



## INDEPENDENT AUDITOR'S REPORT

To the Members of ANSAL COLOURS ENGINEERING SEZ LIMITED

Report on the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying Standalone Ind AS financial statements of ANSAL COLOURS ENGINEERING SEZ LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss, Statement of Changes in Equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2020, and its profit/loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

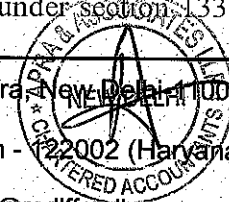
### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 opinion.

### Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

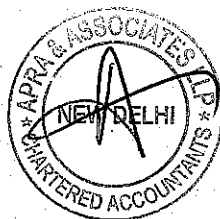
The Board of Directors is also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Standalone Ind AS 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls in place and the operating effectiveness of such controls.



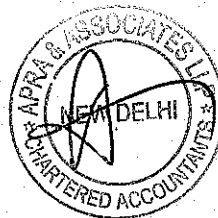
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material 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.
- 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

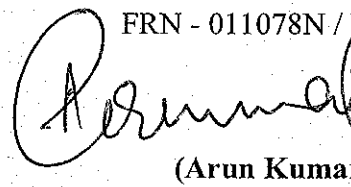



- d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. No amount was required to be transferred to Investor Education and Protection Fund by the Company.

Place: New Delhi  
Date: 6<sup>th</sup> June 2020

**For A P R A & Associates LLP**  
Chartered Accountants

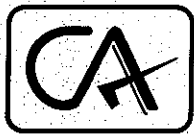
FRN - 011078N / NS00064

(Arun Kumar Gupta)  
Partner

M.No.089657

UDIN NO: 20089657 AAAACP7133



**“Annexure – B” to the Independent Auditors’ report of even date on the Standalone Ind AS  
Financial Statement of**

**ANSAL COLOURS ENGINEERING SEZ LIMITED**

Report on the Internal Financial Controls under Clause (i) of sub –section 3 of section 143 of the Companies Act, 2013 for the year ended 31.03.2020.

We have audited the internal financial controls over financial reporting of **ANSAL COLOURS ENGINEERING SEZ LIMITED** as at March 31, 2020 in conjunction with our audit of the standalone 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 “the Internal Financial Controls over Financial Reporting issued by the institute of Chartered Accountants of India.” These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 Guidance note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standard 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 and 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 statement, 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 details, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement 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 limitation 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


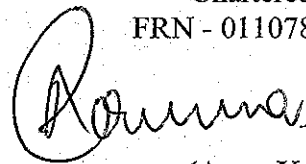
In our opinion, the Company has in all material respect, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the internal control over financial reporting criteria established by the Company Considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

Place: New Delhi  
Date: 6<sup>th</sup> June 2020

For A P R A & Associates LLP

Chartered Accountants

FRN - 011078N/500064



(Arun Kumar Gupta)

Partner

M.No.089657

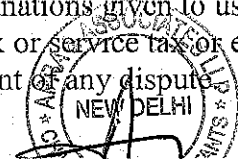
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**“Annexure – A” to Independent Auditors’ Report of even date on the Standalone Financial Statement of**

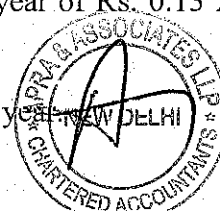
**ANSAL COLOURS ENGINEERING SEZ LIMITED**

(Referred to in Paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date for the year ended 31.03.2020)

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;  
  
b) Fixed assets have been physically verified by the management according to the regular program of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification;  
  
c) The title deeds of immovable properties are held in the name of the company.  
  
d) There is no revaluation is assets is made during the year.  
  
e) There is no proceeding have been initiated or are pending against the company for holding any benami property under Benami property transaction act 1985.
- ii. a) The inventories of the Company at all its locations have been physically verified by the management at reasonable intervals and the discrepancies if any found were properly dealt by the management.  
  
b) The company has no sanctioned working capital in excess of 5Crore from banks and financial statements on the basis of security of current assets.
- iii. The company has not granted any loans, secured or unsecured to Companies, firm or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly the provisions of clause (iii) of the order are not applicable.
- iv. The company has complied with provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public.
- vi. The Central government has not prescribed maintenance of cost records under section 148 (1) of the Companies Act 2013.
- vii. a) According to the information and explanations and records of the Company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income tax, Sales tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. There is no arrears of outstanding statutory dues for a period of more than six months from the date they became payable as on 31<sup>st</sup> March, 2020.  
  
b) According to the records and information and explanations given to us, there are no dues in respect of custom duty, income tax or sales tax or service tax or excise duty or value added tax that have not been deposited on account of any dispute.



- viii. There is no unrecorded transaction which have been surrendered or declared during the year as income in IT assessment.
- ix. a) The company has not defaulted in repayment of loans and interest to any lender. Clause 9(b) is not applicable. The Company has not received any loans or borrowings from financial institution, banks and Government or has not issued any debentures. Hence reporting under clause 9(c) (d) of the Order is not applicable to the Company.
- e) The company has not taken any funds from the person or entity to meet the obligation of its subsidiaries/Joint ventures/Associates.
- f) The company has not taken any funds from the person or entity on the pledge of securities of its subsidiaries/Associates/Joint ventures.
- x. a) The Company has not raised moneys by way of initial public offer or further public offer.
- b) There has been no preference allotment or private placement of shares/convertible debentures.
- xi. a) Based upon the audit procedure performed and information and explanation given to us, we report that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- b) No report u/s 143(12) in form ADT-4 has been filed by the auditors.
- c) No whistle blower complaints received during the year.
- xii. Provision of Nidhi Company is not applicable to the Company.
- xiii. All transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements, as required by the applicable accounting standard.
- xiv. Internal Audit provisions are not applicable to the company.
- xv. The company has not entered into any non-cash transaction with Directors or persons connected with him.
- xvi. a) The company is not required to be registered under schedule 45-1A of the Reserve Bank of India Act 1934.
- b) The company has not conducted any non banking financial or housing finance activity during the year hence reporting under clause (b),(c),(d) is not applicable to the company.
- xvii. The company has incurred Net cash loss during the year of Rs. 0.13 Lakh/- The Net cash loss in the preceding year was Rs.955.68 Lakh/-
- xviii. There is no resignation of statutory auditor during the year





- xix. The company is capable to meet its liabilities on its balance sheet and when they fall due within one year from the balance sheet date.
- xx. The company has not transferred any unspent amount to any fund specified in of schedule vii of companies act.
- xxi. There is no qualification or adverse marking included in CARO of other company.

