

HILL ROCK CONSTRUCTION LIMITED

Directors' Report

Your Directors are pleased to present the Twelfth Annual Report and the audited accounts for the year ended 31st March, 2018.

Financial Summary:

Amount in Rs.

Particulars	Year Ended 31-03-2018	Year Ended 31-03-2017
Total Revenue	109,763	98,378
Total Expenditure including Depreciation	214,693	379,311
Profit/(Loss) before tax	(104,930)	(280,933)
Less: Deferred Tax Expense/ (credit)	11,479	(690)
Profit/(Loss) after tax	(116,409)	(280,243)

The change in the nature of business, if any:

There was no change in the nature of business of the Company during the year or subsequently.

State of the Company's affairs:

During the year under review, your Company has incurred a loss of Rs.116,409/- (Rupees One Lac Sixteen Thousand Four Hundred and Nine Only) as compared to the loss of Rs.280,243/- (Rupees Two Lacs Eighty Thousand two Hundred and Forty Three only/-) for the previous year.

Your Company had issued and allotted 23,270 Unsecured 0% Optionally Fully Convertible Debentures of Rs.1000/- each at par to holding Company, Jai Corp Limited in tranches during the year under review.

Amount proposed to be carried to general reserve and recommended to be paid by way of dividend:

In view of the loss for the year, your Directors do not recommend any dividend.

Extract of Annual Return:

Extract of Annual Return as provided under Section 92(3) of Companies Act, 2013 is given at **Annexure-1**.

Number of meetings of the Board:

9 meetings of the Board of Directors of the Company were held during the financial year 2017-18.

Details of Directors or Key Managerial Personnel who were appointed or have resigned during the year:

No Directors or Key Managerial Personnel were appointed during the year under review.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Bijay Kumar Saraf (DIN 00084108) and Mr. Mahesh Sharma (DIN 07058701) retires by rotation and, being eligible, has offered themselves for the re-appointment at the ensuing Annual General Meeting.

No Director was resigned/ceased to be Director during the year under review.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby stated that:

(a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed along with proper explanation relating to material departure(s).

(b) appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year at 31st March, 2018 and of the loss of the Company for that period.

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) the annual accounts for the financial year ended 31st March, 2018 have been prepared on a 'going concern' basis.

(e) internal financial controls have been laid down to be followed by the Company. The internal financial controls are adequate and are operating effectively.

(f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Auditors and Auditors' Reports:

M/s D T S and Associates, Chartered Accountants, Mumbai having registration number 142412W was appointed as a statutory auditors of the Company from the conclusion of the previous annual general meeting till the conclusion of 6th annual general meeting thereafter.

Pursuant to the notification dated 07th May 2018 issued by the Ministry of Corporate Affairs, New Delhi, ratification of such appointment every year is not required.

There are no qualifications, reservations, or adverse remarks or disclaimers made by the Auditors, in their report.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013:

The Company has not given any loans, guarantees or investments under Section 186 of the Companies Act, 2013 during the financial year 2017-18.

Particulars of contracts or arrangements with related parties referred to in subsection (1) of Section 188 of the Companies Act, 2013:

Particulars of contracts or arrangements with related parties are given in Annexure II.

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and date of this Report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

NIL

Statement indicating development and implementation of a Risk Management Policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company:

In the opinion of the Board, elements of risk threatening the Company's existence is very minimal.

The names of Companies which have become or ceased to be Subsidiaries, Joint Ventures or Associate Companies during the year:

NIL

Details relating to deposits covered under Chapter V of the Act and deposits which are not in compliance with the requirements of Chapter V of the Act:

Company has not accepted any deposit covered under Chapter V of the Companies Act, 2013 of any deposit not in compliance with the requirements of Chapter V of the Companies Act, 2013.

The details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future:

No order was passed by any Regulator, Court or Tribunal impacting the going concern status and the Company's operations in future.

The details in respect of adequacy of internal financial controls with reference to the financial statements:

The Company has in place adequate internal control with reference to the financial statements. During the year such controls were put to test and were found to be adequate.

Employee Related Disclosures:

There is no employee on the pay roll of the Company.

Issue of equity shares with differential rights, sweat equity, employee stock option:

The Company has not issued any share with differential rights, sweat equity or as employee stock option.

Acknowledgement:

Your Directors express their grateful appreciation for the assistance and co-operation received from banks, financial institutions, Government authorities, customers, vendors and shareholders during the year under review.

For and on behalf of the Board of Directors

**Bijay Kumar Saraf
Director (DIN 00084108)**

**Place : Mumbai
Date : 22.05.2018**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i)	CIN	U45200MH2005PLC156700
ii)	Registration Date	13.10.2005
iii)	Name of the Company	Hill Rock Construction Ltd.
iv)	Category / Sub-Category of the Company	Public Company, Limited by Shares/Indian Non Government Company
v)	Address of the Registered office and contact details	11-B, Mittal Tower, Free Press Journal Marg, Nariman Point, Mumbai 400021
vi)	Whether listed company Yes / No	NO
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

REAL ESTATE BUSSINESS ACTIVITY

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Real Estate	6810	NA

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1.	JAI CORP LIMITED <u>Regd. Off:</u> A-3, MIDC Industrial Area, Nanded, Maharashtra, 431603. <u>Corporate Off:</u> 11-B, Mittal Tower, Free Press Journal Marg, Nariman Point, Mumbai 400021	L17120MH1985PLC036500	Holding Company	100%	2 (46)

i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	50000	50000	100	0	50000	50000	100	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% change in share Holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Jai Corp Ltd.	50000	100	0	50000	100	0	0
	Total	50000	100	0	50000	100	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year. (As on 01.04.2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the Company
1.	Jai Corp Limited				
	Opening Balance	50000	100	50000	100
	Date wise increase/(decrease)			0	0
	Closing Balance			50000	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr .No.		Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the Company
	For each of the top 10 shareholders				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	NIL			
	At the end of the year (or on the date of separation, if separated during the year)	NIL			

