

GANDHI BINNANI & ASSOCIATES
CHARTERED ACCOUNTANTS

304, SHIVA CHAMBERS,
929/1, NAIWALA, FAIZ ROAD,
KAROL BAGH, NEW DELHI- 110005
PH: 011- 28751893, 28752893

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
M/S FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED
UTTAR PRADESH - 201301

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of M/s FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED (the Company), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss and Cash Flow for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its Profit and Cash Flow for the year ended on that date

BASIS OF OPINION

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



RESPONSIBILITIES OF MANAGEMENT FOR STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

That Board of Directors are also responsible for overseeing the company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, the matters specified in paragraphs 3 and 4 of the Order is not applicable to the company.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet and the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account



- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, and to our best of our information and according to the explanations given to us :
- i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

For M/s Gandhi Binnani & Associates
Chartered Accountants
(Firm Registration No. 015872N)

Place: New Delhi
Dated: 05TH December, 2020




CA Pradip Kumar Binnani
(Partner)

Membership No.: 093131

UDIN: 21093131AAAAAI4426

FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED

E-109 SECTOR- 6, GAUTAM BUDDHA NAGAR

NOIDA, UTTAR PRADESH-201301

CIN: U45201UP2014PTC064035

Balance Sheet as on 31st March, 2020

(In Rupees)

Particulars	Note No	Amount (Rs.) 31-03-2020	Amount (Rs.) 31-03-2019
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	5,000,000	5,000,000
(b) Reserves and Surplus	2	(595,482)	(1,883,817)
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	650,344	5,069,600
(b) Deferred tax liabilities (Net)	7	-	6,983
(3) Current Liabilities			
(a) Trade payables	4	45,763,871	12,204,889
(b) Other current liabilities	5	72,452,233	64,463,562
(c) Short Term Provisions	5	1,290,227	506,838
TOTAL		124,561,193	85,368,056
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment			
(i) Tangible assets	6	533,601	329,385
(b) Deferred Tax Assets (Net)	7	7,126	-
(c) Long term loans and advances	8	12,487,026	8,123,700
(2) Current assets			
(a) Inventories	9	41,768,074	29,404,864
(b) Trade Receivables	10	18,074,211	-
(c) Short Term Loans & Advances	11	2,936,828	2,773,346
(d) Cash and Cash Equivalents	12	1,227,545	33,781
(e) Other current assets	13	47,526,783	44,702,979
TOTAL		124,561,193	85,368,056

Accounting Policies & Notes to Accounts

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In terms of our report of even date
FOR GANDHI BINNANI & ASSOCIATES
CHARTERED ACCOUNTANTS

Pradip
(PRADIP KUMAR BINNANI)
PARTNER
M.No. 093131
FIRM REGN. NO- 015872N



For and on behalf of board of directors

Rajesh Kumar Shoundik
RAJESH KUMAR SHOUNDIK
(DIRECTOR)
DIN NO. 07908116

Manish Kumar Shoundik
MANISH KUMAR SHOUNDIK
(DIRECTOR)
DIN NO.06558441

Place : New Delhi
Dated : 05-12-2020
UDIN : 21093131AAAAAI4426

FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED

E-109 SECTOR- 6, GAUTAM BUDDHA NAGAR.

CIN: U45201UP2014PTC064035

Statement of Profit and Loss for the year ended 31st March, 2020

(In Rupees)

Particulars	Note No	Amount (Rs.) 31-03-2020	Amount (Rs.) 31-03-2019
I. Revenue from operations	14	47,195,502	639,747
Total Revenue		47,195,502	639,747
II. Expenses:			
Cost of Project in Progress	15	55,729,418	-
Changes in Inventory of Project in Progress	16	(12,363,210)	-
Employee benefit expense	17	589,747	102,000
Financial costs	18	6,679	12,285
Depreciation and amortization expense	19	139,876	104,149
Other expenses	20	1,386,956	334,636
Total Expenses		45,489,466	553,071
III. Profit before exceptional and extraordinary items and tax (I - II)		1,706,036	86,676
IV. Exceptional Items		-	-
V. Profit before extraordinary items and tax (III-IV)		1,706,036	86,676
VI. Extraordinary Items		-	-
VII. Profit before tax (VI-VII)		1,706,036	86,676
VIII. Tax expense:			
(a) Current tax expense for current year		431,810	16,677
(b) Current tax expense relating to prior years		-	-
(c) Deferred tax (Liability)/ Asset		14,109	(4,208)
IX. Profit(Loss) from the period from continuing operations		1,288,334	65,791
X. Profit/(Loss) for the period		1,288,334	65,791
XI. Earning per equity share:			
(1) Basic	21	2.58	0.13
(2) Diluted		2.58	0.13