**For A P R A & Associates LLP**

Chartered Accountants

ERN - 011078N/N500064



**(CA Arun Kumar Gupta)**

Partner

M.No.089657



Place: New Delhi

Date: 06.06.2020

UD/W:- 20089657 AAAA CP 7133

**ANSAL COLOURS ENGINEERING SEZ LIMITED**  
**CIN - U02001DL1997PLC087085**  
**STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH , 2020**

Figure In Lakh (INR)

Particulars	As at March 31, 2020 in ` lakhs	As at March 31, 2019 in ` lakhs
<b>ASSETS</b>		
<b>I. Non - current assets</b>		
(a) Financial assets		
(i) Investments	1      1,190.97	1,190.97
(ii) Trade receivables	2      -	-
(iii) Others	3      -	1.50
(b) Deferred tax assets (net)	-	-
Total Non-current Assets	1,190.97	1,192.47
<b>II. Current assets</b>		
(a) Inventories	4      0.00	2,317.50
(b) Financial assets		
(i) Cash and cash equivalents	5      0.01	0.14
(c) Current tax assets (net)	6      -	-
(d) Other current assets	7      122.68	258.81
	122.69	2,576.45
<b>Total Assets</b>	<b>1,313.66</b>	<b>3,768.92</b>
<b>EQUITY AND LIABILITIES</b>		
<b>I. EQUITY</b>		
(a) Equity share capital	8      2,000.00	2,000.00
(b) Other equity	9      (3,960.27)	(4,107.17)
	(1,960.27)	(2,107.17)
<b>II. LIABILITIES</b>		
<b>(1) Non - current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	10      5.00	5.00
(ii) Other financial liabilities	11      -	-
(b) Deferred tax liabilities (net)	12      -	-
(c) Other non-current liabilities	13      3,109.29	3,259.89
	3,114.29	3,264.89
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Trade payables	14      5.11	14.17
(ii) Other financial liabilities	11      0.30	50.05
(b) Other current liabilities	13      154.23	2,546.98
	159.64	2,611.19
<b>Total Equity &amp; Liabilities</b>	<b>1,313.66</b>	<b>3,768.92</b>

UDIN: 20089657AAAACP7133

For A P R A & Associates LLP

Chartered Accountants

FRN - 011078N/N500064

(CA Arun Kumar Gupta)

Partner

M.No.089657



For and on behalf of

Ansal Colours Engineering SEZ Limited

*(Signature)*

(Pradeep Kumar Arya)

Director

DIN.06870046

*(Signature)*

(Shirish Saha)

Director

DIN. 01244477

ANSAL COLOURS ENGINEERING SEZ LIMITED

CIN - U02001DL1997PLC087085

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED MARCH 31, 2020

Figure In Rs. Lakh

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Cash Flow for Operating Activities</b>		
Profit before tax from continuing operations	146.90	-939.94
Profit (loss) before tax from discontinued operations		
Profit before tax	146.90	-939.94
<i>Adjustments to reconcile profit before tax to net cash flows</i>		
Exceptional items	-974.32	-1,383.35
Depreciation - Property, plant & equipment	-	0.01
Balances written back	-155.89	-2.60
Balance written off	1.50	
Finance costs	6.29	27.94
<b>Operating Profit before Working Capital Changes</b>	<b>-975.52</b>	<b>-2,297.94</b>
<i>Working capital adjustments</i>		
Decrease/ (Increase) in trade and other receivables	-	59.65
Decrease/ (Increase) in inventories	3,291.82	6,566.81
Decrease/ (Increase) in Other Current Assets , current tax assets	136.13	199.13
Increase/ (decrease) in trade and other payables include book overdraft	-3.16	-2.30
Increase/ (decrease) in Other Financial Liabilities	-49.75	50.05
Increase/ (decrease) in Other Current Liabilities	-2,392.75	-5,502.78
Increase/ (decrease) in Other non- Current Liabilities	-0.60	-0.36
<b>Cash generated from operations</b>	<b>981.68</b>	<b>1,370.20</b>
Income - tax paid	-	-
<b>Net cash flows from (used in) operating activities (A)</b>	<b>6.16</b>	<b>-927.73</b>
<b>Cash Flow from Investing Activities</b>		
Investments in Subsidiaries	-	-
Interest received	-	-
<b>Net cash flows from (used in) investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>Cash Flow from Financing Activities</b>		
Repayment of Borrowing	-	-
Interest Paid	-6.29	-27.94
<b>Net cash flows from (used in) financing activities ( C)</b>	<b>-6.29</b>	<b>-27.94</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>-0.13</b>	<b>-955.68</b>
Cash and cash equivalents at the beginning of the year	0.14	955.82
<b>Cash and cash equivalents at the year end</b>	<b>0.01</b>	<b>0.14</b>

Notes

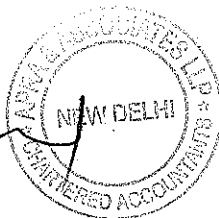
1 Cash & Cash equivalents includes

Balances with banks		
- in Current Accounts	0.01	0.14
Cash in hand		
	0.01	0.14

For A P R A & Associates LLP

Chartered Accountants  
FRN - 011078N/N500064

(CA Arun Kumar Gupta)  
Partner  
M.No.089657



For and on behalf of  
Ansal Colours Engineering SEZ Limited

(Pradeep Kumar Arya)  
Director  
DIN.06870046

(Shirish Saha)  
Director  
DIN. 01244477

Place: New Delhi  
Date: 06/06/2020

UDIN: 20089657AAAA CP7133.