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the Company
	For Each of the Directors & KMP				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	NIL			
	At the end of the year (or on the date of separation, if separated during the year)	NIL			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount				
Jai Corp Ltd. (JCL) Loan	--	--	--	--
JCL Debentures	--	53,325,000	--	53,325,000
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	53,325,000	--	53,325,000
Change in Indebtedness during the financial year				
Additions				
Jai Corp Ltd. (JCL) Loan	--	--	--	--
JCL Debentures	--	23,270,000	--	23,270,000
Interest Due	--	--	--	--
Total Additions	--	23,270,000	--	23,270,000
Reductions				
Jai Corp Ltd. (JCL) Loan	--	--	--	--
Interest Paid	--	--	--	--
Total Reductions	--	--	--	--
Net Change	--	23,270,000	--	23,270,000
Indebtedness at the end of the financial year				
i) Principal Amount				
Loan	--	--	--	--
Debentures	--	76,595,000	--	76,595,000
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	76,595,000	--	76,595,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A: Remuneration to Managing Director, Whole Time Directors and/or Manager :NIL

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act,1961	NIL				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission :- - as % of profit					
	- others, specify...					
5.	Others, please specify...					
	Total (A)	NIL				
	Ceiling as per the Act:- Since there is no profit, Part II Section II (A) of Schedule V is applicable.					60,00,000

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of the Directors				Total Amount
1.	Independent Directors					
	Fee for attending board / committee meetings	NIL				NIL
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board / committee meetings	NIL				NIL
	Commission					
	Others, please specify					
	Total (2)					
	Total B= (1) + (2)	NIL				NIL
	Total Managerial Remuneration					NIL
	Overall Ceiling as per the Act:- Since there is no profit, Part II Section II (A) of Schedule V is applicable.					60,00,000

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
NOT APPLICABLE**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary	--	--	--	--
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	- others, specify...	--	--	--	--
5.	Others, please specify...	--	--	--	--
	Total	--	--	--	--

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANIES	--	--	--	--	--
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

ANNEXURE-2
FORM No. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name of the related Party	Nature of Relationship	Nature of Contracts / transaction	Duration of Contracts	Salient terms of Contract / transactions	Date(s) of approval by the Board, if any	Rs. In lacs
NIL							

2. Details of material contracts or arrangements at arm's length basis

Sr. No.	Name of the related Party	Nature of Relationship	Nature of Contracts / arrangements / transactions	Duration of Contracts / arrangements / transactions	Value (Rs. In lakh)	Salient terms of Contract or arrangements or transactions	Date(s) of approval by the Board, if any	Amount paid as advance
1	Mr. Bijay Kumar Saraf	Director	Purchase of Land	from 01.04.2017 to 31.03.2018	207.70	Purchase of Land	22.09.2017	Nil

For and on behalf of the Board of Directors

Mumbai,
22.05.2018

Chairman

Independent Auditor's Report

**To the Members of
Hill Rock Construction Limited**

Report on the Financial Statements

We have audited the accompanying Financial Statements of **HILL ROCK CONSTRUCTION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 Financial Statements that give a true and fair view of state of affairs (financial position), profit (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 and read with relevant rules issued thereunder.

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2017 prepared in accordance with Indian Accounting Standards, included in these Financial Statements, have been audited by the predecessor auditors. The report of the predecessor auditors on the comparative financial information dated 25th May, 2017 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. 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 (including other comprehensive income), 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 Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”;
- 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:
 - (a) The Company has no pending litigations, which would impact on its financial position.
 - (b) The Company does not have long term contracts including derivative contracts for which there were any for material foreseeable losses
 - (c) There has been no amounts during the year, which required to be transferred, to the Investor Education and Protection Fund by the Company;

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

For D T S & Associates

Chartered Accountants

Firm Registration No: 142412W

Anuj Bhatia

Partner

Membership No. 122179

Place: Mumbai

Date: 22nd May, 2018

“ANNEXURE A” TO INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of Hill Rock Construction Limited on the Financial Statements for the year ended 31st March, 2018)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Hill Rock Construction Limited (“the Company”)** as of 31st 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 (the “Guidance Note”) 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 Act.

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 and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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 maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st 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.

For D T S & Associates

Chartered Accountants

Firm Registration No: 142412W

Anuj Bhatia

Partner

Membership No. 122179

Place: Mumbai

Date: 22nd May, 2018

“ANNEXURE B” TO INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Hill Rock Construction Limited on the Financial Statements for the year ended 31st March, 2018)

- i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the Company has physically verified certain assets. No material discrepancies were noticed on such physical verification as compared with the available records.
 - c. The Company does not have immovable properties. Therefore, the provisions of clause (i) (c) of paragraph 3 of the said order are not applicable to the Company.
- ii. In respect of its inventories:

The Company has inventories only in relation to the development projects in progress. It does not have any other inventories during the year. The management has physically verified the project under development and no discrepancies were noticed. The Company has maintained the proper records for these projects.
- iii. In respect of loans, secured / unsecured,

The Company has not granted any loan, secured or unsecured, to companies, firm or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii) of paragraph 3 of the said order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 & 186 of the Act as applicable, in respect of making investments.

- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the order are not applicable to the Company.
- vi. According to the information and explanations given to us, cost records pursuant to Companies (Cost Records & Audit) Rules 2014 prescribed by Central Government under section 148 (1) (d) of the Act are applicable in respect of the activities carried out by the Company. However maintenance of Cost records is not applicable to the Company as the Company does not fall under the prescribed threshold limits.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - a. The Company has been generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax (GST), Cess and any other statutory dues as applicable with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.
 - b. According to the information and explanation given to us there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Goods and Service Tax (GST) and cess as it applicable, which have not been deposited on account of any dispute.
- viii. Based on our audit procedures and according to the information and explanations given by the management, the Company did not have any loans from banks, financial institutions or by way of debentures. Therefore, the provisions of clause (viii) of paragraph 3 of the said order are not applicable to the Company.
- ix. According to the information and explanations given to us, during the year the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Therefore, the provisions of clause (ix) of paragraph 3 of the order are not applicable to the Company.

- x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us the Company has not paid/ provided managerial remuneration. Therefore, the provisions of clause (xi) of paragraph 3 of the order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has not raised any money by preferential allotment or private placement of share or debentures. Therefore, the provisions of clause (xiv) of paragraph 3 of the order are not applicable to the Company.
- xv. According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him, Therefore, the provisions of clause (xv) of paragraph 3 of the order are not applicable to the Company.

- xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For D T S & Associates

Chartered Accountants

Firm Registration No: 142412W

Anuj Bhatia

Partner

Membership No. 122179

Place: Mumbai

Date: 22nd May, 2018

HILL ROCK CONSTRUCTION LIMITEDBalance sheet as at 31st March 2018

(Amount in Rs)

Particulars	Note	As at 31 st March 2018	As at 31 st March 2017
I. ASSETS			
1 Non-current assets			
a) Property, plant and equipment	2	898,137	996,795
b) Financial assets			
i) Other Non Current Financial Assets	3	-	91,639
c) Non-current tax assets (Net)	4	29,525	29,525
d) Other non-current assets	5	-	1,605
2 Current assets			
a) Inventories	6	98,630,579	76,237,404
b) Financial assets			
i) Investments	7	814,402	-
ii) Cash and bank Cash Equivalents	8	64,941	42,537
iii) Loans	9	98,188	-
c) Other current assets	10	60,379	26,951
TOTAL ASSETS		100,596,151	77,426,456
II. EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	11	500,000	500,000
b) Other equity	12	99,691,848	76,538,257
Liabilities			
1 Non-current liabilities			
a) Deferred tax liabilities (Net)	13	46,397	34,918
2 Curren Current liabilities			
i) Trade payables	14	333,266	333,266
ii) Other financial liabilities	15	19,000	14,375
b) Other current liabilities	16	5,640	5,640
TOTAL EQUITY & LIABILITIES		100,596,151	77,426,456
Significant accounting policies	1		
Notes on financial statements	1-30		

As per our report of even date

For D T S & Associates

Chartered Accountants

(Firm Registration No.142412W)

For and on behalf of the Board of Directors

Anuj Bhatia

Partner

Membership No. 122179

Bijay Kumar Saraf

Director

(DIN 00084108)

Rajkumar Sarawagi

Director

(DIN 00375257)

Place : Mumbai

Date : 22nd May, 2018

HILL ROCK CONSTRUCTION LIMITED

Statement of Profit and Loss for the year ended 31 March 2018

(Amount in Rs)

Sl. No.	Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
I.	Other Income	17	109,763	98,378
II.	Total Revenue		109,763	98,378
III.	Expenses:			
	Land Development Expenses	18	21,644,900	-
	Changes in Inventories of Work-in-progress	19	(22,393,175)	(713,560)
	Finance Costs	20	46	800
	Depreciation and Amortization Expense	2	144,358	137,340
	Other Expenses	21	818,564	954,731
	Total Expenses		214,693	379,311
IV.	Loss Before Exceptional items and Tax (II-III)		(104,930)	(280,933)
V.	Exceptional items		-	-
VI.	Loss Before Tax (IV-V)		(104,930)	(280,933)
VII.	Tax Expense:			
	(i) Earlier year Income Tax		-	-
	(ii) Deferred Tax Expenses/(Credit)	22	11,479	(690)
			11,479	(690)
VIII.	Net Loss After Tax (VI-VII)		(116,409)	(280,243)
IX.	Other Comprehensive Income (OCI)		-	-
X.	Total Comprehensive Income for the year (VIII+IX)		(116,409)	(280,243)
XI.	Earnings per Equity Share:	23		
	Basic & Diluted (in Rs.)		(2.33)	(5.60)
	Face Value per Share (in Rs.)		10	10
	Significant Accounting Policies	1		
	Notes on Financial Statements	1-30		

As per our report of even date

For D T S & Associates

Chartered Accountants

(Firm Registration No.142412W)

For and on behalf of the Board of Directors

Anuj Bhatia

Partner

Membership No. 122179

Bijay Kumar Saraf

Director

(DIN 00084108)

Rajkumar Sarawagi

Director

(DIN 00375257)

Place : Mumbai

Date : 22nd May, 2018

HILL ROCK CONSTRUCTION LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2018**Statement of changes in equity**

(Amount in Rs)

Equity share capital	Number of shares	Amount
As at 1 st April 2016	50,000	500,000
Changes during the year	-	-
As at 31 st March 2017	50,000	500,000
Changes during the year	-	-
As at 31 st March 2018	50,000	500,000

B. Other equity

2016-17 (Amount in Rs)

Particulars	Reserves and surplus	Equity component of preference shares	Equity component of loans from parent company	Optionally fully convertible debentures	Total
	Retained earnings				
Opening balance as at 1 st April 2016	12,515,450	9,550,000	1,428,050	53,325,000	76,818,500
Total comprehensive income for the year					
Loss for the year	(280,243)	-	-	-	(280,243)
Closing balance as at 31 st March 2017	12,235,207	9,550,000	1,428,050	53,325,000	76,538,257

2017-18 (Amount in Rs)

Particulars	Reserves and surplus	Equity component of preference shares	Equity component of loans from parent	Optionally fully convertible debentures	Total
	Retained earnings				
Opening balance as at 1 st April 2017	12,235,207	9,550,000	1,428,050	53,325,000	76,538,257
Total comprehensive income for the year					
Loss for the year	(116,409)	-	-	-	(116,409)
Optionally fully convertible debentures issued during the year	-	-	-	23,270,000	23,270,000
Closing balance as at 31 st March 2018	12,118,798	9,550,000	1,428,050	76,595,000	99,691,848

As per our report of even date

For D T S & Associates

Chartered Accountants

(Firm Registration No.142412W)

For and on behalf of the Board of Directors

Anuj Bhatia

Partner

Membership No. 122179

Bijay Kumar Saraf

Director

(DIN 00084108)

Rajkumar Sarawagi

Director

(DIN 00375257)

Place : Mumbai

Date : 22nd May, 2018

HILL ROCK CONSTRUCTION LIMITED
Cash Flow Statement for the year ended 31 March 2018