Accounting Policies & Notes to Accounts

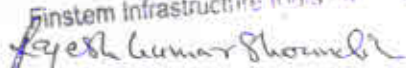
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In terms of our report of even date
FOR GANDHI BINNANI & ASSOCIATES
CHARTERED ACCOUNTANTS


(PRADIP KUMAR BINNANI)
PARTNER
M.No. 093131
FIRM REGN. NO- 015872N



For and on behalf of board of directors


RAJESH KUMAR SHOUNDIK
(DIRECTOR)
DIN NO. 07908116


MANISH KUMAR SHOUNDIK
(DIRECTOR)
DIN NO.06558441

Place : New Delhi
Date : 05-12-2020
UDIN: 21093131AAAAAI4426

FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED

E-109 SECTOR- 6, GAUTAM BUDDHA NAGAR

CIN: U45201UP2014PTC064035

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Amount (Rs.) 31-03-2020	Amount (Rs.) 31-03-2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax and extraordinary items	1,706,036	86,676
Reserve & Surplus	-	99,237
Adjustment for Depreciation /amortisation	139,876	104,149
Finance Charges	6,679	12,285
Operating Profit Before Working Capital Changes	1,852,591	103,874
Adjustment for Trade & other Receivable	(21,061,496)	(23,855,015)
Inventories	(12,363,210)	-
Trade Payable & Other Current Liabilities	42,331,041	22,447,840
Cash generated from operations	10,758,926	(1,303,301)
Direct Taxes	431,810	16,677
Cash Flow before extraordinary items	10,327,116	(1,319,978)
Net Cash from operating activities	10,327,116	(1,319,978)
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	344,092	-
Security Deposit	(4,363,326)	(44,000)
Net Cash from Investing activities	(4,707,418)	(44,000)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance Charges	(6,679)	(12,285)
Net Proceeds from Borrowing	(4,419,256)	865,000
Net Cash from Financing activities	(4,425,936)	852,715
Net Increase in Cash & Cash Equivalents	1,193,762	(511,264)
Cash & Cash Equivalents (Opening Balance)	33,781	545,044
Cash & Cash Equivalents (Closing Balance)	1,227,545	33,781

Note : Figures in (-) represent outflows.

as per our report of even date
FOR GANDHI BINNANI & ASSOCIATES
CHARTERED ACCOUNTANTS

Pradip Kumar Binnani
 (PRADIP KUMAR BINNANI)
 PARTNER
 M.No. 093131
 FIRM REGN. NO- 015872N



For and on behalf of board of directors
Rajesh Kumar Shoundik
 RAJESH KUMAR SHOUNDIK (DIRECTOR) DIN NO. 07908116
Manish Kumar Shoundik
 MANISH KUMAR SHOUNDIK (DIRECTOR) DIN NO. 06558441

Place : New Delhi
 Dated : 05-12-2020
 UDIN: 21093131AAAAAI4426

FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED
 E-109 SECTOR- 6, GAUTAM BUDDHA NAGAR
 CIN: U45201UP2014PTC064035

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE NO.- 01

SHARE CAPITAL	As at March 31st, 2020	As at March 31st, 2019
<u>Authorised Share Capital</u> 500,000 Equity Shares of Rs.10/- each	5,000,000.00	5,000,000.00
	5,000,000.00	5,000,000.00
<u>Issued, Subscribed & Paid up Share Capital</u> 500,000 Equity Shares of Rs.10/- each, fully paid-up	5,000,000.00	5,000,000.00
	5,000,000.00	5,000,000.00
<u>Reconciliation of no. of shares</u>	March 31st, 2020	March 31st, 2019
No. of equity shares On the beginning of year	500,000	500,000
Add No. of equity shares issued	-	-
Less No. of equity shares redeemed	-	-
No. of equity shares On the closing of the year	500,000	500,000

