

INDEPENDENT AUDITOR'S REPORT

To The Members of Gyansagar Buildtech Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Gyansagar Buildtech Limited** ("the company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial Statements that give a true and fair view of the financial position, financial performance and cash flow 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; judgments and estimate that are reasonable and prudent and design implementation of adequate 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 free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 the Rules made there under.

We conducted our audit 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 assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement 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 March 31, 2018, and its loss and its cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

Further to our comments in the aforesaid annexure, as required by section 143(3) of the Act, we report that:

1. 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.
2. 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.
3. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
4. 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.
5. On the basis of the written representations received from the directors none of the director is disqualified as on March 31, 2018 from being appointed as directors in terms of section 164(2) of the Act.
6. 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 over separate report in "**Annexure-B**".
7. 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:
 - a) The Company does not have any pending litigations which would impact its financial position.

- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

**For S A S & Co.
Chartered Accountants
FRN: 020025N**

**Somya Agrawal
(Partner)
M. No.: 526790
Place: New Delhi
Date: April 21, 2018**

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under heading of "Report on other Legal and regulatory requirements" of our report of even date)

- (i) The Company does not have any fixed assets; accordingly, the provisions of clause 3(i) of the Order are not applicable to the Company.
- (ii) The Company does not have any inventories; accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) According to information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to information and explanation given to us, the Company has not been entered into any transactions in respect of loans, investments, guarantees, and security as covered under the provisions of Section 185 and 186.
- (v) According to information and explanation given to us, the Company has not accepted any deposits during the year. Accordingly the provisions of clause 3(v) are not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, duty of Customs, duty of Excise, value added tax and cess and any other statutory dues to appropriate authority have generally been regularly deposited during the year by the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess and other statutory dues were in arrears, as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, as at March 31, 2018, there are no dues of sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.
- (viii) According to information and explanation given to us, the Company did not have any dues in respect of loans or borrowing to a financial institution, or bank, Government or dues to debenture holders.
- (ix) The Company has not raised any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans.
- (x) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year nor have we been informed of such case by the management.

- (xi) The Company has not paid any managerial remuneration therefore the provision of Section 197 of Companies Act 2013 has not been applicable.
- (xii) The company is not a Nidhi company, therefore the provisions of paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in accordance with section 177 and 188 of companies Act 2013 to the extent applicable and the details have been disclosed in **Note 18** to the financial statements as required by the accounting standards and Companies Act, 2013.
- (xiv) Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review, therefore the requirement of Section 42 of Companies Act' 2013 need not be complied with.
- (xv) Company has not entered into any non-cash transaction with directors or person connected with him and therefore the provisions of section 192 of the Companies Act' 2013 has been complied with.
- (xvi) Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For S A S & Co.
Chartered Accountants
FRN: 020025N

Somya Agrawal
(Partner)
M. No.: 526790
Place: New Delhi
Date: April 21, 2018

ANNEXURE B TO 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 **Gyansagar Buildtech Limited, ("the Company")** as on 31 March 2018 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 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 Companies Act, 2013, 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent 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, 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 31 March 2018, 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.

For S A S & Co.
Chartered Accountants
FRN: 020025N

Somya Agrawal
(Partner)
M. No.: 526790
Place: New Delhi
Date: April 21, 2018

Gyansagar Buildtech Limited
Balance Sheet as at March 31, 2018

	Note No.	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
I. Equity and liabilities			
Shareholders' funds			
(a) Share capital	4	1,100,000	1,100,000
(b) Reserves and surplus	5	<u>(10,245,510)</u>	<u>9,907,462</u>
		(9,145,510)	11,007,462
Non - current liabilities			
(a) Long-term borrowings	6	<u>-</u>	<u>194,190,000</u>
		-	194,190,000
Current liabilities			
(a) Short - term borrowings	7	54,500,000	42,423,102
(b) Other current liabilities	8	246,050	39,461,286
(c) Short-term provisions	9	<u>-</u>	<u>91,000</u>
		54,746,050	81,975,388
Total		<u>45,600,540</u>	<u>287,172,850</u>
II. Assets			
Non - current assets			
(a) Non - current investments	10	<u>20,050,000</u>	<u>20,050,000</u>
		20,050,000	20,050,000
Current assets			
(a) Cash and cash equivalents	11	27,840	868,616
(b) Short - term loans and advances	12	25,522,700	204,801,197
(c) Other current assets	13	<u>-</u>	<u>61,453,037</u>
		25,550,540	267,122,850
Total		<u>45,600,540</u>	<u>287,172,850</u>