(Amount in Rs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Statement of Profit and Loss	(104,930)	(280,933)
Adjusted for :		
Finance Cost	46	800
Sundry Credit Balance Written Back	-	(56,699)
Fair value gains / losses on Financial assets classified and measured at FVTPL	(51,793)	-
Fair Value of Deposit Given	-	161
Notional Interest Income on Security Deposits	(8,361)	-
Notional Rent Exp on Security Deposits	7,811	
Profit on Sale of Current Investments	(49,609)	(34,030)
Depreciation	144,358	137,340
	42,452	47,572
Operating Profit before Working Capital Changes	(62,478)	(233,361)
Adjusted for :		
Inventories	(22,393,175)	(713,560)
Other receivables	(37,822)	(10,952)
Trade and Other Payables	4,625	(473)
Cash generated from operations	(22,488,850)	(958,346)
Direct taxes paid	-	-
Net Cash From Operating Activities	(22,488,850)	(958,346)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE	(45,700)	-
Purchase of Investments	(2,400,000)	-
Sale of Investments	1,687,000	886,262
Net Cash From Investing Activities	(758,700)	886,262
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from 0% OFCD Issues	23,270,000	-
Proceeds from Current Borrowings	-	(10,800)
Finance Cost Paid	(46)	-
Net Cash (used in) Financing Activities	23,269,954	(10,800)
Net (Decrease) in Cash and Cash Equivalents (A+B+C)	22,404	(82,884)
Opening Balance of Cash and Cash Equivalents	42,537	125,421
Closing balance of Cash and Cash Equivalents	64,941	42,537
Components of Cash and Cash Equivalents:		
Balances with Banks in Current Accounts	64,941	42,537
Cheques, Drafts in Hand		

1 Bracket indicates cash outflow.

2 Previous year figures have been regrouped, reclassified and rearranged wherever necessary

3 The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flow.

As per our report of even date
For D T S & Associates
Chartered Accountants
(Firm Registration No.142412W)

For and on behalf of the Board of Directors

Anuj Bhatia
Partner
Membership No. 122179

Bijay Kumar Saraf
Director
(DIN 00084108)

Rajkumar Sarawagi
Director
(DIN 00375257)

Place : Mumbai
Date : 22nd May, 2018

HILL ROCK CONSTRUCTION LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2018

Company Information
Hill Rock Construction Limited (‘the Company’) is a company limited by shares and is domiciled in India. The Company’s registered office is at 11B, Wing, Mittal Tower, Free Press Journal Marg, Nariman Point, Mumbai - 400 021 . These financial statements are the separate financial statements of the company. The company is primarily involved in Real Estate business.
Basis of Preparation
The separate financial Statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 133 of Companies Act, 2013 as per Companies (Indian Accounting Standards (Ind AS)) Rules, 2015 and other relevant provisions of the Companies Act, 2013 and rules framed thereunder. The Financial Statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities measured at fair value.
1 Significant accounting policies
a Income taxes
The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
b Impairment of non-financial assets
The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.
c Investments and financial assets

HILL ROCK CONSTRUCTION LIMITED

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

<p>Classification</p> <p>The company classifies its financial assets in the following measurement categories:</p> <ul style="list-style-type: none">• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and• those measured at amortised cost. <p>The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.</p> <p>For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.</p> <p>The company reclassifies debt investments when and only when its business model for managing those assets changes.</p>
<p>Measurement</p> <p>At initial recognition, the company measures a financial asset at its fair value except investments in subsidiaries and associates plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.</p> <p>Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.</p>
<p>Measurement of debt instruments</p> <p>Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:</p> <ul style="list-style-type: none">• Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost, is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.• Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.• Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss, is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the year in which it arises. Interest income from these financial assets is included in other income.
<p>Measurement of equity instruments</p> <p>The company subsequently measures all equity investments at fair value except investments in subsidiaries and associates. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.</p> <p>Changes in the fair value of financial assets measured at fair value through profit or loss are recognised as other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.</p>
<p>Impairment of financial assets</p> <p>The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.</p>

HILL ROCK CONSTRUCTION LIMITED**Notes to the Financial Statements for the year ended on 31st March, 2018**

<p>De-recognition of financial assets A financial asset is derecognised only when</p> <ul style="list-style-type: none"> • The company has transferred the rights to receive cash flows from the financial asset or • retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. <p>Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.</p> <p>Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.</p>
<p>d Property, plant and equipment</p>
<p>The carrying value (Gross Block less accumulated depreciation and amortisation) as on 1st April, 2015 of the Property, plant and equipment is considered as a deemed cost on the date of transition. Property, plant and equipment are stated at cost of acquisition or construction, net of MODVAT / CENVAT, Value Added Tax Goods and Service Tax, less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price, borrowing cost if capitalisation criteria are met, and directly attributable cost of bringing the asset to its working conditions for the intended use.</p>
<p>Depreciation on property, plant and equipment Depreciation on fixed assets is provided to the extent of depreciable amount on straight-line method over the useful life of asset as assessed by the management and the same is similar to the useful lives as prescribed in Part-C of Schedule II to the Companies Act, 2013 except acquisition of insurance spares and additions/extensions forming an integral part of existing plants, which are depreciated over residual life of the respective fixed assets.</p> <p>The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.</p>
<p>e Borrowings and other financial liabilities</p>
<p>Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognised as an asset / liability based on the underlying reason for the difference.</p> <p>Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method</p> <p>Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. The gain / loss is recognised in other equity in case of transaction with shareholders.</p>
<p>f Provisions, contingent liabilities and contingent assets</p>
<p>Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.</p> <p>Contingent liabilities are disclosed when 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.</p>
<p>g Borrowing costs</p>
<p>Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of profit and loss as finance costs.</p>
<p>h Earnings per share</p>

HILL ROCK CONSTRUCTION LIMITED**Notes to the Financial Statements for the year ended on 31st March, 2018**

	<p>Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.</p> <p>Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.</p>
i	Cash and cash equivalents
	<p>For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.</p>
j	Inventories
	<p>Cost of inventories consists of cost of land, land development expenses, material services, construction cost, interest and financial charges and other expenses related to project under development. In general, all Inventories of land are stated at lower of cost and net realisable value.</p>
k	Current and non-current classification:
	<p>The Company presents assets and liabilities in statement of financial position based on current/non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.</p> <p>An asset is classified as current when it is:</p> <ol style="list-style-type: none"> Expected to be realised or intended to be sold or consumed in normal operating cycle, Held primarily for the purpose of trading, Expected to be realised 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. <p>All other assets are classified as non-current.</p> <p>A liability is classified as current when it is:</p> <ol style="list-style-type: none"> Expected to be settled in normal operating cycle, Held primarily for the purpose of trading, 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. <p>All other liabilities are classified as non-current.</p> <p>The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.</p>
l	Fair value measurement:
	<p>The Company measures financial instruments at fair value at each balance sheet date.</p> <p>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:</p> <ol style="list-style-type: none"> 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. <p>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.</p> <p>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.</p>
m	Off-setting financial Instrument:
	<p>Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.</p>
n	SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

