

# **Independent Auditor's Report**

To the Members of **Grandstar Realty Private Limited**

## **Report on the Audit of the Financial Statements**

### **1. Opinion**

- a) We have audited the accompanying financial statements of **Grandstar Realty Private Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
- b) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (Act), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **2. Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) 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 Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics (CoE) issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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.

### **3. Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **4. Information Other than the Financial Statements and Auditor's Report Thereon**

- a) The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- b) In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact, we have nothing to report in this regard.

## **5. Management's Responsibility for the Financial Statements**

- a) The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- b) In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process

## **6. Auditor's Responsibility for the Audit of the Financial Statements**

- a) 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.
- b) As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operative effectiveness of such controls.
  - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- c) Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.
  - d) We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  - e) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  - f) From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

As required by Section 143(3) of the Act, based on our audit report 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, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- i) The Company has not paid any managerial remuneration during the year.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations in its financial statements.
  - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

A-14-A, Single Storey,  
First Floor, Vijay Nagar,  
New Delhi.

ASRV & Associates  
Chartered Accountants  
Firm Registration No. 032290N  
By the hand of

—Sd—

August 21, 2020  
New Delhi.  
UDIN: 20093812AAAAAK9467

Kamal Ahluwalia  
Partner  
Membership No.093812

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Grandstar Realty Private Limited** of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 **Grandstar Realty Private Limited** ("the Company") as of March 31, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 respective 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 Act.

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

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls Over Financial Reporting**

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


### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 issued by the ICAI.

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ASRV & Associates  
Chartered Accountants  
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By the hand of

August 21, 2020  
New Delhi.  
UDIN: 20093812AAAAAK9467

  
Kamal Ahluwalia  
Partner  
Membership No.093812

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Grandstar Realty Private Limited** of even date)

- i) The Company does not own any property, plant and equipment.
- ii) The Company does not own any inventory.
- iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) As per the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act in respect of activities carried out by the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess, and other statutory dues applicable to it.  
According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2020, for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, duty of customs and cess that have not been deposited by the Company with appropriate authorities on account of dispute.
- viii) In our opinion and according to the information and explanation given to us, there are no loans or borrowings from a financial institution, bank, government or dues to debenture holders during the year.
- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not taken any term loans during the year.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

- xi) The Company has not paid any managerial remuneration during the year.
- xii) The Company is not a nidhi company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares during the year under review.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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UDIN: 20093812AAAAAK9467

—Sd—  
Kamal Ahluwalia  
Partner  
Membership No.093812



**Grandstar Realty Private Limited**  
H-65, Connaught Circus, New Delhi-110001  
**Balance Sheet as at March 31, 2020**

Particulars	Notes	March 31, 2020 Rs.	March 31, 2019 Rs.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capital work-in-progress	2	54,22,427	40,68,433
Other non-current assets	3	41,08,96,150	40,93,57,050
<b>Total non-current assets</b>		<u>41,63,18,577</u>	<u>41,34,25,483</u>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	4	42,125	16,903
Others	5	5,000	5,000
Current tax assets (net)	6	-	2,250
<b>Total current assets</b>		<u>47,125</u>	<u>24,153</u>
<b>TOTAL ASSETS</b>		<u><b>41,63,65,702</b></u>	<u><b>41,34,49,636</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	5,00,000	5,00,000
Other equity		(7,60,752)	(7,07,697)
<b>Total equity</b>		<u>(2,60,752)</u>	<u>(2,07,697)</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Loans	8	41,60,35,000	41,33,95,000
<b>Total non-current liabilities</b>		<u>41,60,35,000</u>	<u>41,33,95,000</u>
<b>Current liabilities</b>			
Financial liabilities			
Others	9	5,67,154	2,59,746
Other current liabilities	10	24,300	2,587
<b>Total current liabilities</b>		<u>5,91,454</u>	<u>2,62,333</u>
<b>Total liabilities</b>		<u><b>41,66,26,454</b></u>	<u><b>41,36,57,333</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>41,63,65,702</b></u>	<u><b>41,34,49,636</b></u>
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Notes to the Financial Statements</b>	<b>2-19</b>		

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

As per our report of even date.