**ANSAL COLOURS ENGINEERING SEZ LIMITED**  
CIN - U02001DL1997PLC087085  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020**

Figure In Lakh (INR)

Particulars	Note No.	For the Year Ended March 31, 2020 in ` lakhs	For the Year Ended March 31, 2019 in ` lakhs
I Revenue from Sales of Land		2,317.50	4,278.50
II Other income	15	155.89	2.60
III Total income (I + II)		<u>2,473.39</u>	<u>4,281.10</u>
IV Expenses			
Cost of Land Sold		3,291.82	6,572.94
Employee benefits expenses	16	0.00	0.00
Finance costs	17	6.29	27.94
Depreciation and amortization expenses	18	0.00	0.01
Other expenses	19	2.70	3.50
Total expenses		<u>3,300.81</u>	<u>6,604.39</u>
V Profit / (loss) before exceptional items and tax (III - IV)		(827.42)	(2,323.29)
VI Exceptional items Expense/(Income)	20	(974.32)	(1,383.35)
VII Profit / (loss) before tax (V - VI)		146.90	(939.94)
VIII Tax expense			
(1) Current tax		0.00	0.00
(2) Deferred tax		0.00	0.00
		<u>0.00</u>	<u>0.00</u>
IX Profit / (loss) from continuing operations after tax (VII - VIII)		146.90	(939.94)
X Profit / (loss) from discontinued operations		0.00	0.00
XI Tax expense of discontinued operations		0.00	0.00
XII Profit / (loss) from discontinued operations (after		<u>0.00</u>	<u>0.00</u>
XIII Profit / (loss) for the period (IX + XII)		146.90	(939.94)
XIV Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss		0.00	0.00
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00
B (i) Items that will be reclassified to profit or loss		0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
		<u>0.00</u>	<u>0.00</u>
XV Total comprehensive income for the period (XIII + XIV)		<u>146.90</u>	<u>(939.94)</u>
XVI Earnings per equity share (for continuing			
(1) Basic	21	0.73	(4.70)
(2) Diluted	21	0.73	(4.70)

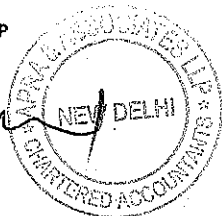
Significant Accounting Policies 22 - 36

The accompanying notes from 23 to 37 Form an integral part of the financial statements.

This is the Statement of Profit & Loss referred to in our report of even date.

For A P R A & Associates LLP  
Chartered Accountants  
FRN - 011078N/N500064

(CA Arun Kumar Gupta)  
Partner  
M.No.089657



For and on behalf of  
Ansal Colours Engineering SEZ Limited

(Pradeep Kumar Arya)  
Director  
DIN.06870046

(Shirish Saha)  
Director  
DIN. 01244477

Place: New Delhi  
Date: 06/06/2020

UDIN :- 20089657AAAA CP7133.

**ANSAL COLOURS ENGINEERING SEZ LIMITED**

CIN - U02001DL1997PLC087085

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

**A. Equity Share Capital**

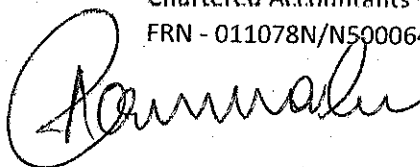
Particulars	Amount in lakhs
Opening Balance as at April 1, 2019	2,000.00
Equity Shares issued during the year	-
Equity Shares bought back during the year	-
Closing Balance as at March 31, 2020	2,000.00

**B. Other Equity**

Particulars	Reserves and Surplus
	Retained earnings
Opening Balance as at 01.04.2019	(4107.17)
Profit/(loss) for the period	146.90
Other Comprehensive Income	0.00
<b>Total Comprehensive Income</b>	146.90
Dividends	0.00
Closing Balance as at 31.03.2020	(3960.27)

This is the Statement of Changes in Equity referred to in our report of even date.


For A P R A & Associates LLP  
Chartered Accountants  
FRN - 011078N/N500064



(CA Arun Kumar Gupta)  
Partner  
M.No.089657



For and on behalf of  
Ansal Colours Engineering SEZ Limited



(Pradeep Kumar Arya)  
Director  
DIN.06870046



(Shirish Saha)  
Director  
DIN. 01244477

Place: New Delhi  
Date : 06/06/2020

ANSAL COLOURS ENGINEERING SEZ LIMITED  
 CIN - U02001DL1997PLC087085  
 NOTES TO THE FINANCIAL STATEMENTS AS AT 31.03.2020

1. Investments

Particulars	Non - current	
	As at 31.03.2020 in lakhs	As at 31.03.2019 in lakhs
<b>SHARES IN SUBSIDIARY COMPANIES</b>		
Equity Shares - Unquoted		
500000 Fully paid shares of Rs 10 each of Ansal seagull SEZ Developers Ltd.	1,190.97	1,190.97
<b>Total</b>	<b>1,190.97</b>	<b>1,190.97</b>

2. Trade receivables

Particulars	Non - current	
	As at 31.03.2020 in lakhs	As at 31.03.2019 in lakhs
Exceeding 6 months from payment due date		
- Unsecured, considered good	0.00	0.00
- Allowance for bad & doubtful debts	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

3. Others Financial Assets

Particulars	Non-Current	
	As at 31.03.2020 in lakhs	As at 31.03.2019 in lakhs
Security Deposits	-	1.50
<b>Total</b>	<b>-</b>	<b>1.50</b>



**ANSAL COLOURS ENGINEERING SEZ LIMITED**  
**CIN - U02001DL1997PLC087085**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31.03.2020**