HILL ROCK CONSTRUCTION LIMITED**Notes to the Financial Statements for the year ended on 31st March, 2018**

<p>The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.</p>
<p>i) Property, plant and equipment, Investment Properties and Intangible Assets:</p>
<p>Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.</p>
<p>ii) Income Tax:</p>
<p>The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial statements.</p>
<p>iii) Contingencies:</p>
<p>Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.</p>
<p>iv) Impairment of financial assets:</p>
<p>The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.</p>
<p>v) Provisions:</p>
<p>Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.</p>
<p>vi) Fair value measurement of financial instruments :</p>
<p>When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.</p>
<p>o Recent Announcements:</p>
<p>Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers, however it is not likely to have any material impact on the financial statements of the Company.</p> <p>Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. However it will not impact on the financial statements of the Company.</p>

HILL ROCK CONSTRUCTION LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2018**Note 2 - Property, plant and equipment**

(Amount in Rs)

	Vehicles	Office Equipments	Total
COST			
At 1st April, 2016	1,280,745	2,324	1,283,069
Additions	-	-	-
Disposals	-	-	-
At 31st March, 2017	1,280,745	2,324	1,283,069
Additions	-	45,700	45,700
Disposals	-	-	-
At 31st March, 2018	1,280,745	48,024	1,328,769
ACCUMULATED DEPRECIATION			
At 1st April, 2016	148,934	-	148,934
Depreciation	137,340	-	137,340
Disposals	-	-	-
At 31st March, 2017	286,274	-	286,274
Depreciation	137,340	7,018	144,358
Disposals	-	-	-
At 31st March, 2018	423,614	7,018	430,632
NET BLOCK			
At 31st March, 2017	994,471	2,324	996,795
At 31st March, 2018	857,131	41,006	898,137

HILL ROCK CONSTRUCTION LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2018**Note 3 - Other Non-Current Financial Assets**

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Security Deposits	-	91,639
Total	-	91,639

Note 4 - Non current tax assets (Net)

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Income-tax	29,525	29,525
Total	29,525	29,525

Note 5 - Other Non - Current Assets

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Unsecured, Considered Good :		
Prepaid Rent	-	1,605
Total	-	1,605

Note 6 - Inventories

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Work-in-progress	98,630,579	76,237,404
Total	98,630,579	76,237,404

6.1 Refer Note No. 1 (j) for mode of valuation of inventories.

6.2 Conveyance Deed of Rs. 2,59,96,890/- (Previous Year Rs. 2,59,96,890) is yet to be executed in the name of Company.

6.3 Possession of the land of Rs. 15,43,424/- (Previous Year Rs. 49,03,471) is in dispute.

HILL ROCK CONSTRUCTION LIMITED

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

Note 7 - Current investments

(Amount in Rs)

Particulars	As at 31 st March, 2018			As at 31 st March, 2017		
	Quantity (No's)	Face value	Amount	Quantity (No's)	Face value	Amount
<u>Financial assets classified and measured at fair value through profit or loss</u>						
a) In Mutual funds - Unquoted fully paid up						
Birla Sun Life Floating Rate Fund Short Term Plan	3,511	100	814,402	-	-	-
Total Units in Mutual Funds at FVTPL			814,402			-
Total current investments			814,402			-
Aggregate amount of quoted investments and market value thereof			-			-
Aggregate amount of unquoted investments			814,402			-

7.1 Refer Note No 1(c) for the basis of the Valuation of the Current Investment.

HILL ROCK CONSTRUCTION LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2018**Note 8 - Cash and Cash Equivalents**

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Cash and Cash Equivalents		
Balances with Banks in Current Accounts	64,941	42,537
Total	64,941	42,537

8.1 For the purpose of the statement of cash flow, cash and cash equivalents comprise the followings:

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Balances with Banks in Current Accounts	64,941	42,537
Total	64,941	42,537

Note 9 - Current financial assets - Loans

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Unsecured, considered good unless otherwise specified		
Deposit for Rent	98,188	-
Total	98,188	-

Note 10 - Other current assets

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Advances other than capital advances		
Balance with Goods And Services Tax Authorities	40,482	-
Prepaid Expenses	19,897	26,951
Total	60,379	26,951

HILL ROCK CONSTRUCTION LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2018

(Amount in Rs)

Note 11 - Equity share capital

Particulars	As at 31 st March 2018	As at 31 st March 2017
Authorised:		
85,000 Equity Shares of Rs. 10 each (85,000 Equity Shares of Rs. 10 each as at 31 st March, 2017)	850,000	850,000
15,000 1% Optionally Convertible Non-Cumulative, Redeemable (15,000 Pref Shares of Rs. 10 each as at 31 st March, 2017)	150,000	150,000
Total	1,000,000	1,000,000

Issued, Subscribed & Paid-up:		
50,000 Equity Shares of Rs. 10 each fully paid up (50,000 Equity Shares of Rs. 10 each as at 31 st March, 2017)	500,000	500,000
Total	500,000	500,000

11.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:

Particulars	2017-18		2016-17	
	(In Nos.)	(Figures in Rs)	(In Nos.)	(Figures in Rs)
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares outstanding at the end of the year	50,000	500,000	50,000	500,000

11.2 Terms / Rights attached to the Equity Shares

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 receive any of the remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by shareholders.

11.3 Details of shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 March 2018		As at 31 March 2017	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Equity Shares: (Including equity shares held jointly with nominees)				
Jai Corp Limited	50,000	100%	50,000	100%

HILL ROCK CONSTRUCTION LIMITED

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

Note 12 - Other equity

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Retained earnings		
Opening balance	12,235,207	12,515,450
Add: Net profit / (loss) for the year	(116,409)	(280,243)
Closing balance	12,118,798	12,235,207

Nature and Purpose - Retained earnings represent the accumulated profits / losses made by the company over the years.