Terms/ Rights attached to Equity Shares

Company has only one class of equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

Following are the Shareholders who hold more than 5% shares in share capital of company

Name of Shareholder	As at March 31st, 2020	As at March 31st, 2019
Manish Kumar Shoundik		
NO. OF SHARES	480,000	480,000
% OF SHARES	96%	96%



Finstem Infrastructure India Pvt. Ltd.
 Manish Kumar Shoundik
 Director

Finstem Infrastructure India Pvt. Ltd.
 Manish Kumar Shoundik
 Director

FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED
 E-109 SECTOR- 6, GAUTAM BUDDHA NAGAR
 CIN: U45201UP2014PTC064035

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

PARTICULARS	As at March 31st, 2020	As at March 31st, 2019
NOTE NO. 2 RESERVE & SURPLUS		
Surplus /(Deficit) in statement of profit & loss		
Opening balance	(1,883,817)	(1,850,371)
Add: Profit / (Loss) for the year	1,288,334	65,791
Less: ROC fee for increasing in Authorised Capital	-	90,839
Less: Interest and Penalty	-	8,398
Closing balance	(595,482)	(1,883,817)
NOTE NO.-03 LONG TERM BORROWINGS		
(a) Loans and advances from Related parties		
Unsecured loan		
Due to director and Related Parties in Current Account- Interest Free (Repayable after 1/04/2021)	650,344	5,069,600
Total	650,344	5,069,600
NOTE NO.- 04 TRADE PAYABLE		
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	13,853,392	12,204,889
(C) Development Charges Outstanding	31,910,479	-
	45,763,871	12,204,889
NOTE NO.- 05 OTHER CURRENT LIABILITIES		
a) Advance from customers:		
Revenue recognised	7,15,05,498	
Revenue not recognised	9,43,735	
	72,452,233	64,463,562
a)	72,452,233	64,463,562
b) Short Term Provisions		
Expenses Payable	341,101	277,913
Indusind Bank (Book Overdraft)	-	176,481
Statutory Liabilities Payable	517,316	35,767
Income Tax Provision	431,810	16,677
b)	1,290,227	506,838
a+b	73,742,460	64,970,400



Finstem Infrastructure India Private Limited
 Rajesh Kumar Shrivastava

Director

Finstem Infrastructure India Private Limited
 [Signature]
 Director

FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED

E-109 SECTOR- 6, GAUTAM BUDDHA NAGAR

CIN: U45201UP2014PTC064035

Notes forming part of Financial Statements
Schedule of Property, Plant and Equipment as per Companies Act 2013

NOTE - 06

TANGIBLE ASSETS

Particulars	Gross Block						Depreciation / Amortisation		Net Block	
	As on	Addition	Deduction	As on	Upto	Dep. For	Written	Upto	As on	As on
	01.04.2019			31.03.2020	31.03.19	the year	Back	31.03.20	31.03.2020	31.03.2019
Tangible Assets:										
Real Estate Software	75,000	204,873	-	279,873	71,250	36,841	-	108,091	171,782	3,750
Office Equipments	137,562	20,719	-	158,281	68,192	26,852	-	95,044	63,237	69,370
Computer	209,450	106,500	-	315,950	187,512	26,924	-	214,436	101,514	21,938
Furniture	152,571	12,000	-	164,571	29,751	14,816	-	44,567	120,004	122,820
Plant & machinery	181,175	-	-	181,175	69,668	34,443	-	104,111	77,064	111,507
Total (a)	755,758	344,092	-	1,099,850	426,373	139,876	-	566,249	533,601	329,385
PREVIOUS YEAR	755,758	-	-	755,758	322,224	104,149	-	426,373	329,385	-



Finstem Infrastructure India Pvt. Ltd.