Summary of Significant Accounting Policies 3

The accompanying notes are an integral part of the financial statements

This is Balance Sheet referred to in our report of even date

For S A S & Co.
Chartered Accountants
FRN: 020025N

For and on behalf of the Board of Directors

Somya Agrawal
Partner
Membership No. 526790
New Delhi, April 21, 2018

Pankaj Sharma
Director
DIN: 00472879
New Delhi, April 21, 2018

Tejpal Gulia
Director
DIN: 03553393

Gyansagar Buildtech Limited
Statement of Profit and Loss for the year ended March 31, 2018

	Note No.	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
Income			
I. Other income	14	255,290,900	21,514,789
II. Total revenue		255,290,900	21,514,789
III. Expenses			
Finance costs	15	9,160,827	21,190,732
Other expenses	16	266,283,492	20,899
Total expenses		275,444,319	21,211,631
IV. (Loss)/profit before exceptional and extraordinary items and tax (II-III)		(20,153,419)	303,158
V. Exceptional items		-	-
VI. (Loss)/profit before extraordinary items and tax (IV - V)		(20,153,419)	303,158
VII. Extraordinary items		-	-
VIII. (Loss)/profit before tax (VI- VII)		(20,153,419)	303,158
IX. Tax expense:			
(1) Current tax		-	91,000
(2) Tax (credit) / expense relating to prior years (net)		(447)	2,066,764
		(447)	2,157,764
X Loss for the year from continuing operations (VIII-IX)		(20,152,972)	(1,854,606)
XI Profit/(loss) from discontinuing operations		-	-
XII Tax expense of discontinuing operations		-	-
XIII Profit/(loss) from discontinuing operations (after tax) (XI-XII)		-	-
XIV Loss for the year (X + XIII)		(20,152,972)	(1,854,606)
XV Earnings per equity share:	19		
(1) Basic		(183.21)	(16.86)
(2) Diluted		(183.21)	(16.86)
Face value per Equity Share (Rs.)		10.00	10.00

Summary of Significant Accounting Policies

3

The accompanying notes are an integral part of the financial statements

This is Statement of Profit and Loss referred to in our report of even date

For S A S & Co.
Chartered Accountants
FRN: 020025N

For and on behalf of the Board of Directors

Somya Agrawal
Partner
Membership No. 526790
New Delhi, April 21, 2018

Pankaj Sharma
Director
DIN: 00472879
New Delhi, April 21, 2018

Tejpal Gulia
Director
DIN: 03553393

Gyansagar Buildtech Limited
Cash Flow Statement for the year ended March 31, 2018

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A Cash flow from operating activities :				
Net (loss) / profit before tax		(20,153,419)		303,158
Adjustments for :				
Interest income	-		(18,425,815)	
Bad debt / loan written off	266,184,314		-	
Interest expenses	8,998,892		21,188,919	
		<u>275,183,206</u>		<u>2,763,104</u>
Operating profit before working capital changes		<u>255,029,787</u>		<u>3,066,262</u>
Adjustments for:				
Balance with government authorities	(2,700)		-	
Trade payables and other liabilities	(39,215,236)		(887,008)	
		<u>(39,217,936)</u>		<u>(887,008)</u>
Cash generated from/(used in) operating activities		<u>215,811,851</u>		<u>2,179,254</u>
Direct taxes (paid)/refund		(25,540,633)		15,770,936
Net cash generated from/(used in) operating activities		<u><u>190,271,218</u></u>		<u><u>17,950,190</u></u>
B Cash flow from investing activities :				
Net cash generated from/ (used in) investing activities		<u>-</u>		<u>-</u>
C Cash flow from financing activities				
Interest paid		(8,998,892)		(10,572,512)
Borrowings repaid (net)		(182,113,102)		(6,570,228)
Net cash used in financing activities		<u><u>(191,111,994)</u></u>		<u><u>(17,142,740)</u></u>
D Net (decrease)/increase in cash and cash equivalents (A+B+C)		(840,776)		807,450
E Cash and cash equivalents at the beginning of the year		868,616		61,166
F Cash and cash equivalents at the close of the year (D + E)		<u><u>27,840</u></u>		<u><u>868,616</u></u>

Notes:

- The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in Accounting Standard (AS)-3 'Cash Flow Statements' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
- Cash and cash equivalents as at the close of the year include:

Cash on hand	158	247
Balances with scheduled banks:		
- in current accounts	27,682	868,369
Cash and Cash Equivalents at the end of the year	<u><u>27,840</u></u>	<u><u>868,616</u></u>
- The figures of the previous year are regrouped wherever considered necessary.