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
1% Optionally Convertible, Non - cumulative, Redeemable Preference Shares (OCPS) issued to parent		
Opening balance	95,500	95,500
Transaction during the year	-	-
Closing balance	95,500	95,500

Nature and purpose - The Optionally Convertible, Non-cumulative, Redeemable Preference Shares issued to parent company are treated as equity.

Terms - 1% Optionally Convertible, Non - cumulative, Redeemable Preference Shares (OCPS) of Rs.10/- each fully paid-up were allotted on 31st January, 2008. The OCPS are redeemable at the option of the Company any time from the date of issue but before the end of 20 years. The holder has the option to seek conversion any time before redemption. The OCPS are redeemable at a premium of Rs.990/- per share. The preference share holders have a preferential right to non cumulative dividend of 1% per annum, carry a preferential right for repayment of capital in priority to the equity shares, on liquidation of the Company or repayment of capital. However, the preference shares carry no further or other right to participate either in the profits or assets of the Company.

12.1 Reconciliation of number of Preference Shares outstanding at the beginning and at the end of the year:

Particulars	2017-18		2016-17	
	(In Nos.)	(Figures in Rs)	(In Nos.)	(Figures in Rs)
Shares outstanding at the beginning of the year	9,550	95,500	9,550	95,500
Shares outstanding at the end of the year	9,550	95,500	9,550	95,500

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Equity component on interest free loans from parent company		
Opening balance	1,428,050	1,428,050
Transaction during the year	-	-
Closing balance	1,428,050	1,428,050

Nature and purpose - The difference between the fair value of interest free loans on the date of issue and the transaction price is recognised as a deemed equity component by the parent company.

Estimation of fair value - For computation of the above fair value benefit, the company has estimated the fair value of the financial liability on the date of issue by considering comparable market interest rates adjusted to the facts and circumstances relevant to the company.

HILL ROCK CONSTRUCTION LIMITED

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

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Optionally fully convertible debentures issued to parent treated as equity		
Opening balance	53,325,000	53,325,000
Issued during the year	23,270,000	-
Redeemed during the year	-	-
Closing balance	76,595,000	53,325,000

Nature and purpose - The optionally fully convertible debentures issued to parent company are treated as equity.

Terms - 11,760 (11,760 as at 31st March 2017) Zero% Optionally Fully Convertible Debenture (OFCD) of Rs. 1,000/- each are redeemable at face value at the option of the Company at any time from the date of allotment i.e. 21st July, 2015 but before the end of 20 years. The holder of the OFCD have the option to convert each OFCD in to 100 equity shares of face value of Rs. 10/- each of the Company at any time from the date of allotment during the tenure of OFCD.

5,790 (5,790 as at 31st March 2017) Zero% Optionally Fully Convertible Debenture (OFCD) of Rs. 1,000/- each are redeemable at face value at the option of the Company at any time from the date of allotment i.e. 1st October, 2015 but before the end of 20 years. The holder of the OFCD have the option to convert each OFCD in to 100 equity shares of face value of Rs. 10/- each of the Company at any time from the date of allotment during the tenure of OFCD.

175 (175 as at 31st March 2017) Zero% Optionally Fully Convertible Debenture (OFCD) of Rs. 1,000/- each are redeemable at face value at the option of the Company at any time from the date of allotment i.e. 31st December, 2015 but before the end of 20 years. The holder of the OFCD have the option to convert each OFCD in to 100 equity shares of face value of Rs. 10/- each of the Company at any time from the date of allotment during the tenure of OFCD.

1,100 (1,100 as at 31st March 2017) Zero% Optionally Fully Convertible Debenture (OFCD) of Rs. 1,000/- each are redeemable at face value at the option of the Company at any time from the date of allotment i.e. 29th January, 2016 but before the end of 20 years. The holder of the OFCD have the option to convert each OFCD in to 100 equity shares of face value of Rs. 10/- each of the Company at any time from the date of allotment during the tenure of OFCD.

22,935 (22,935 as at 31st March 2017) Zero% Optionally Fully Convertible Debenture (OFCD) of Rs. 1,000/- each are redeemable at face value at the option of the Company at any time from the date of allotment i.e. 23rd April, 2016 but before the end of 20 years. The holder of the OFCD have the option to convert each OFCD in to 100 equity shares of face value of Rs. 10/- each of the Company at any time from the date of allotment during the tenure of OFCD.

11,565 (11,565 as at 31st March 2017) Zero% Optionally Fully Convertible Debenture (OFCD) of Rs. 1,000/- each are redeemable at face value at the option of the Company at any time from the date of allotment i.e. 25th May, 2016 but before the end of 20 years. The holder of the OFCD have the option to convert each OFCD in to 100 equity shares of face value of Rs. 10/- each of the Company at any time from the date of allotment during the tenure of OFCD.

2,500 (Nil as at 31st March 2017) Zero% Optionally Fully Convertible Debenture (OFCD) of Rs. 1,000/- each are redeemable at face value at the option of the Company at any time from the date of allotment i.e. 25th May, 2017 but before the end of 20 years. The holder of the OFCD have the option to convert each OFCD in to 100 equity shares of face value of Rs. 10/- each of the Company at any time from the date of allotment during the tenure of OFCD.

20,770 (Nil as at 31st March 2017) Zero% Optionally Fully Convertible Debenture (OFCD) of Rs. 1,000/- each are redeemable at face value at the option of the Company at any time from the date of allotment i.e. 29th March, 2018 but before the end of 20 years. The holder of the OFCD have the option to convert each OFCD in to 100 equity shares of face value of Rs. 10/- each of the Company at any time from the date of allotment during the tenure of OFCD.