Rajesh Kumar Goundal

Director

Finstem Infrastructure India Pvt. Ltd.
Director

FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED

E-109 SECTOR- 6, GAUTAM BUDDHA NAGAR
CIN: U45201UP2014PTC064035

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

PARTICULARS	As at March 31st, 2020	As at March 31st, 2019
NOTE NO.-07 DEFERRED TAX ASSETS/(LIABILITIES)		
Tax effect of items constituting deferred tax Asset		
On difference between book balance and tax balance of fixed assets		
Opening Balance	(6,983)	(2,775)
Provision for the Current Year	14,109	(4,208)
	7,126	(6,983)
NOTE NO.- 08 LONG TERM LOANS & ADVANCES		
UNSECURED - CONSIDERED GOOD		
Security Deposit (Rent & Electricity)	299,140	338,700
Security Deposit (Land Owner)	12,187,886	7,785,000
	12,487,026	8,123,700
NOTE NO.- 09 INVENTORIES		
Project In Progress-on which revenue is recognised		
Project In Progress- FinSquare-Dhanbad	41,768,074	29,404,864
	41,768,074	29,404,864
NOTE NO.- 10 TRADE RECEIVABLES		
a)Secured, considered good	-	-
b)Unsecured, considered good		
More than 180 Days	-	-
Less than 180 Days	18,074,211	-
	18,074,211	-
NOTE NO.- 11 SHORT TERM LOANS & ADVANCES		
Advances to Creditors	2,901,828	2,458,020
GST Input Credit	-	274,121
Others	35,000	41,205
Total	2,936,828	2,773,346
NOTE NO.- 12 CASH & CASH EQUIVALENTS		
(a) Balance with Banks		
-In Current Accounts	478,425	22,411
(b) Cash in hand	749,119	11,370
	1,227,545	33,781
NOTE NO.- 13 OTHER CURRENT ASSETS		
Project In Progress-on which revenue is not recognised		
Project in Progress-Fincastle	44,859,702	44,702,979
Project in Progress-Finest Homes	2,667,081	-
	47,526,783	44,702,979



Finstem Infrastructure India Pvt. Ltd.
Deepak Kumar Shrivastava
Director

Finstem Infrastructure India Pvt. Ltd.
[Signature]
Director

FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED

E-109 SECTOR- 6, GAUTAM BUDDHA NAGAR
CIN: U45201UP2014PTC064035

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

PARTICULARS	As at March 31st, 2020	As at March 31st, 2019
NOTE NO.-14		
Revenue From Operations		
Income From Real Estate Project	47,133,954	-
Commitment Charges	61,548	639,747
	47,195,502	639,747
NOTE NO.- 15		
COST OF PROJECT IN PROGRESS		
Cost of Project in Progress	55,729,418	-
	55,729,418	-
NOTE NO.-16		
CHANGES IN INVENTORY OF PROJECT IN PROGRESS		
PROJECTS ON WHICH REVENUE RECOGNISED:		
FINSQUARE		
Opening Project in Progress	29,404,864	-
LESS: Closing Project in Progress	(41,768,074)	-
	(12,363,210)	-
NOTE NO.- 17		
EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	589,747	102,000
	589,747	102,000
NOTE NO.-18		
FINANCIAL COSTS		
(a) Interest expense on:		
(i) Interest on GST	-	180
(b) Other borrowing costs - Bank Charges	6,679	12,105
	6,679	12,285
NOTE NO.-19		
DEPRECIATION & AMORTIZATION EXPENSE		
Depreciation	139,876	104,149
	139,876	104,149
NOTE NO.- 20		
OTHER EXPENSES		
Audit Fees	10000	10000
Electricity Charges	108765	38370
Filing Fees	70300	23400
GST Late Fees	30117	33805
Office Expense	295754	40974
Printing & Stationery	0	28480
Professional Fees	18000	33552
Rent paid	270000	110200
Short & Excess	0	6377.07
Telephone Expenses	2828.89	9478
Duties & Taxes Paid	47441	0
Consultancy Fee paid	105000	0
Travelling & Conveyance Charges	278595	0
Miscellaneous expenses	46487.62	0
Vehicle Running & Maintenance Charges	92142	0
Water Expense	11525	0
	1386955.51	334636.07