**4. Inventories**

Particulars	As at 31.03.2020 in lakhs	As at 31.03.2019 in lakhs
<b>Work In Progress</b>		
-Project In Progress	0.00	2,317.50
<b>Total</b>	<u>0.00</u>	<u>2,317.50</u>
<b>Additional information as per Schedule -III</b>		
<b><u>Details of Work in progress</u></b>		
Opening Balance	2,317.50	7,500.00
<b>Incurred during year</b>		
-Land Compensation		
-Land Purchase		
-Stamp Duty Charges	-	5.64
-Project Settlement Account		
- Site Development	-	-
-Depreciation	-	0.19
-Rates & taxes	-	-
-Watch & Ward Expsnes	-	-
	<u>2,317.50</u>	<u>7,505.83</u>
Less: Cost of Land	3,291.82	6,572.94
Less: Provision for impairment	(974.32)	(1,384.61)
<b>Total</b>	<u>0.00</u>	<u>2,317.50</u>

**5. Cash & cash equivalents**

Particulars	As at 31.03.2020 in lakhs	As at 31.03.2018 in lakhs
Balances with banks		
- in Current Accounts	0.01	0.14
Cash in hand	0.00	0.00
<b>Total</b>	<u>0.01</u>	<u>0.14</u>



**ANSAL COLOURS ENGINEERING SEZ LIMITED**

**CIN - U02001DL1997PLC087085**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31.03.2020**

**6. Current tax assets (net)**

Particulars	Current	Current
	As at 31.03.2020 in lakhs	As at 31.03.2019 in lakhs
Prepaid Taxes		
<b>Total</b>	<b>-</b>	<b>-</b>

**7. Other current assets**

Particulars	As at	Current
	31.03.2020 in lakhs	As at 31.03.2019 in lakhs
- Advances to Others		
- Others	122.68	258.81
<b>Total</b>	<b>122.68</b>	<b>258.81</b>





ANSAL COLOURS ENGINEERING SEZ LIMITED  
 CIN - U02001DL1997PLC087085  
 NOTES TO THE FINANCIAL STATEMENTS AS AT 31.03.2020

8. Share capital

Particulars	As at 31.03.2020 in lakhs	As at 31.03.2019 in lakhs
<b>Authorised</b>		
200,00,000 Equity Shares of Rs. 10/- each	2,000.00	2,000.00
<b>Issued</b>		
200,00,000 Equity Shares of Rs. 10/- each	2,000.00	2,000.00
<b>Subscribed &amp; Fully Paid up</b>		
200,00,000 Equity Shares of Rs. 10/- each	2,000.00	2,000.00
<b>Total</b>	<b>2000.00</b>	<b>2000.00</b>

(a) Reconciliation of the Shares outstanding at the beginning and at the end of reporting period

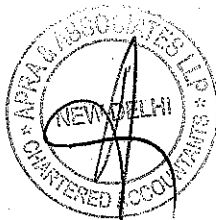
Equity Shares	As at	
	31.03.2020	31.03.2019
	No of Shares	(Amount in Rs.)
At the beginning of the year	20,000,000	200,000,000
Issued during the year	-	-
At the close of the year	20,000,000	200,000,000

(b) Details of Shareholders holding more than 5% shares in the company

Shareholders	As at	
	31.03.2020	31.03.2019
	No of Shares	% of Holding
1. Ansal Properties & Infrastructure Limited	10,200,000	51%
2. Anand Rathi Capital Advisors Pvt.Ltd.	-	-
3. Delhi Towers Limited	5,600,000	28%
4. Ansal Condominium Limited	4,000,000	20%

(c) Terms/Rights attached to Equity Shares

The company has only one class of Equity Shares having a par value of Rs. 10 each. Each holder of Equity Shares is entitled to one vote per share. The 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 the Shareholders.



**ANSAL COLOURS ENGINEERING SEZ LIMITED**  
**CIN - U02001DL1997PLC087085**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31.03.2020**

**9. Other equity**

Particulars	As at	As at 31.03.2019
	31.03.2020 in lakhs	in lakhs
<b>Retained earnings</b>		
Opening Balance	(4107.17)	(3167.23)
Profit/(loss) for the period	146.90	(939.94)
Other Comprehensive Income	0.00	0.00
Total Comprehensive Income	146.90	(939.94)
Dividends	-	-
<b>Closing Balance</b>	<b>(3960.27)</b>	<b>(4107.17)</b>

**10. Borrowings**

Particulars	Non - Current	
	As at 31.03.2020 in lakhs	As at 31.03.2019 in lakhs
<b>Loans repayable on demand</b>		
- Unsecured		
Mr. Naresh Jaggi	5.00	5.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>



**ANSAL COLOURS ENGINEERING SEZ LIMITED**  
**CIN - U02001DL1997PLC087085**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31.03.2020**

**11. Other financial liabilities**

Particulars	Current	
	As at 31.03.2020 in lakhs	As at 31.03.2019 in lakhs
Other Payables	0.30	50.05
-Other Advances		
<b>Total</b>	<b>0.30</b>	<b>50.05</b>



ANSAL COLOURS ENGINEERING SEZ LIMITED  
 CIN - U02001DL1997PLC087085  
 NOTES TO THE FINANCIAL STATEMENTS AS AT 31.03.2020

12. Deferred tax assets / liabilities (net)

Particulars	As at	As at
	31.03.2020	31.03.2019
	in lakhs	in lakhs
Deferred tax liabilities	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>Net deferred tax assets / liabilities</b>	<u>-</u>	<u>-</u>

13. Other liabilities

Particulars	Non - current	
	As at	As at
	31.03.2020	31.03.2019
	in lakhs	in lakhs
<b>Advance</b>		
- Advance From Customers	-	-
- Advance from related parties	3,109.29	3,259.89
<b>Total</b>	<u>3,109.29</u>	<u>3,259.89</u>

Particulars	Current	
	As at	As at
	31.03.2020	31.03.2019
	in lakhs	in lakhs
<b>Advance</b>		
- Advance From Holding Company	-	-
- Advance From Customers	-	2,392.50
- Advance From Others	154.23	154.23
- Statutory Payables	-	0.25
- PF & ESI payables	-	-
- Service Tax Payables	-	-
Book Overdraft with schduled bank	-	-
<b>Total</b>	<u>154.23</u>	<u>2,546.98</u>