ASRV & Associates  
Chartered Accountants

By the hand of

Sd

Kamal Ahluwalia  
Partner  
Membership No.093812  
August 21, 2020  
New Delhi.

Sd

Akhil Kumar, Director  
DIN: 07127315

Sd

Anjani Kumar Prashar, Director  
DIN : 03510886

**Grandstar Realty Private Limited**

H-65, Connaught Circus, New Delhi-110001.

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

Particulars	Notes	March 31, 2020	March 31, 2019
		Rs.	Rs.
<b>INCOME</b>			
Other income	11	130	-
<b>Total income</b>		<b>130</b>	<b>-</b>
<b>EXPENSES</b>			
Employee benefit expenses	12	-	2,58,300
Other expenses	13	53,185	20,844
<b>Total expenses</b>		<b>53,185</b>	<b>2,79,144</b>
<b>Loss before tax</b>		<b>(53,055)</b>	<b>(2,79,144)</b>
Less: Tax expense		-	-
<b>Loss for the year</b>		<b>(53,055)</b>	<b>(2,79,144)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>(53,055)</b>	<b>(2,79,144)</b>
Earnings per share [equity share, par value of Rs. 10 (Rs. 10) each]			
Basic and diluted	15	(1.06)	(5.58)
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Notes to the Financial Statements</b>	<b>2-19</b>		

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

As per our report of even date.

ASRV & Associates  
Chartered Accountants  
By the hand ofKamal Ahluwalia  
Partner  
Membership No.093812  
August 21, 2020  
New Delhi.Akhil Kumar, Director  
DIN: 07127315Anjani Kumar Prashar, Director  
DIN : 03510886

**Grandstar Realty Private Limited**

H-65, Connaught Circus, New Delhi-110001.

**Statement of Changes in Equity for the year ended March 31, 2020**

Particulars	Notes	Equity share capital	Other equity		Total equity attributable to equity share holders of the company
			Reserves and surplus	Retained earnings	
		Rs.	Rs.	Rs.	
Balance as at March 31, 2019		5,00,000	(7,07,697)		(2,07,697)
Loss for the year		-	(53,055)		(53,055)
Balance as at March 31, 2020		5,00,000	(7,60,752)		(2,60,752)
Significant Accounting Policies	1				
Notes to the Financial Statements	2-19				

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

As per our report of even date.

ASRV & Associates  
Chartered Accountants  
By the hand of

— Sd —

Kamal Ahluwalia  
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Membership No.093812  
August 21, 2020  
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— Sd —

Akhil Kumar, Director  
DIN: 07127315

— Sd —

Anjani Kumar Prashar, Director  
DIN : 03510886

**Corporate Information**

Grandstar Realty Private Limited is wholly owned subsidiary of Anant Raj Limited domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is primarily engaged in business of real estate.

**1 Significant Accounting Policies**

**a) Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Act), (Ind AS compliant Schedule III), as applicable to the Company.

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

**b) Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**c) Capital work-in-progress**

Capital work in progress represents expenditure incurred in respect of capital projects which are carried at cost. Cost includes land, related acquisition expenses, development and construction costs, borrowing costs and other direct expenditure.

**d) Revenue recognition**

Income and expenditure are accounted for on accrual basis.

**e) Financial instruments**

**Initial & subsequent measurement**

Loans obtained from holding company is measured at historical cost as it is payable on demand. Accordingly, in accordance with the provisions of Ind AS-113 Fair Valuation Measurement issued by Ministry of Corporate Affairs, fair value of loans payable on demand will not be less than its historical cost.

**Current versus non current classification**

The Company presents its assets and liabilities in the financial statements based on current and non-current classification.