Finstem Infrastructure India Pvt. Ltd.
Ayesh Kumar Shrivastava

Director

Finstem Infrastructure India Pvt. Ltd.
[Signature]
Director

FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITEDE-109 SECTOR- 6, GAUTAM BUDDHA NAGAR
CIN: U45201UP2014PTC064035**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

PARTICULARS	As at March 31st, 2020	As at March 31st, 2019
NOTE NO.- 21		
Disclosure Earnings Per Share		
a) Weighted average number of shares On the beginning of year	10,000	10,000
b) Weighted average number of shares On the end of year	500,000	500,000
b) Total Number of shares On the end of year	500,000	500,000
c) Net profit after tax available for equity shareholders (Rupees)	1,288,334	65,791
d) Basic Earning Per Share (Rupees)	2.58	0.13
e) Diluted Earning Per Share (Rupees)	2.58	0.13
e) Par Value of Share (Rupees)	10.00	10.00

Finstem Infrastructure India Pvt. Ltd.
Rajesh Kumar Srivastava
DirectorFinstem Infrastructure India Pvt. Ltd.
[Signature]
Director

FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED

E-109, Sector-6, Noida-201301

Uttar Pradesh, CIN: U45201UP2014PTC064035

Ph. No.: 9810225577, E-mail: manish.shoundik@finstem.com

NOTE No. 22 : ACCOUNTING POLICIES AND NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1. Company overview

M/s FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED was incorporated on May 28, 2014 vide CIN No. U45201UP2014PTC064035. M/s FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED is a leading real estate developer engaged in the business of construction, development right, sale, management and operation of all or any part of townships, housing projects and other related activities. The operations of the company span all aspects of the real estate development, from the identification and acquisition of land, to planning, execution, construction and marketing of projects.

2. Significant accounting policies:-

a) Basis of preparation of financial statement:

The Financial Statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 (the "Act").

b) Use of estimates:

The preparation of Financial Statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the Financial Statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, but actual results could differ from those estimates and revisions, and the same, are recognised in the period when the facts come to the knowledge of management.

c) Property Plant & Equipments and depreciation:

Property Plant and Equipments are stated at cost of acquisition plus direct costs which are incidental to acquisition and installation till the assets are ready for put to use, less accumulated depreciation.

Depreciation is provided on Straight line Method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013.

Intangible assets, if any, are amortized on straight line basis over a period of three years, being their estimated useful life.

d) Investments:

Investments, if any, are classified as non-current or current, based on management's intention at the time of purchase. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.

Trade investments are the investments made for or to enhance the Company's business interests.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost and provision for diminution in their value, other than temporary, is made in the Financial Statements.



Finstem Infrastructure India Pvt. Ltd.
Rajesh Kumar Shoundik
Director

Finstem Infrastructure India Pvt. Ltd.
Manish Shoundik
Director

FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED

E-109, Sector-6, Noida-201301

Uttar Pradesh, CIN: U45201UP2014PTC064035

Ph. No.: 9810225577, E-mail: manish.shoundik@finstem.com

e) Lease Accounting:

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as borrowing costs in the Statement of Profit and Loss.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless there is a more systematic basis which is more representative of the time pattern of the lease expenses.

f) Inventories:

a) The cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at cost or net realizable value, whichever is lower on the basis of first in first out method or specific identification, as the case may be as per percentage of completion method.

b) Finished stock of completed real estate projects, land and land development rights are valued at lower of cost or net realizable value on the basis of actual identified units as per percentage of completion method.

g) Projects in Progress:

Project in progress disclosed as at reporting date in respect of real estate development and related activities includes aggregate amount of project costs and recognized profit (less recognized losses) including unbilled revenue up to the reporting date, as per percentage of completion method.

Project costs includes cost of land, land development rights, construction costs, job work, allocated borrowing costs and other costs that are attributable to project and such other costs as are specifically chargeable to the customer, as per percentage of completion method.