14. Trade payables

Particulars	Current	
	As at	As at
	31.03.2020	31.03.2019
	in lakhs	in lakhs
Due to other parties	2.71	11.77
Due to related parties	2.40	2.40
advance from Customer	-	-
<b>Total</b>	<u>5.11</u>	<u>14.17</u>



ANSAL COLOURS ENGINEERING SEZ LIMITED  
 CIN - U02001DL1997PLC087085  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

15. Other Income

Particulars	Year ended 31.03.2020 in lakhs	Year ended 31.03.2019 in lakhs
Interest on FDRs	-	-
Amount Written back	155.89	2.60
<b>Total</b>	<b>155.89</b>	<b>2.60</b>

16. Employee benefits expenses

Particulars	Year ended 31.03.2020 in lakhs	Year ended 31.03.2019 in lakhs
Salaries & wages & Bonus	-	-
Contribution to provident & other funds	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

17. Finance costs

Particulars	Year ended 31.03.2020 in lakhs	Year ended 31.03.2019 in lakhs
Interest	6.29	27.93
<b>Total</b>	<b>6.29</b>	<b>27.93</b>

18. Depreciation and amortization expense

Particulars	Year ended 31.03.2020 in lakhs	Year ended 31.03.2019 in lakhs
Depreciation of tangible assets	-	0.01
Depreciation Adjustment	-	-
<b>Total</b>	<b>-</b>	<b>0.01</b>



ANSAL COLOURS ENGINEERING SEZ LIMITED  
CIN - U02001DL1997PLC087085  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

19. Other expense

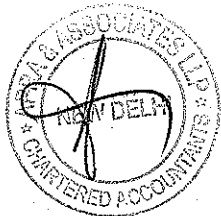
Particulars	Year ended 31.03.2020 in lakhs	Year ended 31.03.2019 in lakhs
Legal & Professional	0.64	1.15
Conveyance Expenses	0.03	0.05
Rent, Rates & Taxes	-	-
Audit Fee	0.30	0.30
Corporate Membership fee	-	-
Bank Charges	0.00	0.01
Prepayment Penalty	-	2.00
Amount Written off	1.50	-
Out of Pocket Exps(Auditor)	0.24	0.01
<b>Total</b>	<b>2.70</b>	<b>3.51</b>

20. Exceptional Items

Particulars	Year ended 31.03.2020 in lakhs	Year ended 31.03.2019 in lakhs
Current Provision for loss on agreement to sell inventory	-974.32	974.32
Reversal of Provision for loss on agreement to sell inventory	-	-2,358.93
Write down of Property, Plant & Equipment	-	1.26
	<b>-974.32</b>	<b>-1,383.35</b>

21. Earnings per share

Particulars	Year ended 31.03.2020 in lakhs	Year ended 31.03.2019 in lakhs
Net profit/ (loss) as per Statement of Profit & Loss (for calculation of basic EPS)	146.90	-939.94
Net profit for calculation of diluted EPS	146.90	-939.94
Weighted average number of equity shares in calculating basic EPS	20,000,000.00	20,000,000.00
Basic earning per share	0.73	-4.70
Diluted earning per share	0.73	-4.70



**22. Financial Risk Management objectives & policies:**

The purpose of financial risk management is to ensure that the company has adequate and effective utilized financing as regards the nature and scope of business. The objective is to minimize the impact of such risks on the performance of the company. The company's senior management oversees the management of these risks.

The Company's principal financial liabilities comprise bank loans, trade payables and other liabilities.

The main purpose of these financial instruments is to raise finance or get facilities for Company's operations. The Company has various financial assets such as loans, advances, land advances, trade receivables, cash which arise directly from its operations.

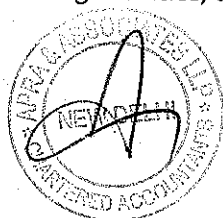
The main risk arising from the company's financial instruments are market risk, credit risk and liquidity risk.

**Market Risk**

Market risk is the risk that the fair value of financial instrument will fluctuate because of change in market price. Market risk comprises three types of risk: currency risk, Interest rate risk and other price risk. The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices [other than those origin from interest rate risk or currency risk], whether those changes are caused by factors specific to the individual financial instrument or its factors affecting all similar financial instruments traded in the market. Financial Instruments affected by market risk includes loans and borrowings, Investments and deposits. There is no currency risk since all operations are in INR. The Company managed Interest rate risk by exploring different options of borrowing including swapping of existing loans with another available option and charging interest on amount recoverable from customers in case delays beyond a credit period.

**Credit Risk**

It is that one party to a financial instrument or customer contract will cause a financial loss due to non-fulfillment of its obligations under a financial instrument or customer contract for the other party, leading to a finance loss. The Company's credit risks relate to the sales of Plot, FSI, under construction properties and completed properties after receiving completion certificate/occupancy certificate as per local laws and leasing activities. The customer credit risk is managed either by holding property under sale like mortgage against recoverable amount till the date of possession or registry whichever is earlier and recover all amount on such event along with interest based on prevailing market conditions where substantial amount has been made or in other cases, title and possession both lies with the Company and never transferred till the final payment along with other dues. Further, it charges holding charges over and above the amount recoverable in case of delay(s) in payment by customer after offer of possession. To mitigate risk, there is a cancellation policy where the Company can cancel the booking in case of non-payment of amount due by forfeiting up to 20% of the amount already paid by customer subject to prevailing market conditions. In case of leasing activities, there is a security as collateral up to two to three months of rental value.



## ANSAL COLOURS ENGINEERING SEZ LIMITED

Notes forming part of financial statement for the year ended March 31, 2020

### Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The company's cash flows is a mix of cash flow from collections from customers, leasing and interest income. The other main component in liquidity is timing to call loans/funds and optimization of repayment of loans installment, interest payments. However, there are delays in repayments of Public Deposits, repayment of loans and interest whichever, there is mismatch in cash flows. In such cases, the Company seeks extension from respective authorities as per prevailing laws.