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

For S A S & Co.
Chartered Accountants
FRN: 020025N

For and on behalf of the Board of Directors

Somya Agrawal
Partner
Membership No. 526790
New Delhi, April 21, 2018

Pankaj Sharma
Director
DIN: 00472879
New Delhi, April 21, 2018

Tejpal Gulia
Director
DIN: 03553393

Gyansagar Buildtech Limited

Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2018

Note - 1

Company Overview:

Gyan Sagar Software Technologies Private Limited ("GSSTPL" or "the Company") was incorporated on October 28, 2010. In accordance with the provisions of Section 21 and other applicable provisions of the Companies Act, 1956, the members of the company at their Extraordinary General Meeting held on December 30, 2013, accorded their approval to change the name of the company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated January 8, 2014 in respect of the said change. Accordingly, the name of the Company was changed from Gyan Sagar Software Technologies Private Limited to Gyansagar Buildtech Private Limited ("GSBPL" or "the Company"). In accordance with the provisions of Section 18 and other applicable provisions of the Companies Act, 2013, the members of the company at their Extraordinary General Meeting held on October 9, 2014, accorded their approval to convert from private limited company to public limited company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated November 14, 2014 in respect of the said change. Accordingly, the name of the Company was changed from Gyansagar Buildtech Private Limited to Gyansagar Buildtech Limited ("GBL" or "the Company").

Note - 2

Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and Accounting Standards (AS) under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Note - 3

Significant Accounting Policies:

a) Use of Estimates:

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made by management that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

b) Revenue Recognition:

- Interest income from loans given is recognized on accrual basis.
- Income from fee based consultancy / advisory is recognised on an accrual basis.

c) Investments:

Investments are classified as long term and current investments. Long term investments are carried at cost less provision, if any, for diminution other than temporary in their value. Current investments are valued at lower of cost and fair value.

d) Taxes on Income:

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax / substantively enacted tax rates at the Balance Sheet Date, as applicable, to the extent that the timing differences are expected to crystallise.

Deferred Tax Assets are recognised where realisation is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognised only if there is a virtual certainty of realisation backed by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

Gyansagar Buildtech Limited

Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2018

- e) Fixed Assets:
- (i) Tangible Assets:
Tangible fixed assets are stated at cost, net of tax / duty credits availed, if any, less accumulated depreciation / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation and any attributable cost of bringing the asset to its working condition for its intended use.
- (ii) Intangible Assets:
Intangible assets are stated at cost, net of tax / duty credits availed, if any, less accumulated amortisation / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.
- f) Depreciation / Amortisation:
Depreciation on tangible fixed assets is provided on straight-line method at the rates specified in Schedule II to the Companies Act, 2013. Depreciation on additions to fixed assets is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale / deduction from fixed assets is provided for up to the date of sale / deduction / scrapping, as the case may be. Assets taken on finance lease are depreciated over the tenure of the lease. Assets costing Rs. 5,000 or less per item are fully depreciated in the year of purchase.
- g) 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. Recoverable amount is higher of an asset's net selling price and its value in use. 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. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.
- h) Borrowing Costs:
Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.
- i) Preliminary Expenses:
Preliminary expenses are adjusted against Securities Premium account net of tax to the extent available, and the balance, if any, is charged off to the profit and loss account, as incurred.
- j) Provisions, Contingent Liabilities and Contingent Assets:
Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

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Gyansagar Buildtech Limited

Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2018

Note - 4

Share capital

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Authorised				
Equity Shares of face value of Rs. 10 each	110,500	1,105,000	110,500	1,105,000
Compulsorily Convertible Preference Shares of face value of Rs. 10 each	100,000	1,000,000	100,000	1,000,000
		<u>2,105,000</u>		<u>2,105,000</u>
Issued subscribed and paid up				
Equity Shares of face value of Rs. 10 each fully paid up	110,000	1,100,000	110,000	1,100,000
As Per Balance Sheet		<u><u>1,100,000</u></u>		<u><u>1,100,000</u></u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Equity shares

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Opening balance at the beginning of the year	110,000	1,100,000	110,000	1,100,000
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<u><u>110,000</u></u>	<u><u>1,100,000</u></u>	<u><u>110,000</u></u>	<u><u>1,100,000</u></u>

b. Terms/rights attached to equity shares / preference shares:

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to received 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.