Project contract costs that relate to future activity on the contract are recognised as project in progress as it is probable that these costs will be recovered in future, as per percentage of completion method.

h) Revenue Recognition:

A) Real Estate Projects

Revenue from real estate under development/sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such real estate property, as per the terms of the contracts entered into with buyers, which generally coincides with the timing of the sales contracts agreements, except for contracts where the company still has



Finstem Infrastructure India Pvt
Rajesh Kumar Shoundik

Director
Finstem Infrastructure India Pvt
Manish Shoundik
Director

FINSTEM INFRASTRUCTURE INDIA PRIVATE LIMITED

E-109, Sector-6, Noida-201301
Uttar Pradesh, CIN: U45201UP2014PTC064035
Ph. No.: 9810225577, E-mail: manish.shoundik@finstem.com

obligations to perform substantial acts even after the transfer of all significant risks and rewards.

Further, the company recognised revenue on POC on completion of the following events:-

- i) All critical approvals necessary for commencement of the project have been obtained including, wherever applicable Environmental and other clearances, approval of plans, designs etc, title to land or other rights of development/construction and change in land use.
- ii) The expenditure incurred on construction and development is not less than 25% of the construction and development costs.
- iii) At least, 25% of the saleable project area is secured by contracts or agreements with buyers.
- iv) At least, 10% of the total revenue as per the agreements of sale or any other legally enforceable document are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts

B) Construction contracts

- i) In construction contracts income is recognized on percentage of completion method. The stage of completion under the POC method is measured on the basis of percentage that actual costs incurred on construction contracts to the total estimated cost of the contract.
- ii) Revenue on account of contract variations, claims and incentives are recognized/ adjusted upon settlement or when it becomes reasonably certain that such variations, claims and incentives are both measurable and recoverable adjustable.

c) Sale of land and land development rights

Revenue from sale of land and development rights is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts agreements.

D) Sale of investment

Net sale proceeds of the investments held in subsidiaries, joint ventures and associates developing real estate projects are included in real estate revenue.

E) Sale of Construction Material

Revenue from sale of construction material is recognized when transfer of significant risk and rewards of such material takes place. Such sale is recognized net of taxes.



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F) Revenue from lease rentals and related income

Lease income is recognized in the Statement of Profit and Loss on straight line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease rental is disclosed net of indirect taxes, if any.

G) Consultancy income

Consultancy income is recognized on accrual basis based on contractual terms on the performance of such services. Revenue is recognized proportionately by reference to the performance of acts defined contractually. The revenue recognized is determined on the basis of contract value, associated costs, number of acts or other suitable basis.

H) Interest income

Interest income is recognized only when no significant uncertainty as to measurability or collectability exists. Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

I) Dividend income

Dividend income is recognized when the right to receive the same is established

J) Base rent, amenities income, fit-out and car park rental income

Base rent, amenities income, fit-out and car park rental income, net of incentives received, are recognized as income on a time proportionate basis based on contracts/agreements entered into by the company with its customers.

Base rent comprises rental income earned from the leasing of the owned, completed and occupied lettable office area of the properties.

Amenities income is rental revenue earned from the leasing of the owned, completed and occupied lettable area at the properties for common amenities.

Fit-out rental income is rental revenue earned from fit-out provisions developed in accordance to specifications required by tenants of the properties.

Car parking rental income is earned from the operation of parking facilities, with parking spaces leased to tenants on a monthly basis

K) Operations and maintenance income

Operations and maintenance income of revenue earned from the provision maintenance, security and administration service and is charged to tenants based on the occupied lettable area of the properties.

Income as per (J) above is recognised as per terms of contract entered into with tenants which is recognised on a time proportion basis.