### 23. Fair Value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2- Inputs Other than quoted prices include within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3-Inputs for the assets or liabilities that are not based on observable markets data (unobservable inputs)

However above hierarchy is not applicable to the company as at 31.03.2020

### 24. Corporate information

The company was incorporated on 06/05/1997 under the provisions of the Companies Act, 1956, the company has been formed to carry on business to acquire by purchase and sell, lease, hire or otherwise land and properties of any tenure or interest therein, to erect, construct houses, buildings or works of every description development of Colonies and pull down, rebuild, enlarge, alter, improve existing houses and buildings to construct and appropriate any such land into and for roads, streets, gardens and other conveniences as detailed in the Memorandum of Association of the Company.

The company is subsidiary of Ansal Properties & Infrastructure Ltd (51% Share)

These financial statements are presented in Indian Rupees (Lacs `).

The registered office of ANSAL COLOURS ENGINEERING SEZ LIMITED is 1202, Ansal Bhawan, 16, Kasturba Gandhi Marg New Delhi Central Delhi DL 110001 situated at in India.

### 25. Significant Accounting Policies

#### A. Basis of Preparation

These financial statements are prepared in compliance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956 to the extent applicable.





**ANSAL COLOURS ENGINEERING SEZ LIMITED**

Notes forming part of financial statement for the year ended March 31, 2020

The financial statements have been prepared on historical cost basis, except as stated otherwise.

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.

The financial statements are presented in INR and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

**B. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**C. Property, plant and equipment**

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses,

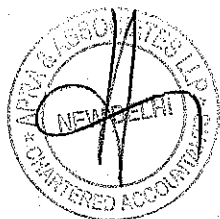
Capital work in progress including Property plant & equipment under installation/under development as at the balance sheet date.

Property, plant and equipment eliminated from the financial statement, either on disposal or when retired from the active use. Losses arising in the case of retirement of property, plant and equipment and gain or losses arising from disposal of property, plant and equipment are a recognized in the statement of the profit and loss in the year of occurrence.

**D. Depreciation and amortization**

The assets' residual values, useful lives and methods of depreciation are reviewed each financial year end and adjusted prospectively, if applicable

Depreciation on Property, plant and equipment is provided over the useful life of assets as specified in schedule ii to the Companies Act, 2013 on WDV method. Property, plant and equipment which are added / disposed off during the year, depreciation is provided pro-rata basis with reference to the month of addition / deletion.



**ANSAL COLOURS ENGINEERING SEZ LIMITED**

Notes forming part of financial statement for the year ended March 31, 2020

**E. Impairment of Assets**

**Financial assets**

The company recognizes loss allowances using the expected credit loss (ecl) model for the financial assets which are not fair valued through profit or loss. The company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

**Non-financial assets**

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. Higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

**F. Inventories**

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition.

Cost is computed on the weighted average basis. Internal and external development, construction costs, development/construction materials, land under agreement to purchase, constructed properties and work in progress are valued at cost or estimated cost, as applicable.

**G. Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.



## ANSAL COLOURS ENGINEERING SEZ LIMITED

Notes forming part of financial statement for the year ended March 31, 2020

### H. 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. 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 potential dilutive equity shares.

### I. Provisions, Contingent liabilities, Contingent assets and Commitments:

#### General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to provision presented in the statement of profit & loss net of any reimbursement.

If the effect of the time value of money is material, Provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increasing in the provision due to the passage of time as recognized as finance cost.

#### Contingent liability is disclosed in the case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible
- A present obligation arises from the past event, unless the probability of outflow is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date. Contingent Liability Rs. NIL

#### Onerous contracts

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.



## ANSAL COLOURS ENGINEERING SEZ LIMITED

Notes forming part of financial statement for the year ended March 31, 2020

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### Contingent assets

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

### J. Segment Accounting and Reporting

IND AS relation to segment Reporting is not applicable as the company has only one segment i.e. Real estate business.

### K. Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognised directly in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

#### Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the



## ANSAL COLOURS ENGINEERING SEZ LIMITED

Notes forming part of financial statement for the year ended March 31, 2020

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period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### L. Advances to subsidiaries, associates and others for purchase of land

Advances given to subsidiary and land holding companies for acquiring land are initially classified as 'Advances' for purchase of land under Loans & Advances. On obtaining the license for a land, the full cost of the land is transferred to cost of land, an item of cost of construction, from 'advance against land'.

### M. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

#### Borrowing costs

Borrowing costs that are directly attributable to the projects are charged to the respective project on the basis of expenditure incurred net of customer collections.

Other borrowing costs are expensed in the period in which they are incurred.

### N. Fair Value measurement

The Company measures all material financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of material asset or a liability is measured using the assumptions that market



## ANSAL COLOURS ENGINEERING SEZ LIMITED

Notes forming part of financial statement for the year ended March 31, 2020

participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

### O. Financial Instruments

#### i. Initial Recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

#### Subsequent Measurement

##### Non-derivative financial instruments

##### ➤ Financial assets carried at amortized cost-debt

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual



## ANSAL COLOURS ENGINEERING SEZ LIMITED

Notes forming part of financial statement for the year ended March 31, 2020

terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

➤ **Financial assets at fair value through other comprehensive income-debt**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

➤ **Financial assets at fair value through profit or loss-debt**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

➤ **Financial assets at fair value through other comprehensive income –equity**

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

➤ **Financial assets at fair value through profit or loss-equity**

A financial asset i.e. equity which is not classified in (v) above are subsequently fair valued through profit or loss.

➤ **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, for trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii. **Derecognition**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for Derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

iii. **Reclassification of financial assets**

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If



## ANSAL COLOURS ENGINEERING SEZ LIMITED

Notes forming part of financial statement for the year ended March 31, 2020

the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

#### iv. **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### **26. Deferred Tax Asset**

Deferred tax asset arising on account of brought forward losses under income tax law has not been accounted for in the absence of probability of realizing such assets against future taxable income.