The company has only one class of preference shares having a par value of Rs. 10 per share. These can be converted in equity shares at any time up to 5 years from date of issuance. These shares carry 10% as dividend percentage which is to be paid as and when declare and approve by Board of Directors.

c. Details of shareholders holding more than 5% shares in the company:

No. of Shareholders	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of face value of Rs. 10 each fully paid up				
The entire share capital is held by One shareholder (The Holding Company including its nominees)	110,000	100%	110,000	100%

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

Note - 5

Reserves and surplus

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Securities Premium Account		
Balance at the beginning and end of the year	9,405,000	9,405,000
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	502,462	2,357,068
Less: Loss for the year	<u>(20,152,972)</u>	<u>(1,854,606)</u>
Balance carried forward	<u>(19,650,510)</u>	<u>502,462</u>
As Per Balance Sheet	<u><u>(10,245,510)</u></u>	<u><u>9,907,462</u></u>

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Gyansagar Buildtech Limited

Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2018

Note - 6

Long - term borrowings

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Unsecured loans, repayable on demand		
- From related parties	-	194,190,000
As Per Balance Sheet	-	194,190,000

Note - 7

Short - term borrowings

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Unsecured loans, repayable on demand		
From related parties	54,500,000	42,423,102
As Per Balance Sheet	54,500,000	42,423,102

Note - 8

Other current liabilities

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Statutory liabilities	231,050	2,118,893
Other payable	15,000	37,342,393
As Per Balance Sheet	246,050	39,461,286

Note - 9

Short-term provisions:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Provision for taxation (Net of tax deducted at source Rs. Nil (Previous year Rs. Nil))	-	91,000
As Per Balance Sheet	-	91,000

Note - 10

Non- current investments

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Other Investments - Unquoted (At cost unless otherwise stated)		
Investments in equity instruments		
2,005,000 (Previous year 2,005,000) fully paid up Equity Shares of Pushpanjali Fincon Limited (Face Value Rs. 10)	20,050,000	20,050,000
As Per Balance Sheet	20,050,000	20,050,000
Aggregate Book Value of Unquoted Investments	20,050,000	20,050,000
Aggregate Book Value of Quoted Investments	-	-
Aggregate Market Value of Quoted Investments	-	-

Gyansagar Buildtech Limited**Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2018****Note - 11****Cash and cash equivalents**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(a) Balance with Banks In Current Accounts	27,682	868,369
(b) Cash in hand	158	247
As Per Balance Sheet	<u>27,840</u>	<u>868,616</u>

Note - 12**Short-term loans and advances:**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(a) Inter-corporate deposits Unsecured, considered good	-	204,731,277
(b) Balance with government authorities GST Input credit (Unsecured, considered good)	2,700	-
(c) Tax deducted at source (Net of Provision for taxation Rs. Nil (Previous year Rs. Nil))	25,520,000	69,920
As Per Balance Sheet	<u>25,522,700</u>	<u>204,801,197</u>

Note - 13**Other current assets**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Interest accrued on inter corporate deposits	-	61,453,037
As Per Balance Sheet	<u>-</u>	<u>61,453,037</u>

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Gyansagar Buildtech Limited**Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2018**

	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
Note - 14		
Other income:		
Interest income from inter corporate deposits (Gross)	-	18,425,815
Interest income on income tax refund	90,900	3,088,974
Advisory income	255,200,000	-
As Per Statement of Profit and Loss	<u>255,290,900</u>	<u>21,514,789</u>
Note - 15		
Finance costs:		
Bank charges	-	1,813
Interest expense on inter corporate deposits	8,998,892	21,188,919
Interest on tax	161,935	-
As Per Statement of Profit and Loss	<u>9,160,827</u>	<u>21,190,732</u>
Note - 16		
Other expenses:		
Rates & taxes	3,289	3,749
Bad debts / loan written off	266,184,314	-
Stamp paper expenses	3,850	-
Professional charges	15,000	5,750
Auditors' remuneration		
-as statutory auditor*	75,000	10,000
Printing & stationery	-	1,400
Miscellaneous expenses	2,039	-
As Per Statement of Profit and Loss	<u>266,283,492</u>	<u>20,899</u>

*including remuneration paid for certification required to be done by the statutory auditors

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Gyansagar Buildtech Limited

Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2018

Note - 17

Segment Reporting:

Considering the nature of Company's business and operations and based on the information available with the management, there are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard (AS) – 17 on Segment Reporting as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. Hence, no further disclosures are required in respect of reportable segments, under AS 17, other than those already provided in the financial statements.