**An asset is treated as current when it is:**

- (i) Expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) Held primarily for the purpose of being traded;
- (iii) Expected to be realised within twelve month after the reporting date; or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

The Company classifies all other assets as non-current.

**A liability is current when it is:**

- (i) It is expected to be settled in the Company's normal operating cycle;
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is due to be settled within twelve months after the reporting date; or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

The Company classifies all other liabilities as non-current.

**f) Income taxes**

**Current tax**

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**g) Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**h) Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**i) Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**j) Cash and cash equivalents**

Cash and cash equivalents 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.

**Grandstar Realty Private Limited**

Notes to financial statements for the year ended March 31, 2020

	March 31, 2020	March 31, 2019
	Rs.	Rs.
<b>2 Capital work-in-progress</b>		
Opening balance at the beginning of the year	40,68,433	24,84,837
Addition during the year	13,53,994	15,83,596
Closing balance at the end of the year	54,22,427	40,68,433
<b>3 Other non-current assets</b>		
Capital advances*	41,08,96,150	40,93,57,050
* Advance given to Yes Bank Limited for the purchase of land at Village Lakhnaula, Tehsil Manesar, District Gurugram, Haryana, measuring 87 Kanal 01 Marla (10.881 Acre) . Sale deed is yet to be regulated in the name of the Company		
<b>4 Cash and cash equivalents</b>		
Balance with bank in current account	42,125	16,903
<b>5 Other financial assets</b>		
Advance recoverable	5,000	5,000
<b>6 Current tax asset (net)</b>		
Income tax receivable	-	2,250
<b>7 Equity share capital</b>		
<b>Authorised</b>		
50,000 (50,000) equity shares of Rs.10 (Rs.10) each	5,00,000	5,00,000
<b>Issued, subscribed and paid up</b>		
50,000 (50,000) equity shares of Rs.10 (Rs.10) each fully paid up	5,00,000	5,00,000

**a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:**

Particulars	March 31, 2020		March 31, 2019	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Number of shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Number of shares outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000

**b) Terms/rights attached to equity shares**

The Company has only one class of equity share having a par value of Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share. The Company declares and pays dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 each shareholder.

**c) Shares held by the holding Company, Anant Raj Limited**

*50,000 (*50,000) equity shares of Rs. 10 (Rs.10) each fully paid up	5,00,000	5,00,000
*Includes 6 (6) equity shares held by nominees of the holding company, Anant Raj Limited		

**d) Details of shareholders holding more than 5% shares in the Company**

Name of the Shareholder	March 31, 2020		March 31, 2019	
	Nos.	% holding	Nos.	% holding
<b>Anant Raj Limited, holding company</b>				
Equity Shares of Rs.10 (Rs.10) each issued and fully paid up:	50,000	100%	50,000	100%

**Grandstar Realty Private Limited**

Notes to financial statements for the year ended March 31, 2020

	March 31, 2020	March 31, 2019
	Rs.	Rs.
<b>8 Loans</b>		
<b>Non-current</b>		
Unsecured		
Loans from related parties^	41,60,35,000	41,33,95,000
^Loan from related party represents non-interest bearing unsecured loans obtained from holding Company, utilized for meeting developmental costs of a real estate project, which loans are repayable, wherever stipulated, as mutually agreed. There is no repayment of principal due by the Company as at the year end.		
<b>9 Other financial liabilities</b>		
Employees salary and benefits	28,747	28,747
Expenses payable *	5,38,407	2,30,999
	5,67,154	2,59,746
*It includes expense payable to related party of Rs.3,73,637 (Nil)		
<b>10 Other current liabilities</b>		
Duties and taxes	24,300	2,587
	24,300	2,587
<b>11 Other income</b>		
Interest receipts on		
Income tax refund	130	-
	130	-
<b>12 Employee benefit expenses</b>		
Salary and allowances	-	2,58,300
	-	2,58,300
<b>13 Other expenses</b>		
Payment to auditors as audit fees	7,080	7,080
Filing fees	8,400	2,400
Legal and professional	-	1,500
Bank charges	1,829	1,150
Conveyance	5,357	8,714
Others	30,519	-
	53,185	20,844

**14** The Company proposes to undertake development of real estate projects and directors are identifying for suitable opportunities in this regard.