#### **27. Retirement Benefit obligations :**





**ANSAL COLOURS ENGINEERING SEZ LIMITED**

Notes forming part of financial statement for the year ended March 31, 2020

The disclosures required under Ind AS-19 "Employee Benefit" under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards (Amended) Rule 2016, is not applicable since there is no employee in the company.

**28. Auditor remuneration (inclusive of tax)**

S. No.	Description	2019-20	2018-19
1.	Audit Fee	29500	29500
2.	Other	23600	23600
	Total	53100	53100

29. Having regard to integrated nature of real estate development business of the Company, there is only one reportable segment 'real estate development'. In view of which the disclosure requirement of segment reporting pursuant to IND AS 108 "Operating segment" under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards (Amended) Rule 2016 is not applicable.

**30. Inventory Quantities information.**

S.No.	2019-20			2018-19		
	Particulars	Area(Acres)	Value (Rs. Lacs)	Particulars	Area(Acres)	Value (Rs. Lacs)
1	Land	Nil	Nil	Land	43.07	Rs. 2317.50*

Note: Land has been mortgaged against credit facilities availed by holding company i.e. Ansal Properties & Infrastructure limited.

Note: The value is arrived after adjusting provision for loss/impairment.

31. In the opinion of Board of Directors, Financial Assets, Non- financial asset and other asset have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance sheet and provisions for liabilities are adequate.

**32. Post Reporting Events:**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

33. The management and authorities have the power to amend the Financial Statements in accordance with Section 130 and 131 of The Companies Act, 2013.

**34. Related Party Disclosures:****A. Key Management Personnel**

**ANSAL COLOURS ENGINEERING SEZ LIMITED**

Notes forming part of financial statement for the year ended March 31, 2020

S.No.	Name	Relation
1	Shirish Saha	Director
2	Pradeep Kumar Arya	Director
3	Hemant Kumar	Director

**B. Holding Company.**

Ansal Properties &amp; Infrastructure Limited

**C. Associate Company of Holding Company.**

1. Ansal Condominium Limited
2. Yamnotri Properties Pvt. Ltd

**D. Subsidiary Company**

Ansal Seagull SEZ Developers Limited

**E. Fellow Subsidiaries**

S. No.	Subsidiary Company	S. No.	Subsidiary Company
1	Delhi Towers Ltd.	22	Harapa Real Estates Limited
2	Ansal Condominium Ltd.	23	InderlokBuildwell Limited
3	Ansal IT City & Parks Ltd.	24	KapilaBuildcon Limited
4	Star Facilities Management Ltd.	25	KshitizRealtech Limited
5	Ansal API Infrastructure Ltd.	26	Kutumbkam Realtors Limited
6	Charismatic Infratech Pvt. Ltd.	27	Lunar Realtors Limited
7	Ansal Hi-Tech Townships Limited	28	Marwar Infrastructure Limited
8	Aabad Real Estates Limited	29	Muqaddar Realtors Limited
9	Anchor Infraprojects Limited	30	Paradise Realty Limited
10	Bendictory Realtors Limited	31	Parvardigaar Realtors Limited



**ANSAL COLOURS ENGINEERING SEZ LIMITED**

Notes forming part of financial statement for the year ended March 31, 2020

11	Caspian Infrastructure Limited	32	Pindari Properties Limited
12	Celestial Realtors Limited	33	Pivotal Realtors Limited
13	Chaste Realtors Limited	34	Plateau Realtors Limited
14	Cohesive Constructions Limited	35	Retina Properties Limited
15	Cornea Properties Limited	36	SarvodayaInfratech Limited
16	Creative Infra Developers Limited	37	SidhivinayakInfracon Limited
17	Decent Infratech Limited	38	Shohrat Realtors Limited
18	Diligent Realtors Limited	39	Superlative Realtors Limited
19	Divinity Real Estates Limited	40	Taqdeer Realtors Limited
20	Einstein Realtors Limited	41	Thames Real Estates Limited
21	Emphatic Realtors Limited	42	Auspicious Infracon Limited
43	Medi Tree Infrastructure Ltd.	64	Lovely Building Solutions Pvt. Ltd.
44	PhalakInfracon Ltd.	65	Komal Building Solutions Pvt. Ltd.
45	Rudrapriya Realtors Ltd.	66	H. G. Infrabuild Pvt. Ltd.
46	Twinkle Infraprojects Ltd.	67	Ansal Landmark Townships Private Limited
47	Sparkle Realtech Pvt. Ltd.	68	Ansal Urban Condominiums Private Limited (AUCPL)
48	Awadh Realtors Ltd.	69	Caliber Properties Private Limited
49	Affluent Realtors Pvt. Ltd.	70	Ansal Phalak Infrastructure Private Limited
50	Ansal SEZ Projects Ltd.	71	Mannat Infrastructure Private Limited
51	Haridham Colonizers Limited	72	Niketan Real Estates Private Limited
52	Ablaze Buildcon Private Limited	73	Ansal Landmark (Karnal) Townships Private Limited
53	Quest Realtors Private Limited	74	Lilac Real Estate Developers Private Limited



**ANSAL COLOURS ENGINEERING SEZ LIMITED**

Notes forming part of financial statement for the year ended March 31, 2020

54	Euphoric Properties Private Limited	75	Aerie Properties Private Limited
55	Ansal Townships Infrastructure Limited	76	Arena Constructions Private Limited
56	SukhdhamColonisers Ltd.	77	Arezzo Developers Private Limited
57	Dreams Infracon Ltd.	78	Vridhi Properties Private Limited
58	Effulgent Realtors Ltd.	79	Vriti Construction Private Limited
59	MangalMurthi Realtors Ltd.	80	Sphere Properties Private Limited
60	Arz Properties Ltd.	81	Sia Properties Private Limited
61	TamannaRealtech Ltd.	82	Sarvsanjhi Construction Private Limited
62	Singolo Constructions Ltd.		
63	Unison Propmart Ltd.		

