Total	
		31.03.18	31.03.17	01.04.18	31.03.18	31.03.17	01.04.18	31.03.18	31.03.17	01.04.18	31.03.18	31.03.17	01.04.18	31.03.18	01.04.18
Stamp Fees	-	-	-	-	-	-	-	-	-	-	3.00	-	-	3.00	4.30
Brokerage and Commission	-	-	-	-	-	-	-	-	-	-	187.86	-	-	187.86	90.22
Renting of Services	337.72	216.63	143.12	-	-	-	-	-	-	-	337.72	-	-	337.72	163.12
Investment	-	11.66	0.10	-	-	-	-	-	-	-	-	-	-	-	0.10
Loan Given	6,394.67	2,176.48	818.07	-	-	-	-	-	-	-	6,394.67	-	-	6,394.67	818.07
Loan Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances Given	228.91	781.77	65.73	-	-	-	-	-	-	-	228.91	-	-	228.91	81.25
Advances for Purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances for Purchase of Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances for Property Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances Within Off	-	-	0.10	-	-	-	-	-	-	-	-	-	-	-	-
Advances received for sale of Flat	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of Illicit & Other Charges	-	37.63	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received	689.54	1,636.49	2,802.29	-	-	-	-	-	-	-	689.54	-	-	689.54	2,802.29
Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt Towards Loan Given	1,273.57	21,167.52	3,382.40	-	-	-	-	-	-	-	1,273.57	-	-	1,273.57	3,382.40
Repayment of Loan Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt Towards Advances given	272.04	708.71	65.21	-	-	-	-	-	-	-	272.04	-	-	272.04	65.21
Repayment of Advances received towards sale of Flat	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Advances received towards sale of Flat	13.75	12.50	12.50	-	-	-	-	-	-	-	13.75	-	-	13.75	12.50
Expense Incurred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt towards Advances given for purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Advances in Subsidiary	-	-	1.12	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Advances in Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Composite Guarantees Given	33,411.80	21,502.80	13,951.70	-	-	-	-	-	-	-	33,411.80	-	-	33,411.80	13,951.70
Balance as on 31.03.2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A - Investment	2,706.29	2,706.29	2,694.63	-	-	-	-	-	-	-	2,706.29	-	-	2,706.29	2,694.63
B - Loan Given	11,721.51	3,381.84	21,966.48	-	-	-	-	-	-	-	11,721.51	-	-	11,721.51	22,116.48
C - Loan Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D - Advance for Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E - Advances for Property Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G - Deduct for Recovery of Electricity & Others	0.18	-	-	-	-	-	-	-	-	-	0.18	-	-	0.18	-
H - Advances Paid	582.16	1,140.73	874.87	-	-	-	-	-	-	-	582.16	-	-	582.16	-
K - Advances received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G - Cashless	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
L - Advance received for the sale of Flat	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
L - Provision for Advances in Subsidiary	679.11	679.11	679.11	-	-	-	-	-	-	-	679.11	-	-	679.11	679.11
L - Corporate Guarantees Given	39,641.13	35,384.50	13,951.70	-	-	-	-	-	-	-	39,641.13	-	-	39,641.13	13,951.70



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, 2018**

**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 31 March 2018** ₹ in Lacs

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment at FVTPL				
In Debentures	-	-	-	-
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

**Financial Assets and Liabilities measured at Fair Value at 31 March 2017**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment at FVTPL				
In Debentures	-	-	-	-
In Quoted units of Mutual funds	39,462.13	-	-	39,462.13
In Quoted Equity Shares	132.10	-	-	132.10
In Quoted Shares through PMS Pool Account	98.99	-	-	98.99

**Financial assets and liabilities measured at fair value at 1 April 2016**

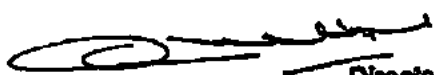
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment at FVTPL				
In Debentures	-	76.50	-	76.50
In Quoted units of Mutual funds	15,695.74	-	-	15,695.74
In Quoted Equity Shares	474.39	-	-	474.39
In Quoted Shares through PMS Pool Account	-	-	-	-

(b) **Financial Instruments at Amortized 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 to Financial Statements for the year ended 31st March, 2018**

**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 amortised 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	Provision for Expected Credit Loss*
Low Credit Risk	Cash and cash equivalents, other bank balances, investments, loans and other financial assets	12 month expected credit loss/life time expected credit loss
Moderate Credit Risk	Trade receivables, loans and other financial assets	12 month expected credit loss/life time expected credit loss
High Credit Risk	Trade receivables, loans and other financial assets	Life time expected credit loss

\*Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

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	31.03.2018	31.03.2017	01.04.2016
Low Credit Risk	Cash and cash equivalents, other bank balances, investments, loans and other financial assets	57,295.13	53,630.12	43,381.59
High Credit Risk	Loans and Trade Receivables	1,473.24	3,490.87	1,461.83



South City Projects (Kolkata) Ltd.