**15 Earnings per share**

The earnings considered in ascertaining the Company's EPS is the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The weighted diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

Particulars		March 31, 2020	March 31, 2019
Loss for the year	Rs.	(53,055)	(2,79,144)
Nominal value of equity share	Rs.	10	10
Weighted average number of equity shares outstanding	No.	50,000	50,000
Basic and diluted earnings per share	Rs.	(1.06)	(5.58)

**16 Related Party Disclosures:**

Following parties are to be considered as related parties along with their relationships as on 31.03.2020 as per Ind AS - 24 on "Related Party Disclosures" :

**a) List of related parties where control exists and other related parties and their relationships:****Holding Company**

Anant Raj Limited

**Fellow Subsidiaries**

Adonai Home Private Limited	High Land Meadows Private Limited
Advance Buildcon Private Limited	Jai Govinda Ghar Nirman Limited
Anant Raj Cons. & Development Private Limited	Jasmine Buildwell Private Limited
Anant Raj Estate Management Services Limited	Jubilant Software Services Private Limited
Anant Raj Global Limited	Kalinga Buildtech Private Limited
Anant Raj Hotels Limited	Kalinga Realtors Private Limited
Anant Raj Housing Limited	Krishna Buildtech Private Limited
Anant Raj Infrastructure Private Limited	Monarch Buildtech Private Limited
Anant Raj Projects Limited	Moon Shine Entertainment Private Limited
Ankur Buildcon Private Limited	North South Properties Private Limited
A-Plus Estates Private Limited	Novel Buildmart Private Limited
AR Login 4 Edu Private Limited	Novel Housing Private Limited
BBB Realty Private Limited	Oriental Meadows Limited
Blossom Buildtech Private Limited	Oriental Promoters Private Limited
Bolt Properties Private Limited	Papillion Buildtech Private Limited
Capital Buildcon Private Limited	Papillon Buildcon Private Limited
Capital Buildtech Private Limited	Park Land Construction & Equipment Private Limited
Carnation Buildtech Private Limited	Park Land Developers Private Limited
Century Promoters Private Limited	Park View Promoters Private Limited
Echo Buildtech Private Limited	Pasupati Aluminium Limited
Echo Properties Private Limited	Pelikan Estates Private Limited
Elegant Buildcon Private Limited	Pioneer Promoters Private Limited
Elegant Estates Private Limited	Rapid Realtors Private Limited
Elevator Buildtech Private Limited	Rising Realty Private Limited
Elevator Promoters Private Limited	Rolling Construction Private Limited
Elevator Properties Private Limited	Romano Estate Management Services Limited
Empire Promoters Private Limited	Romano Estates Private Limited
Excellent Inframart Private Limited	Romano Infrastructure Private Limited
Fabulous Builders Private Limited	Romano Projects Private Limited
Four Construction Private Limited	Rose Realty Private Limited
Gadget Builders Private Limited	Roseview Buildtech Private Limited
Gagan Buildtech Private Limited	Roseview Properties Private Limited
Glaze Properties Private Limited	Saiguru Buildmart Private Limited
Goodluck Buildtech Private Limited	Sand Storm Buildtech Private Limited
Grand Buildtech Private Limited	Sartaj Developers & Promoters Private Limited
Grand Park Buildtech Private Limited	Sovereign Buildwell Private Limited
Grand Park Estates Private Limited	Spiritual Developers Private Limited
Greatways Buildtech Private Limited	Spring View Developers Private Limited
Green Retreat and Motels Private Limited	Springview Properties Private Limited
Green Valley Builders Private Limited	Suburban Farms Private Limited
Green View Buildwell Private Limited	Three Star Realty Private Limited
Green Way Promoters Private Limited	Townsend Construction & Equipment Private Limited
Greenline Buildcon Private Limited	Travel Mate India Private Limited
Greenline Promoters Private Limited	Tumhare Liye Realty Private Limited
Greenwood Properties Private Limited	Twenty First Developers Private Limited
Gujarat Anant Raj Vidhyanagar Limited	Vibrant Buildmart Private Limited
Hamara Realty Private Limited	West Land Buildcon Private Limited
Hemkunt Promoters Private Limited	Woodland Promoters Private Limited