**F. Under Common Control of Holding Company**

<b>S.No.</b>	<b>Name of the Company</b>
1.	AmbaBhawani Properties Pvt. Ltd.
2.	Ansal Housing & Estates (P) Ltd
3.	ApnaGhar Properties Pvt. Ltd.
4.	Chiranjiv Investments Pvt. Ltd.
5.	Naurang Investment & Financial Services Pvt. Ltd.
6.	New Line Properties & Consultants Pvt. Ltd
7.	Prime Maxi Promotion Services Pvt. Ltd.
8.	Sampark Hotels Pvt. Ltd.
9.	SatrunjayaDarshan Construction (CO.) Pvt. Ltd
10.	Delhi Towers & Estates Pvt. Ltd.



**ANSAL COLOURS ENGINEERING SEZ LIMITED**

Notes forming part of financial statement for the year ended March 31, 2020

11.	Sithir Housing & Construction Pvt. Ltd.
12.	Orchid Realtech Pvt. Ltd.
13.	Sushil Ansal Foundation
14.	Kusumanjali Foundation
15.	The Palms Golf Club & Resort Pvt. Ltd. (formerly Westbury Hotels Private Limited)
16.	Sky Scraper Infraprojects Pvt. Ltd. *
17.	SFML Hi Tech Facilities Management Pvt. Ltd.
18.	UtsavEducare Services Pvt. Ltd

**G. Joint Venture of Holding Company:**

Sl. No.	Joint Venture Company	Shareholding
1.	Green Max Estates (P) Ltd	50% shareholding
2.	Ansal Lotus Melange Projects Pvt. Ltd.	50% shareholding

**35. Details of significant transactions during the year.****Rs. in Lakh**

Particulars	Ansal Properties & Infrastructure Ltd (Holding Co.)	Ansal Seagull Developers (Subsidiary Co.)	SEZ Ltd	Yamnotri Properties Pvt. Ltd
Advance Recovered/Refunded/Adjustment	Rs.136.12 (Rs. 6986.88)	Rs 150.60 (0.36)		NIL (NIL)
Advances Given/Received/ Adjustment	NIL (Rs.7090.94)	NIL (NIL)		NIL (NIL)
Balance at Year End	Rs.122.67 Debit	Rs. 3109.29 Credit		Rs. 154.23 Credit



**ANSAL COLOURS ENGINEERING SEZ LIMITED**

Notes forming part of financial statement for the year ended March 31, 2020

	(Rs. 258.80 Debit)	(Rs. 3259.89 Credit)	(Rs. 154.23 Credit)
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Note - Previous year figures are given in bracket.

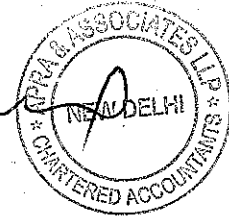
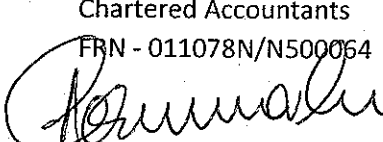
36. "The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing Significant disturbance and slowdown of economic activity. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production Facilities etc. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 31<sup>st</sup> May 2020 (with some relaxations) to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. Consequently, the Company business activities have also been affected. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19 and its impact on the Company's business operations. The Company will continue to closely monitor any material changes to future economic conditions.

37. Figures of the previous year have been regrouped /reclassified wherever considered necessary to confirm to current year classification.

**For A P R A & Associates LLP**

Chartered Accountants

FRN - 011078N/N500064

**(CA Arun Kumar Gupta)**

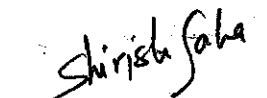
Partner

M.No.089657

**For and on behalf of****Ansal Colours Engineering SEZ Limited**  
**(Pradeep Kumar Arya)**

Director

DIN.06870046

  
**(Shirish Saha)**

Director

DIN. 01244477

Place: New Delhi

Date: 06.06.2020

UDIN : 20089657AAAACP7133.

**ANSAL COLOURS ENGINEERING SEZ LIMITED**  
CIN - U02001DL1997PLC087085

Transaction carried out during the Year with Related Parties.						
1st April 2019 to 31st March 2020						
Particulars	Name of the Company with whom transaction entered	Holding Co.	100% subsidiary	Partly Subsidiary	Associates of Holding Co.	Previous year
						(01/04/2018 to 31/03/ 2019)
Advance other than land returned back from	Ansal Properties & Infrastructure Ltd.	Rs.136.12 Lacs				Rs.6986.88 Lacs
Advance other than land returned back to	Ansal Properties & Infrastructure Ltd.					Rs.7090.94 Lacs
Advance other than land returned back from	Ansal Seagull SEZ Developers Ltd			Nil		0.36 Lacs
Advance other than land returned back to	Ansal Seagull SEZ Developers Ltd			Rs. 150.60 Lacs		Nil
Advance other than land returned back from	Yamnotri Properties Pvt. Ltd				Nil	Nil
Advance other than land returned back to	Yamnotri Properties Pvt. Ltd				Nil	Nil
<b>Annexure Balance Outstanding as on 31. 03.2020</b>						
Particulars	Name of the Company with whom transaction entered	Holding Co.	100% subsidiary	Partly Subsidiary	Associates of Holding Co.	Previous year
						(01/04/2018 to 31/03/ 2019)
Advance other than land receivable						
Advance other than land payable	Ansal Properties & Infrastructure Ltd.	122.68 Lacs (Debit)				Rs.258.81 Lacs (Debit)
Advance other than land payable	Ansal Seagull SEZ Developers Ltd			Rs. 3109.29 Lacs (Credit)		Rs. 3259.89 Lacs (Credit)
Advance other than land payable	Yamnotri Properties Pvt. Ltd				Rs. 154.23 Lacs (Credit)	Rs. 154.23 Lacs (Credit)