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L) Revenue from maintenance and parking charges:

Income from maintenance charges includes charges collected from customers towards electricity, common area maintenance and other charges, which are accounted based upon the contracts agreements entered into by the company with its customers, revenue is recognized net of GST. Income from parking is recognized on the date of issue of parking tickets.

i) Expenditure:

Expenditure is booked on accrual basis and provision is made for all known losses and liabilities.

j) Borrowing costs:

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are recognized as part of the cost of such assets, in accordance with notified Accounting Standard 16 "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

k) Taxation:

Tax expense for the year comprises current income tax and deferred tax. Current income tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing differences representing the difference between taxable Income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year.

l) Foreign currency transactions:

- i) Transactions in foreign currency, if any, are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted into Indian rupees at the year-end exchange rate.
- ii) The exchange differences arising on such conversion and on settlement of the transactions are recognized in the statement of profit and loss.

m) Employee benefits:

Expenses and liabilities in respect of employee benefits are recorded in accordance with the notified Accounting Standard 15 - Employee Benefits to the extent applicable.

n) Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

o) Contingent liabilities and provisions:

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company are accounted for as either provisions or disclosed as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. The Company makes a provision when there is a present obligation as a result of past event where the outflow of economic resources is probable and a reliable estimate of the amount of



Finstem Infrastructure India Pvt. Ltd.

Kayash Kumar Shoundik

Director

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Manish Shoundik

Director

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obligation can be made. Possible future or present obligation that may but will probably not require outflow of resources or where the same cannot be reliably estimated is disclosed as contingent liability in the Financial Statement.

p) Earnings per share:

Basic earnings per share are 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. The weighted average numbers of equity shares outstanding during the period are adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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 are adjusted for the effects of all dilutive potential equity shares. The period during which, number of dilutive potential equity shares change frequently, weighted average number of shares are computed based on a mean date in the quarter, as impact is immaterial on earnings per share.

3. Other Disclosures

- a) As per information & explanations given to us, the company had no contingent liability as on the end of the financial year.
- b) In the opinion of the Board of Directors, the aggregate value of current Assets, Loans and Advance on realization in ordinary course of business will not be less than the amount at which these are stated in the Balance Sheet.
- c) Deferred Tax Liability / (Asset) - The company has implemented accounting standard - 22, "Accounting for Taxes on Income" issued by Institute of Chartered Accountants of India. Consequently the company has recognized Net Deferred Tax Assets of Rs. 7126.00 as on 31/03/2020. Further, Deferred tax Asset of Rs.14,109.00 for the year ended on 31/03/2020 is recognized statement of Profit & Loss Account.

Deferred Tax Liability is on account of tax effect of following differences:-

	As at 31/03/2020 In (₹)	As at 31/03/2019 In (₹)
Deferred Tax Assets on account of Depreciation	14,109	(4,208.00)
Net Deferred Tax Assets	7,126	(6,983.00)

- d) Impairment of Assets: - In pursuance of Accounting Standard 28-Impairment of assets (AS-28) issued by the chartered Accountants of India, the company has reviewed it's carrying cost of assets with value in use (determined based on future earnings) / net selling price (determined based on estimation).Based on such review, management is of the view that in the current financial year impairment of assets is not considered necessary.
- e) Related Parties Disclosures:-The Company has implemented Accounting Standard - 18, "Related Party Disclosures" issued by Institute of Chartered Accountants of India. Consequently disclosures in respect of Related Party transactions are annexed in Annexure-I
- f) Debit/Credit balances are subject to confirmation.



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- g) Previous year figures have been regrouped / rearranged wherever necessary to conform to current year classification.
- h) Note 1 to 22 forms an integral part of Balance Sheet and Statement of Profit & Loss.

Signature to Note 1 to 22

In terms of our report of even date attached

FOR GANDHI BINNANI & ASSOCIATES
CHARTERED ACCOUNTANTS

P. Binanni

(PRADIP KUMAR BINNANI)

PARTNER
M.No. 093131
FIRM REGN. NO- 015872N



Place : New Delhi
Dated : 05-12-2020
UDIN : 21093131AAAAAI4426

FOR FINSTEM INFRASTRUCTURE INDIA PVT LTD

Finstem Infrastructure India Pvt

Rajesh Kumar Shoundik

RAJESH KUMAR SHOUNDIK
(DIRECTOR)
DIN NO. 07908116

Finstem Infrastructure India Pvt
Manish Kumar Shoundik
Director

MANISH KUMAR SHOUNDIK
(DIRECTOR)
DIN NO. 06558441