Note - 18

Related Party Disclosures:

Disclosures in respect of AS - 18 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended:

(a) Related parties where control exists:

Description of relationship	Names of related parties
Ultimate Holding Company	Indiabulls Ventures Limited
Holding Company	Devata Tradelink Limited
Fellow Subsidiary Companies (including step down subsidiaries)	IVL Finance Limited (Formerly known as Shivshakti Financial Services Limited)
	Astilbe Builders Limited
	Astraea Constructions Limited
	Silenus Buildtech Limited
	Arbutus Constructions Limited
	Pushpanjli Fincon Limited
	Pushpanjli Finsolutions Limited
	Indiabulls Distribution Services Limited
	Indiabulls Commodities Limited
	Indiabulls Investment Advisors Limited (Formerly known as Indiabulls Brokerage Limited)
	India Ethanol and Sugar Limited
	Auxesia Soft Solutions Limited
	Positive Housings Private Limited (upto March 30, 2018)
	Indiabulls Alternate Investment Limited
	Indiabulls Consumer Products Limited (w.e.f. July 6, 2016)
	Indiabulls Asset Reconstruction Company Limited (w.e.f. October 3, 2016)
Indiabulls Logistics Limited (w.e.f. January 19, 2017)	
Indiabulls Infra Resources Limited (w.e.f. February 1, 2017)	
Key Management Personnel	Mr. Pankaj Sharma, Director
	Mr. Tejpal Gulia, Director
	Mr. Sumer Singh Tokas, Director
	Mr. Sameer Gehlaut , Individual exercising significant influence
	Mr. Divyesh B Shah, Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited

(b) Significant Transactions with Related Parties during the year ended March 31, 2018:

(Amount in Rs.)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Total
Finance			
Inter corporate deposit taken	-	167,849,486	167,849,486
(Maximum balance outstanding during the year)	-	316,268,871	316,268,871
Interest expense on inter corporate deposit	-	5,900,890	5,900,890
	-	21,188,919	21,188,919

Note: Figures in italic relates to the previous year

Gyansagar Buildtech Limited

Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2018

Note - 18

Related Party Disclosures (*continued*) :

(c) Statement of Material Transactions:

(Amount in Rs.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Finance		
Inter corporate deposit taken (Maximum balance outstanding during the year):		
- Arbutus Construction Limited	18,301,625	18,301,625
- Indiabulls Distribution Services Limited	82,739,517	79,655,769
- Pushpanjali Finsolutions Limited	24,121,477	24,121,477
- IVL Finance Limited	42,686,867	194,190,000
Interest Expenses		
- Arbutus Construction Limited	1,353,272	1,524,157
- Indiabulls Distribution Services Limited	2,280,507	7,016,464
- Pushpanjali Finsolutions Limited	1,782,937	2,031,891
- IVL Finance Limited	484,174	10,616,407

(d) Outstanding at the year ended March 31, 2018:

(Amount in Rs.)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Total
Finance			
Inter corporate deposit taken	-	54,500,000	54,500,000
	-	<i>236,613,102</i>	<i>236,613,102</i>

Note: Figures in italic relates to the previous year

In accordance with AS 18, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related Party relationships are given above are as identified by the Company and relied upon by the Auditors.

Note - 19

Earnings per share:

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split, bonus shares and the potential dilutive effect of employee stock option plan as appropriate.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit/(Loss) available for Equity Shareholders (Rs.)	(20,152,972)	(1,854,606)
Weighted average number of Equity Shares used for computing Basic earnings per share	110,000	110,000
Weighted average number of Equity Shares used for computing Diluted earnings per share	110,000	110,000
Face/Nominal Value of Equity Shares – (Rs.)	10	10
Earnings Per Share – Basic (Rs.)	(183.21)	(16.86)
Earnings Per Share – Diluted (Rs.)	(183.21)	(16.86)

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Gyansagar Buildtech Limited**Summary of the significant accounting policies and other explanatory information for the year ended March 31, 2018****Note - 20****Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

Particulars	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note - 21

The Company has not entered into any derivative instruments during the year. There are no foreign currency exposures as at March 31, 2018. (Previous year Rs. Nil).

Note - 22

There are no borrowing costs to be capitalised as at March 31, 2018 (Previous year Rs. Nil) .

Note - 23

As per the best estimate of the management, no provision is required to be made as per Accounting Standard 29 (AS 29) -- Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

Note - 24

In respect of amounts as mentioned under Section 124 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2018 (Previous year Rs. Nil)

Note - 25

Previous year's figures have been re-grouped / re-arranged wherever considered necessary to conform to current year's groupings and classifications.

As per our report of even date

For S A S & Co.
Chartered Accountants
FRN: 020025N

For and on behalf of the Board of Director

Somya Agrawal
Partner
Membership No. 526790
New Delhi, April 21, 2018

Pankaj Sharma
Director
DIN: 00472879
New Delhi, April 21, 2018

Tejpal Gulia
Director
DIN: 03553393