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Security Premium		
Opening balance	9,454,500	9,454,500
Issued during the year	-	-
Closing balance	9,454,500	9,454,500

Nature and Purpose - Securities premium was created when shares are issued at premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(Amount in Rs)

Total other equity as at 31st March 2018	
31-Mar-17	76,538,257
31-Mar-18	99,691,848

HILL ROCK CONSTRUCTION LIMITED

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

Note 13 - Deferred tax liabilities (net)

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Deferred Tax Liabilities		
Related to Plant, property & equipments	33,060	34,918
Taxable temporary differences on financial assets measured at FVTPL	13,337	-
Net deferred tax liability	46,397	34,918

13.1 Movement in Deferred Tax Liabilities

	PPE	Loan from parent company	Financial assets measured at FVTPL	Total
As at 1 st April, 2016	34,918	-	690	35,608
Charged/(Credited)				
- to Profit & Loss	-	-	(690)	(690)
As at 31 st March, 2017	34,918	-	-	34,918
Charged/(Credited)				
- to Profit & Loss	(1,858)	-	13,337	11,479
As at 31st March, 2018	33,060	-	13,337	46,397

13.2 Unrecognised deferred tax assets:
a) Tax Losses

The Company has the following unused tax losses which arose on incurrance of business losses under the Income Tax Act, 1961 for which no deferred tax asset has been recognised in the Balance Sheet.

(Amount in Rs)

In relation to Financial Year ending	As at 31 st March 2018	Expiry Year	As at 31 st March 2017	Expiry Year
2014-15	-	-	222,406	2022-2023
2015-16	222,406	2023-2024	219,868	2023-2024
2016-17	219,868	2024-2025	278,539	2024-2025
2017-18	205,881	2025-2026	-	-

Note 14 - Trade Payables

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Micro, Small and Medium Enterprises	-	-
Others	333,266	333,266
Total	333,266	333,266

14.1 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures as required by notification dated 16.11.2007 issued by the Ministry of Company Affairs have not been given.

Note 15 - Other current financial liabilities

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Other payables (Refer Note 15.1 below)	19,000	14,375
Total	19,000	14,375

15.1 Other payable includes audit fees and filing fees payable.

Note 16 - Other current liabilities

(Amount in Rs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Statutory Dues	5,640	5,640
Total	5,640	5,640

HILL ROCK CONSTRUCTION LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2018**Note 17 - Other income**

(Amount in Rs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Profit on Sale of Current Investments	49,609	34,030
Notional interest income on deposit given	8,361	7,649
Sundry Credit Balance Written Back	-	56,699
Fair value changes (net) on financial assets classified as fair value through profit and loss - (net expense)	51,793	-
Total	109,763	98,378

Note 18 - Land and Development expenses

(Amount in Rs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Cost of Land	20,770,000	-
Registration & Stamping Charges	870,800	-
Land Development Expenses	4,100	-
Total	21,644,900	-

Note 19 - Changes in Inventories of Work-in-progress

(Amount in Rs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
At the end of the year		
Work-in-Progress	98,630,579	76,237,404
At the beginning of the Year		
Work-in-Progress	76,237,404	75,523,844
Changes in Inventories of Work-in-progress	(22,393,175)	(713,560)

Note 20 - Finance costs

(Amount in Rs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Interest on Borrowings	-	800
Interest on Others	46	-
Total	46	800

Note 21 - Other expenses

(Amount in Rs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Rent	684,611	684,611
Rates and Taxes	2,500	3,010
Repairs & Maintenance - Others	71,475	36,760
Insurance	25,216	4,191
Payment to Auditors - Audit Fees	12,500	14,375
Legal, Professional and Consultancy Charges	6,500	16,900
Travelling and Conveyance	-	157,236
Bank Charges	1,512	48
Other Expenses	14,250	37,600
Total	818,564	954,731

HILL ROCK CONSTRUCTION LIMITED

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

Note 22 - Tax expense

(Amount in Rs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Deferred taxes		
Change in deferred tax assets	-	690
Change in deferred tax liabilities	11,479	-
	11,479	(690)
Total	11,479	(690)

Note 22.1 - Tax reconciliation (for profit and loss)

(Amount in Rs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Profit before income tax expense	(104,930)	(280,933)
Tax at the rate of 25.75%	(27,020)	(92,885)
Tax Assets not created	27,020	99,906
Fair Value of Financial Assets/liabilities	13,337	(43,727)
Related to Property, Plant and Equipment	(1,858)	-
Income Tax expenses	11,479	(36,706)

Note 23 - Earnings per share

(Amount in Rs)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Net Profit / (loss) after tax for the year (Rs.)	(116,409)	(280,243)
Net Profit / loss attributable to equity share holders (Rs.)	(116,409)	(280,243)
Weighted Average Number of equity shares outstanding during the year for Basic EPS and Diluted EPS (in Nos)	50,000	50,000
Basic and Diluted Earnings Per Share	(2.33)	(5.60)
Face Value per Share (Rs.)	10	10

Reconciliation between number of shares used for calculating basic and diluted earning per share

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Number of Shares Used for calculating Basic EPS	50,000	50,000
Add:- Potential Equity Shares on conversion (Weighted)	5,562,585	5,023,163
Number of Shares used for Calculating Diluted EPS	5,612,585	5,073,163

23.1 Effects of conversions of Zero Coupon Optionally Fully Convertible Debentures into Equity Share are resulting in anti diluted hence the effect of the same is ignored for the purpose of diluted earnings per share.

HILL ROCK CONSTRUCTION LIMITED

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

24 Fair value measurements

Financial instruments by category:

(Amount in Rs)

Particulars	As at 31 st March, 2018			As at 31 st March, 2017		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial assets						
Current assets						
Investment in mutual funds	-	814,402	-	-	-	-
Cash and cash equivalents	-	-	64,941	-	-	42,537
Security deposits	-	-	98,188	-	-	-
Total financial assets	-	814,402	163,129	-	-	42,537
Financial liabilities						
Current liabilities						
Trade Payables	-	-	333,266	-	-	333,266
Other financial liabilities	-	-	19,000	-	-	14,375
Total financial liabilities	-	-	352,266	-	-	347,641

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price and financial instruments like Mutual Funds for which NAV is published by Mutual Fund Operator. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period and Mutual Fund are valued using the Closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in this level.

Financial assets and liabilities measured at fair value at each reporting date

(Amount in Rs)

Financial assets	As at 31 st March, 2018			As at 31 st March, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at FVTPL						
Investment in mutual funds	814,402	-	-	-	-	-
Total	814,402	-	-	-	-	-

During the years mentioned above, there have been no transfers amongst the levels of hierarchy.

Fair value for assets measured at amortised cost

The carrying amounts of cash and cash equivalents, security deposits and other financial liabilities are considered to be approximately equal to the fair value.