Director

South City Projects (Kolkata) Ltd.

Director

**SOUTH CITY PROJECTS (KOLKATA) LIMITED**

Notes to Financial Statements for the year ended 31st March, 2018

**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 analyses the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities

**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
Security Deposits	1,867.68	-	2,523.37	4,391.05
Other Financial Liabilities	14,701.63	-	-	14,701.63

**March 31, 2017**

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	21,761.38	10,534.72	2,221.94	34,518.04
Trade Payable	5,604.29	-	-	5,604.29
Security Deposits	678.41	-	1,836.41	2,514.82
Other Financial Liabilities	6,798.10	-	-	6,798.10

**April 1, 2016**

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	13,392.76	15,168.46	-	28,561.22
Trade Payable	3,236.88	-	-	3,236.88
Security Deposits	96.14	-	4,022.41	4,118.55
Other Financial Liabilities	5,555.47	-	-	5,555.47

**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	31.03.2018	31.03.2017	01.04.2016
Variable Rate Borrowing	12,703.99	16,991.70	17,485.65
Fixed Rate Borrowing	22,282.86	17,526.34	11,095.57

**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, 2018	March 31, 2017
Interest Sensitivity*		
Interest Rates increase by 100 basis points	(127.04)	(169.92)
Interest Rates decrease by 100 basis points	127.04	169.92

\*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, 2018	March 31, 2017
Price Sensitivity*		
Price increase by 5% - FVTPL	1,969.15	1,984.66
Price decrease by 5% - FVTPL	1,969.15	1,984.66

\*Holding all other variables constant

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, 2018

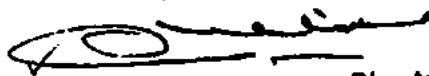
**Note 36 - Capital management**

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 Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Borrowings	34,986.85	34,518.04	28,581.22
Other Financial Liabilities	19,362.85	9,312.92	9,674.02
Trade Payables	4,393.01	5,604.29	3,236.88
Less: Cash and Cash Equivalents	70.80	628.69	385.16
<b>Net Debt</b>	<b>58,671.91</b>	<b>48,806.56</b>	<b>41,106.96</b>
 Total capital	 38,760.06	 40,468.81	 33,145.58
<b>Capital and Net Debt</b>	<b>97,431.97</b>	<b>89,275.37</b>	<b>74,252.54</b>
 Gearing ratio	 60.22%	 54.67%	 55.36%

South City Projects (Kolkata) Ltd.

  
 Director

South City Projects (Kolkata) Ltd.

  
 Director


**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2018**

**Note 37 - First-time adoption of Ind AS**

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

**Exemptions and exceptions applied**


Ind AS 101 allows first-time adopters certain exemptions and mandatory exceptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions and exceptions:

- a The Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value as on the date of transition. The written down value as per the Previous GAAP as on April 1, 2016 has been considered as the Gross Block under Ind AS for respective classes of assets in accordance with Ind AS 101- First-time adoption of Indian Accounting Standards.
- b The Company has elected to measure all of its investment in subsidiaries and joint ventures at their previous GAAP carrying value in accordance with Ind AS 101- First-time adoption of Indian Accounting Standards.
- c The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from IFTPL - Mutual Funds where application of Indian GAAP did not require estimation.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016 (i.e. the date of transition to Ind-AS) and as of 31 March 2017.

- d Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS in accordance with Ind AS 101- First-time adoption of Indian Accounting Standards.

**South City Projects (Kolkata) Ltd.**

  
Director



**South City Projects (Kolkata) Ltd.**

  
Director



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**

Notes to Financial Statements for the year ended 31st March, 2018

**Note 38.1 - Effect of the Transition to Ind AS**

Reconciliations of the Company's balance sheets prepared under Indian GAAP and Ind AS as of April 1, 2016 and March 31, 2017 and reconciliation of the Company's Statement of Profit and Loss for the year ended March 31, 2016 prepared in accordance with Indian GAAP and Ind AS are presented below.

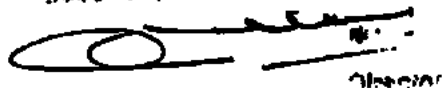
₹ in Lacs

Particulars	Total Other Equity		Total Comprehensive Income	Remarks
	31.03.2017	31.03.2016	2016-17	
Balance of Other Equity/Net profit under Indian GAAP	37,521.99	31,450.30	6,071.69	
Adjustments:				
Impact of Effective Interest on Long Term Borrowings	84.66	129.98	(45.32)	Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to the Statement of Profit or Loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to Statement of Profit or Loss using the effective interest method.
Fair value/amortisation cost of Investments in accordance with Ind AS 109	2,407.95	1,115.23	1,292.72	Under Indian GAAP, the company accounted for long term investments as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the company has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the Retained earning reserve, net of related deferred taxes.
Net Profit as per IND AS			7,319.09	
Balance of Equity/Total comprehensive income under Ind AS	40,014.60	32,695.51	7,319.09	

**Note 38.2 - Reconciliation of cash flows for the year ended March 31, 2017**

The transition from erstwhile Indian GAAP to Ind AS has not made a material impact on the statement of cash flows.