**Grandstar Realty Private Limited**

Notes to financial statements for the year ended March 31, 2020

**Related parties**

Narayan Singh Rajpoot	Director
Anjani Kumar Prashar	Director
Akhil Kumar	Director

**Note:** The related party relationship is as identified by the management.

**b) Transaction during the year with related parties (excluding reimbursements):**

<b>Account Head</b>	<b>Related Party</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
		<b>Rs.</b>	<b>Rs.</b>
Loan received	Anant Raj Limited	26,40,000	32,45,000

**c) Amount outstanding as at March 31, 2020**

<b>Account Head</b>	<b>Related Party</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
		<b>Rs.</b>	<b>Rs.</b>
Loans-Non current	Anant Raj Limited	41,60,35,000	41,33,95,000
Other financial liabilities	Anant Raj Limited	3,73,637	-

**17** In the opinion of the management, the current assets, if realized, in the ordinary course of business, would realize a sum equal to that stated in the Balance Sheet.

**18** Previous year figures have been regrouped or recast, where ever necessary, to confirm with this year's presentation.

**19** Figures and words in brackets relate to previous year unless otherwise indicated.

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

August 21, 2020  
New Delhi.

— Sd —  
Akhil Kumar, Director  
DIN: 07127315

— Sd —  
Anjani Kumar Prashar, Director  
DIN : 03510886

**Grandstar Realty Private Limited**

H-65, Connaught Circus, New Delhi-110001.

**Cash Flow Statement for the Year ended March 31, 2020**

Particulars	March 31, 2020	March 31, 2019
	Rs.	Rs.
<b>A. Cash flow from operations</b>		
Loss before tax	(53,055)	(2,79,144)
Interest receipts	(130)	-
<b>Adjustment for working capital changes:</b>		
Increase/(decrease) in financial current liabilities	3,07,408	(4,43,653)
Increase/(decrease) in other current liabilities	21,713	2,537
Increase/(decrease) in other current assets	2,250	(5,000)
<b>Cash generated from operations</b>	<b>2,78,186</b>	<b>(7,25,260)</b>
- Income tax paid	-	-
<b>Net cash from operating activities</b>	<b>2,78,186</b>	<b>(7,25,260)</b>
<b>B. Cash flow from investing activities</b>		
Increase in capital advances	(15,39,100)	(9,32,800)
Interest receipts	130	-
Increase in capital work-in-progress	(13,53,994)	(15,83,596)
	<b>(28,92,964)</b>	<b>(25,16,396)</b>
<b>C. Cash flow from financing activities</b>		
Loan from related party	26,40,000	32,45,000
<b>Net cash from financing activities</b>	<b>26,40,000</b>	<b>32,45,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	
	25,222	3,344
Cash and cash equivalents at the beginning of the year	16,903	13,560
Cash and cash equivalents at the end of the year	42,125	16,903

**Note: Figures in brackets indicate cash outflow.**

This is the Cash Flow Statement referred to in our report of even date attached.

ASRV & Associates  
Chartered Accountants  
By the hand ofKamal Ahluwalia  
Partner

Membership No.093812

August 21, 2020

New Delhi.

Akhil Kumar, Director  
DIN: 07127315Anjani Kumar Prashar, Director  
DIN : 03510886