HILL ROCK CONSTRUCTION LIMITED

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

25	<u>Financial risk management</u>					
	The company is exposed to credit risk, liquidity risk and Market risk.					
A	Credit risk					
	Credit risk arises from cash and cash equivalents carried at amortised cost.					
	Credit risk management					
	To manage the credit risk bank balances are held with only high rated banks.					
B	Liquidity risk					
	Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings and other financial liabilities.					
	Liquidity risk management					
	The Company is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company’s net liquidity position through rolling forecasts on the basis of expected cash flows.					
	Maturities of financial liabilities					
	As at 31st March 2018 (Amount in Rs)					
	Particulars	Less than 6 months	6 months to 1 year	Between 1 and 5 years	Beyond 5 years	Total
	Trade payables	333,266	-	-	-	333,266
	Other current financial liabilities	19,000	-	-	-	19,000
	Total	352,266	-	-	-	352,266
	As at 31st March 2017 (Amount in Rs)					
	Particulars	Less than 6 months	6 months to 1 year	Between 1 and 5 years	Beyond 5 years	Total
	Trade payables	333,266	-	-	-	333,266
	Other current financial liabilities	14,375	-	-	-	14,375
	Total	347,641	-	-	-	347,641

HILL ROCK CONSTRUCTION LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2018

C Market risk
Price risk
The company holds investments in mutual funds. The Company's exposure to equity security's price risks arises from these investments held by the Company and classified in the balance sheet at fair value through profit or loss.
Price risk management
The company evaluates the performance of its investees on a periodic basis. In case, the investments are not performing adequately for a longer duration, the company sells or elects an exit from those investments.

Sensitivity for mutual fund Investments (Amount in Rs)

	Impact on profit/(loss) (Before Tax)	
	31st March, 2018	31st March, 2017
Mutual Funds		
Increase in price by1%	8,144.02	-
Decrease in price by1%	(8,144.02)	-

HILL ROCK CONSTRUCTION LIMITED

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

26	Capital Management																					
26.1	Risk management																					
	<p>For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.</p> <p>The Company monitors capital using net gearing ratio, which is net debt divided by total capital (equity plus net debt). Net debt are non-current and current debts as reduced by cash and cash equivalents. Equity comprises all components including other comprehensive income.</p>																					
	<p>The capital composition is as follows: (Amount in Rs)</p>																					
	<table border="1"><thead><tr><th></th><th>31st March, 2018</th><th>31st March, 2017</th></tr></thead><tbody><tr><td>Total debts</td><td>-</td><td>-</td></tr><tr><td>Less: Cash and Cash Equivalents</td><td>64,941</td><td>42,537</td></tr><tr><td>Net Debts</td><td>(64,941)</td><td>(42,537)</td></tr><tr><td>Total equity</td><td>100,191,848</td><td>77,038,257</td></tr><tr><td>Total Capital (Net Debt plus Total Equity)</td><td>100,126,907</td><td>76,995,720</td></tr><tr><td>Net Gearing Ratio</td><td>-</td><td>-</td></tr></tbody></table>		31st March, 2018	31st March, 2017	Total debts	-	-	Less: Cash and Cash Equivalents	64,941	42,537	Net Debts	(64,941)	(42,537)	Total equity	100,191,848	77,038,257	Total Capital (Net Debt plus Total Equity)	100,126,907	76,995,720	Net Gearing Ratio	-	-
	31st March, 2018	31st March, 2017																				
Total debts	-	-																				
Less: Cash and Cash Equivalents	64,941	42,537																				
Net Debts	(64,941)	(42,537)																				
Total equity	100,191,848	77,038,257																				
Total Capital (Net Debt plus Total Equity)	100,126,907	76,995,720																				
Net Gearing Ratio	-	-																				

HILL ROCK CONSTRUCTION LIMITED**Notes to the Financial Statements for the year ended on 31st March, 2018****27 Related Party Disclosure**

27.1 As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:-

(A) List of related parties and relationship.**Holding Company**

Jai Corp Limited

Directors

Bijay Kumar Saraf

27.2 Transactions during the year with related parties :

(Amount in Rs)			
Nature of Transaction	Name of the Related Party	2017-18	2016-17
0% Optinally Fully Convertible Debentures issued	Jai Corp Limited	23,270,000	34,500,000
Finance Cost	Jai Corp Limited	-	800
Expenses Reimbursement to	Jai Corp Limited	2,500	-
Purchase of Land	Bijay Kumar Saraf	20,770,000	-

(Amount in Rs)			
Nature of Transaction	Name of the Related Party	As at 31 st March, 2018	As at 31 st March, 2017
Equity Shares	Jai Corp Limited	500,000	500,000
1% Redeemable Non - cumulative Preference Shares	Jai Corp Limited	9,550,000	9,550,000
0% Optinally Fully Convertible Debentures	Jai Corp Limited	76,595,000	53,325,000

HILL ROCK CONSTRUCTION LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2018**Note 28 Contingent Liabilities and Commitments (To the extent not provided for)**

(Amount in Rs.)

	Particulars	As at 31 st March 2018	As at 31 st March 2017
(A)	Contingent Liabilities		
(a)	Claims against the Company not acknowledged as debts		
	(i) Disputed Liability in Appeal (No cash outflow is expected in the near future)		
	- Income-tax	20,000	20,000
		20,000	20,000

28.1 Management is of the view that above litigation will not impact the financial position of the company.

HILL ROCK CONSTRUCTION LIMITED

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

Note 29 Segment Reporting

In the opinion of the Management and based on consideration of dominant source and nature of risk and returns, the Company's activities, during the year revolved around the single segment namely, "Builders and Developers". Considering the nature of Company's business and operations, there are no separate reportable segment (Business and/or Geographical) in accordance with the requirement of Ind AS 108 "Operating Segments" as notified.

Note 30

Previous period figures have been regrouped / re-classified wherever necessary to make them comparable.

As per our report of even date

For D T S & Associates

Chartered Accountants

(Firm Registration No.142412W)

For and on behalf of the Board of Directors

Anuj Bhatia

Partner

Membership No. 122179

Bijay Kumar Saraf

Director

(DIN 00084108)

Rajkumar Sarawagi

Director

(DIN 00375257)

Place : Mumbai

Date : 22nd May, 2018