South City Projects (Kolkata) Ltd.



South City Projects (Kolkata) Ltd.

Director



**South City Projects (Kolkata) Limited**  
**Notes to Financial Statements for the year ended 31st March, 2018**

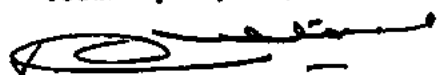
**Note 39 - Segment Information**

- 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
- 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, 2018 and March 31, 2017

Particulars	Real Estate Projects		Rental Activities		Unallocated		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Revenue								
Total External Revenue	3,149.67	15,934.86	5,542.44	9,914.08	-	-	8,692.12	25,848.94
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	3,149.67	15,934.86	5,542.44	9,914.08	-	-	8,692.12	25,848.94
Results								
Segment Results	157.96	2,602.70	814.64	7,160.37	-	-	972.61	9,763.07
Unallocated Corporate Expenses	-	-	-	-	144.34	74.88	144.34	74.88
Operating Profit/(loss)	157.96	2,602.70	814.64	7,160.37	(144.34)	(74.88)	828.27	9,688.18
Other Income	1,835.67	20.88	105.24	112.84	-	-	1,940.90	133.72
Unallocated Other Income	-	-	-	-	4,001.76	2,637.03	4,001.76	2,637.03
Interest Income	-	3.13	-	6.94	-	-	-	10.07
Unallocated Interest Income	-	-	-	-	-	2,168.33	-	2,168.33
Financial Expenses	-	-	958.18	1,195.83	-	-	958.18	1,195.83
Unallocated Financial Expenses	-	-	-	-	2,697.43	2,690.54	2,697.43	2,690.54
Profit/(loss) Before Tax	1,972.41	2,607.06	(989.29)	4,997.50	1,149.34	2,035.02	2,132.47	9,639.58
Current Tax	-	-	-	-	613.81	1,700.00	613.81	1,700.00
Deferred Tax	-	-	-	-	198.51	616.35	198.51	616.35
Income Tax of Earlier Years	-	-	-	-	53.88	-	53.88	-
Net Profit/(loss) after Tax	1,972.41	2,607.06	(989.29)	4,997.50	283.14	(281.33)	1,266.27	7,323.23

South City Projects (Kolkata) Ltd.

  
 Director

South City Projects (Kolkata) Ltd.

  
 Director



Particulars	Real Estate			Patented Development			Patent Acquisitions			Unleveraged			Total
	31-Mar-16	31-Mar-17	01-Apr-16	31-Mar-16	31-Mar-17	01-Apr-16	31-Mar-16	31-Mar-17	01-Apr-16	31-Mar-16	31-Mar-17	01-Apr-16	
Segment Assets	12,076.96	36,605.74	43,517.75	10,818.09	38,856.41	35,027.27	79,199.86	17,408.41	10,888.66	22,895.05	75,462.15	78,545.66	
Unleveraged Corporate Assets													
Total Assets	12,076.96	36,605.74	-	10,818.09	38,856.41	-	79,199.86	17,408.41	10,888.66	102,094.91	92,870.56	89,433.68	
Segment Liabilities	12,101.09	7,318.65	16,837.72	10,818.09	14,101.68	15,270.04	-	-	-	22,919.18	21,420.33	32,107.76	
Unleveraged Corporate Liabilities													
Total Liabilities	12,101.09	7,318.65	-	10,818.09	14,101.68	-	40,424.11	30,983.56	24,180.34	40,432.11	30,983.56	24,180.34	
Capital Expenditure Incurred	-	-	-	-	-	-	40,424.11	30,983.56	-	43,343.29	52,405.89	56,288.10	
Unleveraged Capital Expenditure Incurred	-	-	-	-	-	-	34.69	7.41	23.82	34.69	7.41	23.82	
Depreciation and Amortization expense	21.22	19.66	20.64	950.99	1,086.81	1,370.02	10.64	4.90	5.16	982.85	1,111.57	1,395.82	

**None.**  
The Company has entered its Investment in Preference Share of AA Infroproperties Pvt. Ltd. to be a Compound financial Instruments and secondarily split the same as Investment in Equity Instruments of INR 1232.95 lacs and Investment in Debt Instrument of INR 1392.05 lacs.

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

w.e.f April 01, 2018. However, based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact. However, there will be additional presentation and disclosure requirement which will be provided in the next year's financial statements.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

South City Projects (Kolkata) Ltd.

## Director

